



GANESHA ECOSPHERE LTD.



Recycling Wisely

Ganesha Ecosphere Limited | 33rd Annual Report 2021-22

04	Corporate snapshot
07	Go Rewrite
11	The 'R' word is becoming mainstream
12	7 trends and how Ganesha Ecosphere intends to capitalise
16	Our performance down the years
18	Chairman's overview
22	Board of Directors
24	Integrated value-creation report
27	Corporate social responsibility
28	Management discussion and analysis

CONTENTS

Statutory reports

34	Director's report
52	Corporate governance report

Financial section

80	Standalone financial statements
144	Consolidated financial statements
205	Notice

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

OUR 'GREEN' EARNINGS



45+

Billion PET bottles recycled in the last one decade



60,00,000+

Cubic yards of landfill space saved in the last one decade



12,50,000+

Tons of CO2 saved in the last one decade



350+

Tons per day of PET plastic recycling capacity



PRINCIPAL MESSAGES OF THE FY 21-22

The world is turning to recycled products as a conscious strategy

Plastics recycling into everyday products is at an inflection point

Ganesha Ecosphere is investing in greenfield capacity expansion

The Company intends to manufacture more value added recycled products going ahead

Aim to carve away a fourth of the Indian PET bottle recycling market



GANESHA ECOSPHERE LTD.







GANESHA ECOSPHERE LTD.

CORPORATE SNAPSHOT

Ganesha Ecosphere Limited.

India's leading manufacturer of value-added rPET fibre.

Possessing an extensive range of recycled products, servicing the varied needs of customers across the world.

Enhancing its recall for recycling wisely.

Our ethos

Vision

To become a global corporate citizen committed to recycle every PET bottle, which is thrown into waste, with world-class recycling facilities and to create wealth for our stakeholders through conducting business around social and environmental concerns.

Mission

- To be a high-performance organisation by making the best use of resources and empowering people
- To be the preferred choice of our customers by providing world-class customer service
- To maintain high level of quality in our products through innovative research and technology development in our processes, products and applications
- To build relationships with stakeholders based on trust, transparency and ethical business conduct
- To contribute to the cause of making our planet a better place to live in for the present and future generations

Background

Ganesha Ecosphere Ltd. commenced business in 1987. Through the years,



the Company has evolved as a mainstream rPET Fibre manufacturer in India. The Company manufactures rPET fibre and rPET yarn from pre-and post-consumer PET bottle scrap. The Company is headed by our visionary eminent Chairman Mr. Shyam Sunder Sharmma complemented by a professional team.

Business

The Company is engaged in the responsible and sustainable business of PET plastic recycling, aggregated through a pan-India network. This is helping minimise land-filling, environmental balance and helping make the world a cleaner place. In view of this, it would fair to state that the Company is transforming waste to wealth.

Scale

The Company's Manufacturing units are located in Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand) and Bilaspur (Uttar Pradesh). Ganesha possesses: a combined capacity of 1,06,800 TPA; 96,600 TPA of rPET fibre and 7,200 TPA of rPET yarn and 3,000 TPA of dyed and texturised/twisted filament yarn. The products are used in the manufacture of textiles (T-shirts and body warmers etc.), functional textiles

(non-woven air filter fabric, geo textiles, carpets and car upholstery) and fillings (pillows, duvets and toys).

Ganesha Group has also set up a plant for rPET chips at Warangal (South India) and a washing and chips unit at Nepal.

Listing

The Company is listed on the National Stock Exchange (scrip code: GANECOS) and Bombay Stock Exchange (scrip code: 514167) where it is traded actively. The Company's market capitalisation was ₹1,586.56 Cr as on March 31, 2022. As of March 31, 2022, the promoters held 42.31% and the public 57.69% (institutional holding 18.09%) of the Company's equity shares.

Credit rating

The Company maintained its credible 'A' credit rating as on March 31, 2022.

Certifications

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- OH&S 45001:2018 (Occupational Health & Safety Management System)
- OEKO-TEX Standard 100, Product Class 1 certification from Hohenstein Textile Testing Institute (Germany)
- Ocean Bound Plastic Certificate
- Global recycled standard from CU certifications.

Big numbers

300+
Customers

250+
Suppliers

500+
Product variants

5
(including 2 upcoming)
Manufacturing sites

20+
Export countries

6+
Billion, PET bottles recycled per year

96,600
MTPA capacity of PET waste is converted into quality r-PET fibre (recycled polyester)

Product portfolio

rPET fibre

Description	Application	Industry
Solid fibre & dope dyed fibre	Spinning, non-woven	Textile and non-woven
Hollow/conjugated	Stuffing in toys, pillows etc.	Home furnishing
Fire retardant	Industrial fabric	Technical textile
Short-cut fibre	Blending with other fibres/ materials	Textile, paper and construction
Micro fibre	Fine fabric	Textile
Trilobal fibre	Special effect	Textile

Features

- Quickly washed and dried
- Resists wrinkles, mildew and general surface damage
- Retains creases and pleats

Dyed texturised yarn

Description	Application	Industry
Mélangé	Body warmers	Knitting
Single yarn	Dress materials	Clothing,
Doubled yarn	Suitings, shirtings, furnishing fabric	knitting, hosiery

Features

- Created by taking one polyester filament, grouping them, twisting or air entangling them
- End-use applications in sarees, dress materials and various rope and cord kinds



GANESHA ECOSPHERE LTD.



Ganesha entered a new age of recycling through Go Rewrite



Ganesha Ecosphere took a decisive step in its commitment towards a greener tomorrow

Go Rewrite, the latest launch by Ganesha Ecosphere, envisions to close the plastic recycling loop, fulfilling the demand for quality recycled packaging products.

State-of-the-art technology

Recycling PET bottles has for long been embedded in the Company's DNA. With Go Rewrite, the Company deployed the best technologies with combination of global certifications: USFDA and EFSA (food grade packaging); GRS and Oeko-Tex (textile grade products)

to ensure that waste is not only recycled but also upcycled. This is ensuring that the end product performs at the same level those derived from virgin raw material.

Sustainability supremacy

Besides being a zero liquid discharge facility, Go Rewrite intends to go the extra mile, maximising the use of renewable energy coupled with minimal water consumption.

Credible legacy

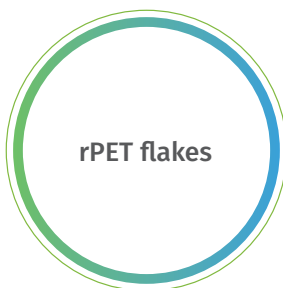
The growth story of Go Rewrite is navigated by industry experts possessing decades of extensive industry experience.

Innovating for tomorrow

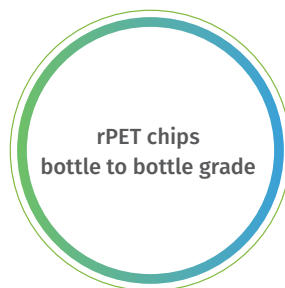
Even as the Company was for long an industry leader for its secondary recycling programmes and sustainability, it recognised that it was time to extend an extra mile by leveraging primary and closed-loop recycling through quality rPET products.

Through Go Rewrite, the Company is entering the space of bottle-to-bottle recycling, a decisive extension towards a circular economy. Go Rewrite is committed to establish a sustainability benchmark for partners through the supply of the highest quality of rPET products produced through resource-efficient process.

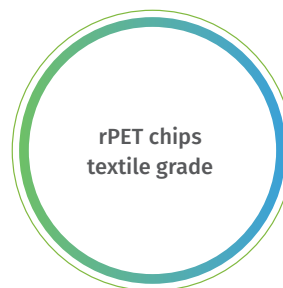
Our products



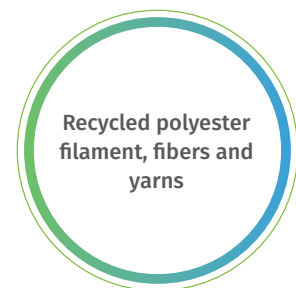
rPET flakes



rPET chips
bottle to bottle grade



rPET chips
textile grade



Recycled polyester
filament, fibers and
yarns

www.gorewrite.com



GANESHA ECOSPHERE LTD.



PART

2

The context of
our business and
how it is becoming
increasingly
relevant

**In the past, recycling
was an activity.**

***In the present, recycling
is a priority.***

**In the future, recycling
will be an industry.**

383.83

billion US\$, size of the
global recycling
sector, 2020

423.4

billion US\$, size of the
global recycling
sector, 2021

542.7

billion US\$, size of the global
recycling sector by 2026*

*Growing at a CAGR of
5.1% during 2021-2026

(Source: marketsandmarkets.com)

The 'R' word is becoming mainstream

Integral to the growth of some of the most prominent global retail brands

Adidas: In 2015, Adidas partnered the environmental organisation Parley for the Oceans, which raises awareness about the health of the oceans and the impact of pollution. In 2020, over half of the polyester used in Adidas' products came from recycled plastic waste. In the same year, Adidas also manufactured 15 million pairs of shoes from plastic waste sourced from beaches. From 2024, the Company will only use recycled polyester in its garments.

Patagonia: In 1993, Patagonia used recycled polyester from plastic soda bottles to make outdoor clothing. The Company recycles bottles, manufacturing waste and worn-out Patagonia garments for the polyester fibres used in its clothing range. The forward-thinking company also sells Guppyfriend, a washing bag that reduces the number of synthetic microfibers that could enter the oceans.

Waste PET bottles



Crushing, cutting and washing

Shredded plastic flakes



Vacuum drying to remove the moisture from the flakes

Synthetic filaments



Drawing finishing and crimping of filaments

rPET fibre



Nike: The manufacture of Flyknit running shoes lowers the volume of material waste used in the shoe manufacturing cut and sew process by 60%. Every pair is produced using six recycled plastic bottles.

H&M: The Company has a facility where used clothes of any brand and in any condition can be dropped at H&M stores – to either be sold as second-hand clothes or made into cleaning cloth or textile fibre for insulation – in exchange for an H&M voucher. Other Stories (owned by H&M) accepts empty packaging of its beauty products and textiles in return for a 10% discount.

Levi's: Encourages unwanted clean, dry garments or shoes to be dropped off at branches and receive a 10% discount voucher on full-priced clothing.

(Source: [goodhousekeeping.com](https://www.goodhousekeeping.com) and [manufacturingdigital.com](https://www.manufacturingdigital.com))

7 trends and how Ganesha Ecosphere intends to capitalise



1 Growing public awareness around plastic proliferation

Where do we see opportunity?

We see opportunity in a world that seeks to accelerate the disposal of plastic waste, moderate the consumption of virgin plastic material and move towards recycled alternatives.

What are we doing about it?

We have been consistently engaged in the recycling of plastic to manufacture a range of downstream products, moderating consumption and making it possible for the world to do more with less

How does this strengthen our business?

- Enhances our recall around responsibility
- Positions us a 'green' company
- Enhances our visibility around companies who seek recycled products
- Enhances our access to like-minded growth capital providers

2 Preference for recycling among large retailers

Where do we see opportunity?

A growing number of large retailers have committed to market a large percentage of their sales mix through recycled products

What are we doing about it?

We are entering large, consistent and international supply chains, making it possible to market a growing volume of recycled fibre to such brands. Correspondingly, we are strengthening our capacities and Balance Sheet to address this opportunity

How does this strengthen our business?

- Revenue visibility
- Platform on which to build the next growth round
- Profit predictability
- Strengthens the brand

3 Government support for recycling

Where do we see opportunity?

We see favourable government policy as a driver of market size, enhanced visibility for the subject and reasonable protection for the growth of this segment of India's textile sector (through tariffs or debt costs)

What are we doing about it?

We continue to enhance manufacturing capacity across our respective locations. Our scale is expected to generate related economies that make it possible to address demand growth, moderate cost per manufactured unit and strengthen our market competitiveness

How does this strengthen our business?

- Alignment with national policy
- Enhances our sectoral visibility
- Positioned at the right place to capitalise
- Positions the Company as an early mover within the sector

4 Brands preference

Where do we see opportunity?

We see an opportunity in a world that seeks to buy more branded products (over unorganised labels) and buy more from prominent brand-driven companies, emphasising the point that the term 'Brand or perish' is now more true than ever

What are we doing about it?

We see an opportunity in enhancing our brand investment in value-added products, highlighting attributes, building recall and a clarity in being associated with desired attributes (superior product and premium value across higher price points).

How does this strengthen our business?

- Brand recall
- Revenue growth
- Profits
- Terms of trade

5 Growing digitalisation

Where do we see opportunity?

We see an opportunity in digital processes that enhance operational efficiency, helping the Company create a scalable foundation that enhances revenues without a corresponding increase in costs

What are we doing about it?

We invested in ERP that has enhanced a granular understanding of our business and prompted data-based initiatives. This has strengthened our procurement, manufacturing, sales, HR and costing

How does this strengthen our value chain?

- Cost management
- Marketing effectiveness
- Balance Sheet integrity
- Talent retention

6 Debt lightness

Where do we see opportunity?

In a world that is apprehensive of the prospects of debt-heavy companies, we see an opportunity in being high on net worth and low on debt (low debt-equity ratio).

What are we doing about it?

We have selected to grow our business through net worth. The result is that the Company possessed a long-term gearing of 4.49% as on March 31, 2022

How does this strengthen our value chain?

- Superior cash flows and reinvestments
- Superior credit rating
- Access to growth capital at low costs
- Enhanced shareholder value

7 ESG priority

Where do we see opportunity?

We see the most respected and profitable companies continuing to invest disproportionately in their environment-social-governance initiatives, strengthening business sustainability.

What are we doing about it?

We have raised our governance standards, continuing to invest in employee capabilities, safety, health, environment integrity and community responsibility.

How does this strengthen our value chain?

- Business continuity
- Strong credit rating
- Regulatory license
- Enhanced stakeholder value



GANESHA ECOSPHERE LTD.

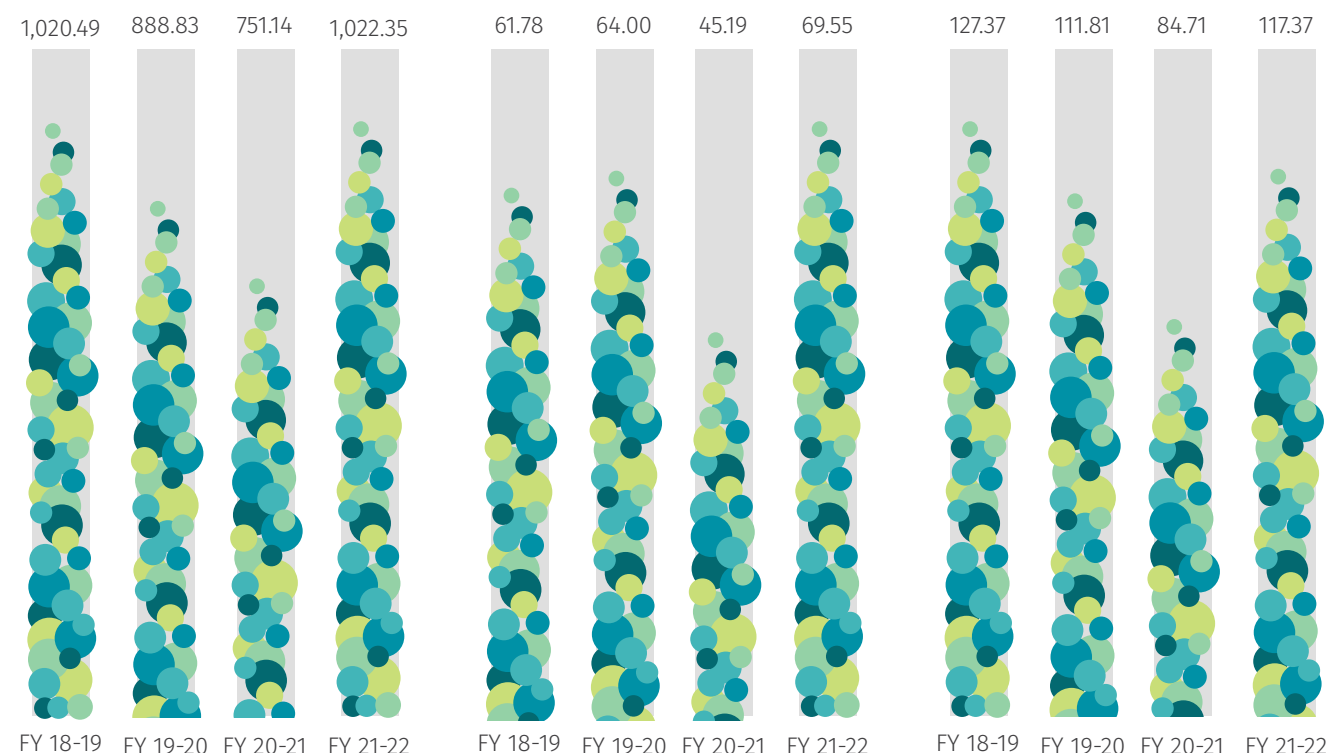


PART

3

Our performance and the management's perspective

Our performance down the years



Revenues (₹ Cr)

Definition

Growth in sales

Why is it measured?

It highlights the service and product acceptance of the Company in the market.

Performance, FY 21-22

Aggregate sales increased 36.11% to ₹1,022.35 Cr in FY 21-22 due to a rebound in market demand.

Value impact

Developed a growth foundation on which profits can be built

PAT (₹ Cr)

Definition

Profits earned during the year net of all expenses and provisions

Why is it measured

It highlights the strength of the business model in generating value for its shareholders

Performance, FY 21-22

The Company's net profit grew 53.91% over the last year following enhanced demand and the ability of the Company to cap an increase in costs.

Value impact

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

EBITDA (₹ Cr)

Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why is it measured?

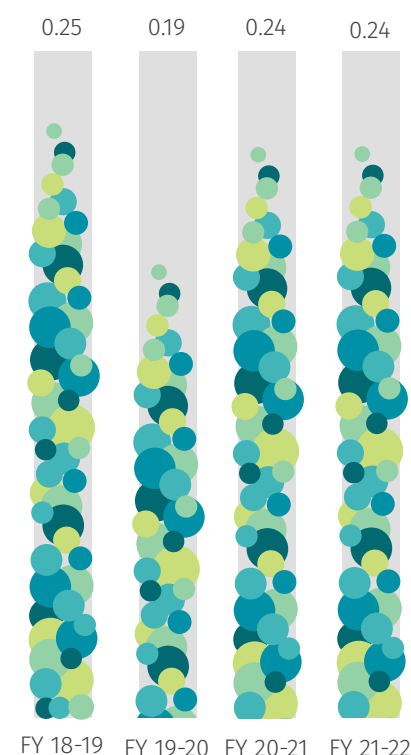
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures that can be easily compared with the retrospective average of sectoral peers.

Performance, FY 21-22

The Company's EBITDA grew 38.55% in FY 21-22 following a sharp increase in sales.

Value impact

Helps create a robust growth engine and allows the Company to reinvest effectively in the business.



Debt-equity ratio (X)

Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why is it measured?

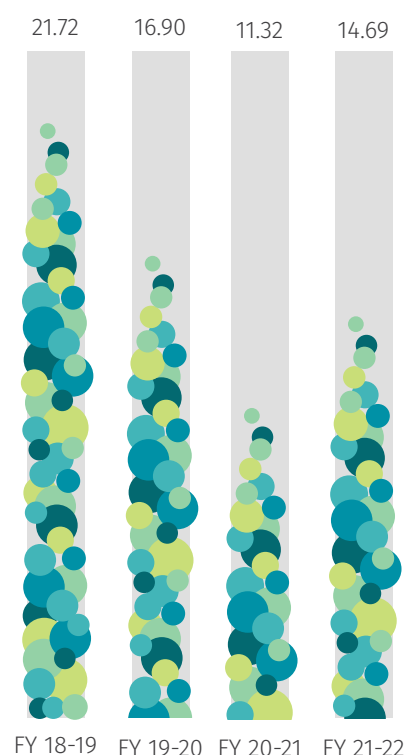
A measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers.

Performance, FY 21-22

The Company's gearing moderated from 0.25 in FY 18-19 to 0.24 in FY 21-22.

Value impact

A strong debt-equity ratio provided the Company with a relatively under-borrowed foundation on which to grow the business.



RoCE (%)

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is it measured

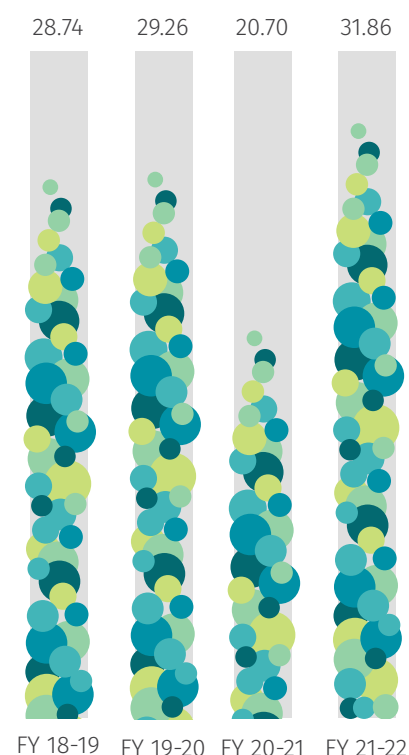
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance, FY 21-22

ROCE increased due to better capital efficiency derived from the enhanced scale of the business and superior cost management

Value impact

Enhanced RoCE has strengthened cash flows



Earnings per share (₹ Cr)

Definition

Portion of company's profit allocated to each shareholder.

Why is it measured?

EPS serves as an indicator of the financial health of a company. Increasing EPS accounts for better profitability of the Company.

Performance, FY 21-22

The Company's EPS increased from ₹20.70 in FY 20-21 to ₹31.86 in FY 21-22.

Value impact

Increased earnings per share will enhance earnings in the hands of shareholders.



CHAIRMAN'S OVERVIEW



We aim to carve away a fourth of the Indian PET bottle recycling market. A rich multi-decade experience that continues to demonstrate young energy should translate into greater success.



Dear shareholders,

Ganesha Ecosphere ended the year under review (FY 21-22) with record revenues, which validated the robust traction in its business.

The big message that I need to communicate is that the prospects of the PET recycling sector in general and your company in particular are at a cusp and your Company is attractively placed to capitalise any unprecedented opportunity in India's recycling sector.

This optimism is reflected in the profitable growth reported during the last financial year. Revenues grew 36.24% to a record ₹1,022.35 Cr, EBITDA growth was 38.55% while PAT increased 53.91% to ₹69.55 Cr, again the highest in the Company's existence. These numbers validate the robustness of the Company's business model and capacity to deliver a proportionately higher bottom-line growth for every revenue increase.

The record revenues were achieved despite the Company 'losing' around ₹80 Cr of revenues on account of an industrial mishap during the first quarter and sales slowdown during the lock-down in the first quarter of the last financial year. Our profits could have been better but for a sharp increase in price of raw materials that could be passed on to customers only with a time lag coupled with increased power and fuel costs. The numbers indicate that despite challenges the Company recovered attractively from the relatively weak market conditions of FY 21.



We didn't just grow our business in a linear manner in the last financial year; we created a platform for the sustainable growth of our Company across the foreseeable future.

The improved performance was the result of a convergence of positive developments relating to our business which provided the Company with larger resources access and also strengthened our business.

The conclusion is that we didn't just grow our business in a linear manner in the last financial year; we created a platform for the sustainable growth of our Company across the foreseeable future.

Our positives

One, the Company's capacity utilisation was maintained through the course of the year.

Two, in FY 22, for the second time in its existence, the Company reported annual sales in excess of ₹1,000 Cr.

Three, the Company doubled its export market penetration with a growth of 112%. Its exports reached ₹128.32 Cr in FY 21-22 from ₹60.53 Cr in FY 20-21. The contribution of exports to total sales reached 12.5% from 7.5-8% in the earlier years.

Four, the Company reduced its average working capital cycle from 105 days to 82 days in FY 21-22, which indicated that the Company did not compromise operating hygiene to maximise top-line growth.

Five, the Company strengthened its credentials through certifications with global brands, a validation of the Company's commitment to responsible global standards and compliances. We believe that the upside from these certifications will manifest from the current year onwards through

enhanced brand and prominent global customer accretion.

The Indian PET recycling context & our response

We would like to share some changes transpiring around us.

One, the Indian Government has announced a recycling policy for rigid plastic packaging effective from FY 24-25 that brings our business into the mainstream. This has widened our ambition and provides a platform to accelerate growth. To capitalise on this opening, a new manufacturing facility in Warangal (South India) is being commissioned.

Two, the demand for quality recycled products by marquee apparel and lifestyle brands is rising. Many of these big brands are looking for partners who can supply high quality and sustainable recycled fibers, yarn & fabric. To address this opportunity, we are introducing the branded and non-commoditised value-added products under the new 'Go Rewise' brand. This brand symbolises wise recycling, a platform for the next round of the Company's growth.

Three, as the awareness of eco-conscious products rises, retail customers and trade partners are willing to pay higher for preferred branded and recycled products. The Company is using latest cutting-edge technologies and efficiency in operations to address the customer's expectations of superior quality.

Four, we aim to achieve benchmarked sustainability through the supply of

resource-efficient products, which will consume a higher proportion of renewable energy, lower water consumption and optimised resources.

Outlook

At Ganesha Ecosphere, we are at a point from where growth is likely to be faster, broad-based (progressively de-risked) and more profitable. We are laying the foundation of a more sustainable organisation that could double our size in less than four years and enhance value for all those associated with our company. We aim to carve away a fourth of the Indian PET bottle recycling market. A rich multi-decade experience that continues to demonstrate young energy should translate into greater success.

On behalf of the Board and management, I must thank our employees, customers, shareholders, and other stakeholders for their continued support.

Shyam Sunder Sharma
Chairman





GANESHA ECOSPHERE LTD.





PART

4

How we are
structured and
positioned to
enhance
stakeholder
value



GANESHA ECOSPHERE LTD.

At Ganesha Ecosphere, value-creation starts with our Board of Directors



Mr. Shyam Sunder Sharmma, *Non-Executive Chairman*

Mr. Shyam Sunder Sharmma, founder of the Company, aged 79 years, is a post-graduate in commerce. He is a first-generation entrepreneur and textile technocrat having a management experience of over 58 years, including 25 years with various Birla Group Companies in senior positions. He is associated with the Company as Chairman since 1989 and was appointed as Managing Director in 1990. Presently, he is holding the position of Non-Executive Chairman of the Company.

Mr. Vishnu Dutt Khandelwal, *Executive Vice-Chairman*

Mr. Vishnu Dutt Khandelwal, aged 73 years, is a post-graduate in commerce and his area of expertise includes marketing and financial management. He possesses a rich experience of over 49 years in textile yarn trading. He has been serving the Company since inception and was appointed as Executive Vice-Chairman of the Company in 2008. He is responsible for overseeing the marketing and business development of the Company.



Mr. Sharad Sharma,
Managing Director & CEO

Mr. Sharad Sharma, aged 56 years, is a commerce graduate and possesses more than 35 years of experience in marketing and distribution. He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004 and elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. September 18, 2018. He is responsible for the overall management and operations of the Company.

Mr. Rajesh Sharma, *Joint Managing Director*

Mr. Rajesh Sharma, aged 56 years, is a Commerce graduate and has a rich experience spanning over 32 years in plant administration and operations. He is associated with the Company since inception and was appointed as an Executive Director in 2008. He is holding the post of Joint Managing Director of the Company w.e.f. August 1, 2019 and is responsible for looking after the management and operations of the Company's Rudrapur and Bilaspur units.



Mr. Vishwa Nath Chandak, *Non-Executive Independent Director*

Mr. Vishwa Nath Chandak, aged 85 years, is M.Com, LL.B. and has an experience of over 41 years of working as a Senior President in Eastern Spinning Mills & Industries Ltd.

He had also been associated with Kesoram Industries Ltd. (a B.K. Birla Group Company) as President of its divisions, namely Kesoram Rayon and Hindusthan Heavy Chemicals, for several years. He was appointed to the Board of the Company in 2009.



Mr. Pradeep Kumar Goenka, *Non-Executive Independent Director*

Mr. Pradeep Kumar Goenka, aged 68 years, is a member of the Institute of Chartered Accountants of India. He brings a rich professional experience of over 42 years in the fields of finance and related consultancy services. He is a practicing Chartered Accountant. He has served on the Board of several listed and non-listed companies from various industries, including manufacturing and financial consultancy. He was appointed to the Board of the Company in 2006.

Mr. Surendra Kumar Kabra, *Non-Executive Independent Director*

Mr. Surendra Kumar Kabra, aged 78 years, is B.Com., LL.B. and is also a member of the Institute of Chartered Accountants of India. He brings a rich professional experience of over 53 years in the textile industry. He has been the Managing Director for over 11 years in Shree Manufacturing Company Ltd. and has over 25 years of experience of working in various capacities in Birla Group Textile Companies. He has been running his own textile business for the past several years. He was appointed to the Board of the Company in 1994.



Mr. Abhilash Lal, *Non-Executive Independent Director*

Mr. Abhilash Lal, aged 57 years, is a Mechanical Engineer and a Postgraduate in management from Indian Institute of Management (IIM), Bangalore. He has rich experience of more than 31 years in all aspects of financial services, including banking, consulting, insurance, investments, advisory etc. and had worked with HSBC for more than 11 years. He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. September 29, 2014.



Dr. Shobha Chaturvedi, *Non-Executive Independent Director*

Dr. Shobha Chaturvedi, aged 66 years, is Ph.D. in Pollution Abatement from H.B.T.I., Kanpur and in 2016 retired from the post of Regional Officer, UP Pollution Control Board after more than 28 years of service. She holds a Master Degree in Chemistry. She was appointed to the Board as a Non-Executive Independent Director w.e.f. September 5, 2019.



GANESHA ECOSPHERE LTD.



Our competitive advantages

Future focused: Though PET recycling is now gaining importance, Ganesha ventured into the business more than two decades ago and emerged as the country's leading PET waste recycler, producing rPET fibre.

Quality: Company's edge lies in consistently delivering superior quality. The Company is ISO 9001:2015-certified, ensuring a conformance with superior quality norms. Besides, the Company has international certifications like Global Recycle Standard (The Control Union Certification) and 'Oeko-Tex Standard 100, Product Class 1' by The Hohenstein Textile Testing Institute.

Value-addition: In the competitive business of PET waste recycling, value-addition differentiates a company from its sectoral peers and gives it an edge. Company's R&D team strives to produce a versatile product range to cater to the specific needs of consumers leading to a higher bonding with customers. The Company successfully commercialised various products in the last five years. The Company launched the brand Go Rewise for its premium category products.

Presence: The prime focus in the competitive business of PET waste management lies in penetrating

raw material pockets and customer markets. Ganesha emerged as the leading PET waste recycling company in India - through 2500+ employees and 300+ customers.

Differentiation: The Company pioneered the manufacture of rPET fibre and rPET yarn, supplying within India and to more than 20 countries.

Technologies: The Company invested in cutting-edge manufacturing technologies with a dual objective: reduce costs and enhance capacity utilisation.

Ganesha Ecosphere and shareholder value creation

ENHANCING VALUE

1,586.56

₹ cr, market capitalisation,
March 31, 2022

1,286.95

₹ cr, market capitalisation,
March 31, 2021

358.88

₹ cr, market capitalisation,
March 31, 2020

CAPITAL EFFICIENCY

148.12

Turnover: Capital employed ratio,
FY 21-22

120.12

Turnover: Capital employed ratio,
FY 20-21

164.57

Turnover: Capital employed ratio,
FY 19-20

WORKING CAPITAL CYCLE

82

days,
FY 21-22

105

days,
FY 20-21

77

days,
FY 19-20

REDUCING BALANCE SHEET SIZE

1.94

Average debt/EBITDA,
FY 17-18

1.13

Average debt/EBITDA,
FY 21-22

NET WORTH

584.04

₹ cr, net worth, March 31, 2022

518.83

₹ cr, net worth, March 31, 2021

477.69

₹ cr, net worth, March 31, 2020

DEBT-EQUITY RATIO

0.24

X, Gearing, FY 21-22

0.24

X, Gearing, FY 20-21

0.19

X, Gearing, FY 19-20

Overview

At Ganesha Ecosphere, our shareholder value-creation principles have been validated. We have consistently been among the leading value-creators in our sector through a structured approach marked by strategic conservatism and measured tactical aggression.

During the last many years, we were convinced that competitiveness in the recycled plastics business would be derived from growing raw material access and growing capacity. We commissioned additional capacity, built economies of scale, reduced operating costs, widened our customer cum product mix and enhanced value-addition.

The outcome was that we increased production from 88,131 MT in FY 16-17 to 1,11,250 MT in FY 21-22. By the close of the year under review, the Company was among the leading manufacturers of rPET fibre in India; in the last 10

years, the Company is estimated to have recycled more than 45 billion bottles of PET.

Measured risk-taking

The Company has not recklessly increased manufacturing capacities. The Company has grown capacities to the extent its Balance Sheet has permitted and the extent the market has been able to bear. The patient capacity building has graduated the Company to a point where its annual cash flows are sizable enough to invest in additional capacity, a virtuous value-creation cycle.

Outcomes

The Company has built value-enhancing engines.

The Company possesses among the largest capacities to convert PET waste into recycled upstream products.

The Company enjoys long-standing relationships with customers.

The Company possesses a robust

Balance Sheet – high net worth of ₹584.04 cr (as on March 31, 2022) on the one hand and a low long-term gearing (4.49% as on March 31, 2022) on the other.

The capital and operating cost per Kg of the recycled end product is lower than the prevailing greenfield benchmark, an attractive platform around which to grow the business.

The Company expects to grow through its accruals (with no debt), a platform for long-term sustainable profitability.

We believe that the combination of volume (arising out of increased capacity) and value (arising out of existing margins) represent a platform for revenue, margin and surplus scalability.

Responsible stakeholder value will be delivered out of an alignment of the Company's plants, processes and practices with global, national and local health-safety-environment benchmarks.

CORPORATE SOCIAL RESPONSIBILITY

Ganesha's community development engagement



Opened dispensary at Raipur, Rania, Kanpur Dehat



Counseling of parents at Capacity Building Centre, Kanpur

Overview

Ganesha is committed to share business success with the community. The value of corporate citizenship is rooted in responsibility to the society and polity that provide a platform for the Company's business.

The Company was engaged in socially responsible activities even before corporate social responsibility became a regulatory requirement for companies. The Company's CSR commitment has been guided by the inspiration of 'Sarve Bhavantu Sukhinah Sarve Santu Nir-Aamayaah', emphasising benefit for humanity.

The Company's CSR objectives comprises education, healthcare and hunger eradication.

OUR CSR INITIATIVES

Education

The Company has undertaken initiatives in the field of education – assistance to schools, assistance for higher education, assistance for education to those affected by Covid-19, commissioning of a computer training centre and capacity building centre for under privileged drop out students. The Company is touching the lives of ~1,000 students through its initiatives.

Healthcare

The Company has undertaken healthcare initiatives in villages around its factory units i.e.

health check- up camps, free ambulance service and a health care clinic at Kanpur Dehat and Bilaspur (Rampur). The Company's preventive healthcare initiative reached to 40+ villages.

Environment

The Company seeks to make society aware of the benefits of recycling, safe waste disposal and resource conservation. The Company installed reverse vending machines under its plastic pollution-free city programme and adopted ponds under its rainwater harvesting initiative.

Management discussions and analysis



Economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination roll-out the world over and a revival in economic activity based on catch-up consumption.

Year 2021 also saw the global economy affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips and inflation at the highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to

withdraw policy support to contain inflation as the economic recovery was still incomplete.

A prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. Commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, food grains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and

developing economies with large foreign currency borrowings and external financing needs in 2022. Inflation should gradually decrease as supply-demand imbalances decline in 2022 and monetary policies in major economies respond to the challenge.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

The Indian economy reported an impressive recovery in FY 21-22, its GDP rebounding from a de-growth of 7.3% in FY 20-21 to a growth of 8.7% in FY 21-22. By the close of FY 21-22, India was among the six largest global economies, its economic growth rate, the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY 19	FY 20	FY 21	FY 22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, though lower than in the previous year. Production of rice and pulses recorded volumes of 127.93 million Tons and 26.96 million Tons respectively. The total oilseeds production of the country recorded a volume of 371.47 million Tons. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 21-22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5%, the agriculture sector by 3.9%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in FY 21-22.

In FY 21-22, India was the largest recipient of global remittances. The country received US\$ 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of US\$ 642.45 billion as on September 3, 2021, crossing US\$ 600 billion in forex reserves for the first time.

Foreign direct investments (FDI) in India increased 1.95% to US\$ 83.57 billion in FY 21-22 from US\$ 81.72 billion in FY 20-21, a validation of global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget FY 21-22.

India's tax collections increased to a record ₹27.07 lakh Cr in FY 21-22 compared with a budget estimate of ₹22.17 lakh Cr. While direct taxes increased 49%, indirect tax collections increased to 30%. The tax-to-GDP ratio jumped from 10.3% in FY 20-21 to 11.7% in FY 21-22, the highest since 1999.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 21-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 lakh Cr, which is 15% higher than the corresponding period in 2021.

The country received positive FPIs worth ₹51,000 Cr in 2021 as the country ranked fifth among the world's top leading stock markets with a market

capitalisation of US\$ 3.21 trillion in March 2022.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lakh in FY 20-21 to ₹1.50 lakh in FY 21-22 following a relaxation in lockdowns and increased vaccine roll-out.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% though fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Outlook

The Indian economy is projected to grow by a little over 7% in FY 22-23, buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 lakh Cr, which is 15% higher than the corresponding period in 2021.

Growth drivers

Growing population: India's population has grown from 555.2 million in 1970 to 1.39 billion in 2021, a 146% increase. It is expected to reach 1.5 billion by 2030.

Increasing disposable incomes: At current prices, India's per capita income rose 18.3% to ₹1.5 lakh in FY 21-22 from ₹1.27 lakh in FY 20-21. Rising spending power of consumers is strengthening the apparel and consumables demand.

Youth Populace: India has the largest youth population in the world with 65% of its population below 35 years of age and 50% of its population below 25 years of age. This age group represents one of the biggest consumer groups of textiles and apparel and is expected to drive the spending over the next five years.

Labour cost: In terms of operational

costs like costs incurred for labour, water and power, India is much more competitive compared to countries such as USA, Turkey, China, Egypt, Korea and Brazil.

Digital penetration: With increasing penetration of the internet, online retailing has witnessed strong growth in the country. Consumers are now looking for ease of shopping, multiple options, better offers and easy return policies. This has enabled the textile industry to reach consumers residing across every corner of the nation.

Preferential shift: With a change in buying habits, consumers are shifting from need-based clothing to aspiration-based and comfortable clothing. Buying clothes has become more than a basic need; it is now a reflection of aspiration, personality and a status symbol. Though basic textiles continue to represent a part of the consumer's basket, the demand

for aspirational and comfortable clothing has increased significantly in recent years.

COVID-19 impact: The pandemic in a way turned out as an opportunity as, the textile industry turned active with the production of medical and technical textiles. Development of new products like anti-viral fabrics, PPE kits, masks and other goods catered to the boom in demand for hygiene products and strengthened the textile and apparel industry.

Foreign Direct Investment: The competitive cost advantage of India is expected to attract substantial FDI into the Indian textile industry. The Indian Government introduced a number of export promotion policies for the sector and also permitted 100% FDI in the Indian textiles sector under the automatic route.

(Source: InvestIndia, Imarc group, downtoearth.org)

PET market overview

Polyethylene terephthalate (PET) is increasingly used for being cost-effective, transparent, lightweight, non-reactive, thermally stable and more durable than PP, HDPE and PVC. By product mix, the global PET packaging market is segmented across bottles, jars, bags, pouches, trays, lids/caps, closures and others. Bottles and jars enjoy the largest market share. The global PET packaging market was US\$ 64 billion in 2021 and expected to reach US\$ 100 billion by 2030.

The global PET demand was estimated at 27 million MT in 2020 and expected to reach 42 million MT by 2030.

By end-use industry, the global PET packaging market is segmented into

food and beverage, pharmaceuticals, personal care and cosmetic industry, industrial goods, household products and other end-use industries. Moreover, the global e-commerce sector contributes significantly to the market's growth.

(Source: IMARC Group, Statista, Research and Market, globenewswire.com)

PET bottles could account for 56% share of the global non-alcoholic beverage industry's packaging by 2030.

Technological advancements like plasma-based coating and silver use to improve PET bottle shelf-life have enhanced demand. A rise in disposable incomes and change in consumer food patterns have catalysed the demand for bottled

beverages in countries like India and China.

Indian PET market demand was estimated at 1.08 million Tons in FY 21 and is expected to reach 1.84 million Tons by FY 29-30, growing at a healthy CAGR of 6.12% until 2030.

In India, PET bottles have become the main packaging material; their demand has surged since the pandemic due to an intensified focus on disposability and hygiene. The pharmaceutical sector saw an increasing usage of PET bottles as packaging material; the healthcare and pharmaceutical sectors are likely to lead the demand for PET bottles in India.

(Source: Markets and Markets, Grandview Research, Statista)

PET industry growth drivers in India

- With a surge in disposable income, urbanisation and large-scale industrialisation, there has been a growth in the Indian PET resins market. India is expected to be the fifth largest consumer market by 2025 in the world.
- PET resin is considered an efficient replacement for traditional packaging materials due to their flexibility, convenience and durability. It is preferred due to its strength, thermo-stability, transparency, affordability, lightness, shatter-resistance and recyclability.
- The packaging of alcoholic and non-alcoholic beverages is catalysing the demand for PET resin to adjust with the changing lifestyle of consumers and make products cost-effective.
- With increased focus on hygiene and well-being, there has been a shift to PET packaging by the pharmaceuticals, food and beverage sectors.

(Source: Markets and Markets, Grandview Research)

Recycled PET industry

The global recycled PET market was valued at US\$ 8,862 million in 2021 and anticipated to reach US\$ 11,665 million by 2026, growing at a CAGR of 5.7% from 2021 to 2026. The increased trend of collection, recovery of PET, domestic recycling, implementation of regulations and PET export are major market drivers.

(Source: Markets and Markets, Grandview Research)

India's plastics recycling market is estimated to grow at 6.5% to attain a market size of US \$ 53.72 billion by 2023. Currently 5.5 million metric Tons

of Plastic Waste gets reprocessed / recycled each year in India, which is 60% of the total plastic waste produced. However, the market is expected to grow exponentially owing to consumer awareness, better disposal systems, rising industrialisation and a government focus on reducing plastic waste. India's unsustainable packaging can make it lose over US\$ 133 billion of plastic material value over the next 10 years, out of which almost 75% can be retrieved (Source: FICCI and Accenture). High value plastic packaging waste (PET and HDPE) is collected and channelised through non-optimal pathways like open loop recycling and thermal recovery. The solution is not to avoid the use of plastics but enhance recyclability, collection and recovery - an organised recycling system leading to a circular economy.

The Indian PET bottle market is anticipated to reach US\$ 556.8 million by 2027, growing at a CAGR of 7.89% during 2021-2027. In India, approximately 90% PET is utilised to pack food, out of which beverages comprise almost 80% of the packaging sector.

The growth of rPET is being driven by the private sector and government regulations. Major FMCG companies like Hindustan Unilever, Nestlé and P&G have established sustainability targets to reduce the use of virgin plastic in packaging to half by 2025. Many of these companies have initiated pilot projects to increase recycled content and eliminate PVC in packaged contents to improve recyclability. The Indian plastic recycling industry is also expected to benefit from government regulations

to reduce plastic waste; in June 2022, Government of India issued a mandate to use at least 30% recycled content in new PET bottles from 2025 and this percentage is likely to increase, widening industry opportunities.

Financial review

Analysis of the Profit and Loss statement

Revenues from operations increased to ₹1,007.71 Cr from ₹742.26 Cr in FY 20-21 mainly due to increase in volumes and realisations. In volume terms, sales increased by 8%.

Other Income of the Company reported a 6.7% growth over FY 20-21 and accounted for a 1.11% share of the Company's total income, reflecting the Company's dependence on core business operations.

Total expenses of the Company increased by 34.29% from ₹702.29 Cr in FY 20-21 to ₹943.11 Cr in FY 21-22. Proportion of raw material consumption to revenue was stable and other expenses were also proportional to increase in revenue from operations.

Finance costs of the Company increased by 12.06% from ₹8.71 Cr in FY 20-21 to ₹9.76 Cr in FY 21-22 following the use of accruals towards expansion projects and increase in working capital level requirement to feed increased activity.

Depreciation/ Amortisation expense increased marginally from ₹27.16 Cr in FY 20-21 to ₹28.37 Cr in FY 21-22.

EBITDA margins increased by 20 basis points to 11.48% from 11.28% in FY 20-21 and net profit margin increased by 80 basis points to 6.73% from

5.93% during FY 20-21. Improvement in the net profit margin was mainly due to increased activity as well as improvement in sales realisation.

Analysis of the Balance Sheet

The capital employed by the Company increased by 10.38% from ₹625.30 Cr as on March 31, 2021 to ₹690.22 Cr as on March 31, 2022 with increased activities during the year. Return on average capital employed, a measurement of returns derived from every rupee invested in the business, increased by 363 basis points from 10.93% in FY 20-21 to 14.56% in FY 21-22.

The net worth of the Company increased by 12.57% from ₹518.83 Cr as on March 31, 2021 to ₹584.04 Cr as on March 31, 2022 owing to profits earned during the year.

Long-term debt of the Company decreased by 22.36% to ₹26.25 Cr as on March 31, 2022, owing to scheduled repayments. The long-term debt-equity ratio of the Company stood at 4.49% in FY 21-22 compared to 6.19% in FY 20-21.

Gross fixed assets (including capital work-in-progress) of the Company decreased on net basis from ₹497.09 Cr as on March 31, 2021 to ₹490.91 Cr as on March 31, 2022, owing to a loss of

some assets in fire at one unit of the Company.

Inventories increased by 9.6% from ₹172.52 Cr as on March 31, 2021 to ₹189.09 Cr as on March 31, 2022 and receivables increased by 10.12% from ₹105.55 Cr as on March 31, 2021 to ₹116.23 Cr as on March 31, 2022. Increase in absolute number of inventories and receivables was mainly due to increased activities.

The Board of Directors has announced a dividend payout of 20%. The market capitalisation of Ganesha Ecosphere was ₹1,586.56 Cr as on March 31, 2022.

Key Financial Ratio

Particulars	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Debtors' turnover (x)	9.09	7.32
Inventory turnover (x)	5.57	4.68
Interest coverage ratio (x)	10.30	7.85
Current ratio (x)	1.96	2.21
Debt-equity ratio (x) (taking into account both short and long-term borrowings)	0.24	0.24
Operating Profit Margin (%) (EBIT)	9.83	9.10
Net Profit Margin (%)	6.80	6.02
Return on Equity (%)	12.61	9.07

Risk management at Ganesha Ecosphere

Ganesha Ecosphere has a comprehensive Risk Management Framework that enables the Company to identify risks, assess them and act on a well-thought-out mitigation plan. There is a strong culture of risk management at Ganesha Ecosphere that is actively promoted by the Board and the Company's senior management across levels within the organisation. It has become a part of how the Company operates on a day-to-day basis and is woven into its structure and operating principles, guiding the implementation of the organisation's strategic imperatives.

Raw material risk: Volatile raw material costs could affect the business.

Mitigation: The Company has a large PET waste collection network, enabling it to procure the required quantum of raw material at a reasonable cost. The Company achieved 99% capacity utilisation during FY 21-22.

Quality risk: Inadequate product quality and poor manufacturing efficiency could bring adverse impact to the business.

Mitigation: The Company invested in cutting-edge technologies, enabling its manufacturing units to run at the highest operating efficiencies.

Product risk: The Company's products may not remain relevant in the market.

Mitigation: The Company has the

capability to supply diverse range (500+) of high quality fiber and yarn for required application to its customers

Competition risk: Emergence of new competitors could affect profitability.

Mitigation: The Company exports to 20+ countries, markets rPET Fibre to 300+ customers and has more than 250 suppliers. The Company also possesses extensive scale, innovative products, strong brand recall and operational efficiency, enabling the Company to become a strong competitor.

Cost risk: Increase in operating cost could adversely impact the performance of the Company.

Mitigation: The Company deeply focuses on de-bottlenecking and cost optimisation, enabling optimised

operations costs and strengthened profitability.

Forex risk: Fluctuation in foreign currency could impact the profitability.

Mitigation: The Company manages currency risks by constant monitoring exposures and limiting the same in view of applicable margins under the relevant market segments. Also, some portion of the foreign currency is hedged to mitigate any adverse movements in currency fluctuations.

Pandemic risk: The Covid-19 pandemic waves could affect the business.

Mitigation: In view of Covid-19, the Company's business continuity plans and risk mitigation frameworks are being relooked and strengthened for any probable pandemic.

Human resource review

At Ganesha Ecosphere, our people are integral to our growth story. The Company believes that its dedicated and motivated employees are its greatest asset. The Company's permanent workforce stood at 2587 as at March 31, 2022. The Company strives to provide a work atmosphere that is secure, transparent, healthy, progressive and inclusive to boost employee productivity. Moreover, the Company motivates individuals to undertake voluntary projects apart from their scope of work that helps them to learn and nurture creative thinking.

Internal control systems and their adequacy

The internal control and risk management system are structured and applied in accordance with the principles and criteria established in the corporate governance practices of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

Cautionary statement

The statements in the 'Management Discussion and Analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

Directors' Report

To
The Members of
Ganesha Ecosphere Limited

Your Directors have pleasure in presenting the Thirty-third Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS

The summarized financial results of the Company for the year ended March 31, 2022 as compared to the preceding year are as under:

			(₹ in Crore)	
	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	1033.85	761.91	1028.36	760.57
Profit before Finance Costs, Depreciation and Amortization Expense	128.87	95.49	120.82	93.92
Less: Finance Costs	9.76	8.71	9.76	8.81
Less: Depreciation & Amortization Expense	28.37	27.16	28.40	27.16
Profit before Tax	90.74	59.62	82.66	57.95
Tax Expense	(21.19)	(14.43)	(20.69)	(14.43)
Profit after Tax	69.55	45.19	61.97	43.52
Add: Other Comprehensive Income	0.03	0.32	0.03	0.32
Total Comprehensive Income	69.58	45.51	62.00	43.84
Balance in retained earnings at the beginning of the year	348.08	306.93	346.21	306.73
Profit after Tax available for appropriation	417.66	352.44	408.21	350.57
Dividend Paid	(4.37)	(4.37)	(4.37)	(4.37)
Transfer to General Reserve	-	-	-	-
Other	-	-	(0.04)	-
Balance in retained earnings at the end of the year	413.29	348.08	403.80	346.21

FINANCIAL AND OPERATIONAL PERFORMANCE

The standalone and consolidated financial statements for the financial year ended March 31, 2022, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

FY 2022 was a mixed bag for the Company. At positive note, the Company recovered from COVID-19 impact which had severally affected the Company's performance during FY 2021 as well as in the first quarter of FY2022 but on the flip side, the Company suffered a big blow in the form of fire accident at its Polyester Staple Fiber manufacturing unit located at Kanpur Dehat, Uttar Pradesh, in June, 2021, due

to which two Fibre production lines that were contributing 12,000 tons of PSF on yearly basis were destroyed completely, the reinstatement of which is still underway.

Despite the challenges, the Company has made a strong comeback and delivered a resilient performance in FY 2021-22. On standalone basis, the Company clocked the total income of ₹1033.85 Crore during FY 2022 as against ₹761.91 Crore during FY 2021 turning into a growth of 35.69% mainly on account of higher sale realizations. The Operating Profit (EBITDA) stood at ₹128.87 Crore, reflecting growth of 34.96% from previous financial year. During the year under review, the Company has earned Net Profit of ₹69.55 Crore registering an increase of 53.91%.

On consolidated basis, the Company achieved a total income of ₹1028.36 Crore as against ₹760.57 Crore in the previous financial year. Our consolidated net profit for the year is ₹61.97 Crore.

The performance of the Company during the current FY 2022-23 continues to be encouraging and barring unforeseen circumstances, your Directors expect your Company to achieve better results during the year.

RATING

During the financial year 2021-22, the following ratings have been re-affirmed by ICRA and CARE:

- i. A₁ (Single A₁; Outlook Stable) for Long Term Bank Facilities (Term Loan and Fund Based) signifying adequate degree of safety regarding timely servicing of financial obligations. Such facilities carry low credit risk.
- ii. A1 (A One) for Short Term Bank Facilities (Non-Fund based) signifying very strong degree of safety regarding timely payment of financial obligations. Such facilities carry lowest credit risk.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹2/- per share (i.e. @ 20%) on Equity Shares of ₹10/- each of the Company, involving cash outflow of ₹4.37 Crore of the Company's standalone net profit for the financial year 2021-22. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

During the year under review, unpaid dividend for the financial year 2013-14 amounting to ₹0.11 Crore being unclaimed for more than 7 years from the date it was lying in the unpaid dividend account, had been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government, in terms of Section 124(5) of the Companies Act, 2013.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the Company has adopted a Dividend Distribution Policy which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders. The Dividend Distribution policy is available on the Company's website at <https://www.ganeshaecosphere.com/corporate-governance-policies>.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2022; the Company had 2 (two) Indian wholly owned subsidiaries (namely Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited) and 1 (one) overseas wholly owned subsidiary in Nepal (namely Ganesha Overseas

Private Limited, acquired on July 15, 2021). The Company had no Associate and Joint Venture Companies during the year ended on March 31, 2022.

The wholly owned subsidiaries of the Company have not started any manufacturing operations as of March 31, 2022. A statement containing salient features of the Financial Statements of the subsidiaries in the prescribed format in Form AOC-1 as required under first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is included in this Report as "Annexure A" and forms an integral part of this Report.

In terms of the provisions of Section 136 of the Companies Act, 2013 read with the SEBI Listing Regulations, the Audited Financial Statements of the subsidiaries are placed on website of the Company and can be accessed at <https://www.ganeshaecosphere.com/subsidiary>. These financial statements are also available for inspection by any member at the Registered Office of the Company. Any member desirous of obtaining a copy of the same may write to the Company.

The Company's Policy for determining Material Subsidiaries is disclosed on the Company's website at <https://www.ganeshaecosphere.com/corporate-governance-policies>. As on March 31, 2022, the Company had no material subsidiary.

GANESHA ECOSPHERE EMPLOYEES' STOCK OPTION SCHEME 2021

Ganesha Ecosphere Employees' Stock Option Scheme 2021 ("ESOP Scheme") was approved by the Board of Directors and shareholders of the Company on January 25, 2021 and February 26, 2021, respectively. The said ESOP scheme was effective from February 26, 2021. The provisions of the Scheme are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Pursuant to the ESOP Scheme, the Company has constituted Ganesha Employees' Welfare Trust ('Trust') to acquire, hold and allocate/transfer Equity shares of the Company to eligible employees, from time to time, on the terms and conditions specified under the Scheme. During the year under review, the said Trust had purchased 19,335 Equity shares of the Company from the secondary open market.

The disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is available on the Company's website at <https://www.ganeshaecosphere.com/latest-information>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of the SEBI Listing Regulations is provided in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there were no changes in the Directors and Key Managerial Personnel of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Sharad Sharma (DIN: 00383178), Managing Director of the Company, retires from the Board by rotation, at the ensuing Annual General Meeting (AGM) of the Company and being eligible he has offered himself for re-appointment. The Board recommends the proposal of his re-appointment for consideration of the Members at the ensuing AGM of the Company.

The Board of Directors at their meeting held on August 4, 2022, have unanimously decided for re-appointment of following directors of the Company, subject to approval of the members in the ensuing AGM, on the terms and conditions (including remuneration) recommended by the Nomination and Remuneration Committee, as their present term of office shall expire on June 18, 2023:

Name	Designation	Tenure
Shri Vishnu Dutt Khandelwal (DIN: 00383507)	Executive Vice- Chairman	5 years (w.e.f. June 19, 2023)
Shri Rajesh Sharma (DIN: 02228607)	Joint Managing Director	5 years (w.e.f. June 19, 2023)

The Board recommends the proposal of re-appointment of the aforesaid Directors for consideration of the Members at the ensuing AGM of the Company.

Appropriate resolutions seeking Members' approval for re-appointment of the Directors along-with their brief profile are placed in the Notice of ensuing AGM.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all the Independent Directors on the Board of the Company have requisite qualifications & proficiency and possess attributes of integrity, expertise and experience.

COMPOSITION OF AUDIT COMMITTEE

As on March 31, 2022, the Audit Committee of the Company consisted of 5 (five) Directors, out of which 4 (four) Directors are independent. The composition and other details are provided in the Corporate Governance Report of the Company. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in respect of the financial year ended March 31, 2022, confirm that: -

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- they have taken proper and sufficient care 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;
- they have prepared Annual Accounts on a 'Going Concern' basis.
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with the size of the Company and the nature of its business, with reference to financial statements. Internal Auditors of the Company periodically audit the adequacy and effectiveness of the internal controls laid down by the management. The Audit Committee of the Board of Directors also regularly reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2021-22, the Board of Directors had met 4 (four) times. The details of the Board meetings held during the year are given under the Corporate Governance Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

The copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is placed on the Company's website and can be accessed at

<https://ganeshaecosphere.com/admin/UploadedFiles/Content/Images/AnnualReturn/AnnualReturn2020-2021.pdf>

LISTING

The Equity Shares of the Company are presently listed at BSE Limited and National Stock Exchange of India Limited and the listing fee, for the year 2022-23, for both the Stock Exchanges is paid.

AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder, M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 009781N) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years at the 28th AGM of the Company held on September 25, 2017, to hold office till the conclusion of the 33rd AGM of the Company. Accordingly, their existing term of office as Statutory Auditors shall expire at the conclusion of ensuing AGM.

Considering their satisfactory performance as Statutory Auditors and recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on August 4, 2022, have recommended the re-appointment of M/s. Narendra Singhania & Co., as Statutory Auditors of the Company, for another term of 5 (five) consecutive years, from the conclusion of 33rd AGM until the conclusion of 38th AGM.

The Company has received written consent from M/s. Narendra Singhania & Co. for their re-appointment in the Company along with a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. Information about the

proposed re-appointment of M/s. Narendra Singhania & Co. as Statutory Auditors has been provided in the Notice of ensuing AGM.

The Statutory Auditors' Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. S.K. Gupta & Co., Company Secretaries, as Secretarial Auditors, to undertake Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith as "Annexure B".

As regards Secretarial Auditors' observation in their report stating delay of one day in filing disclosure of related party transactions on a consolidated basis under Regulation 23(9) of the SEBI Listing Regulations for the half year ended March 31, 2021, it is clarified that the delay was on account of some interpretational issue.

The Secretarial Audit Report for the Financial Year 2021-22 contains no other observation, qualification, reservation or adverse remark or disclaimer.

c. Cost Auditors

Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 in respect of its products and accordingly such accounts and records are made and maintained.

M/s. R. M. Bansal & Co., Cost Accountants (Firm Regn. No.:000022) and M/s. Rakesh Misra & Co., Cost Accountants (Firm Regn. No.: 000249), have been appointed as Cost Auditors of the Company to conduct the audit of the Cost Accounts of the Company in respect of its products 'Yarn' and 'Recycled Polyester Staple Fibre' respectively, for the financial year 2022-23.

As required under the Companies Act, 2013, the resolutions seeking Members' ratification for the remuneration payable to Cost Auditors form part of the Notice convening the AGM.

d. Internal Auditors

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, your Company engaged the services of M/s. Ashok & Ajai, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2021-22. Quarterly Internal Audit Reports are placed before the Audit Committee of the Company for its review.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions entered into with Related Parties were approved by the Audit Committee and wherever required, were also approved by the Board of Directors of the Company. Omnibus approval from the Audit Committee was obtained on annual basis for transactions of repetitive nature. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy. Further, all related party transactions undertaken during the year were at arms' length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

The related party transactions entered by the Company are disclosed under Note No. 34 of the Notes to the Standalone Financial Statements for the year ended March 31, 2022.

During the year under review, the Company's Policy on Related Party Transactions was reviewed and modified in terms of the amendments made under SEBI Listing Regulations and the same is disclosed on the website of the Company at the link <https://www.ganeshhaecosphere.com/corporate-governance-policies>.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the SEBI Listing Regulations, disclosure on particulars of loans given, investments made, guarantees and/ or securities provided along with the purpose for which the loan or guarantee or security were proposed to be utilized by the recipient are provided in the notes to the Standalone Financial Statements.

WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has adopted Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The details of the policy are explained in the Corporate Governance Report.

The Policy has been posted on the website of the Company and may be accessed at the link <https://www.ganeshhaecosphere.com/corporate-governance-policies>.

NOMINATION AND REMUNERATION POLICY

Our current Nomination and Remuneration Policy is to have an appropriate mix of Executive and Non-Executive Directors including the independent directors to maintain the diversity and independence of the Board.

The broad parameters covered under the Policy are – Attributes, Qualifications and Remuneration of Executive and Non-Executive Directors including Independent Directors, KMP and Senior Management Personnel. It also covers performance evaluation criteria of the Board, its Committees and individual directors.

The Nomination, Remuneration and Board Diversity Policy of the Company was reviewed and modified during the year under review and the same is available on the website of the Company at the link <https://www.ganeshhaecosphere.com/corporate-governance-policies>. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Policy.

BOARD EVALUATION

The Board of Directors at its meeting held on February 5, 2022, has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act & SEBI Listing Regulations. Performance Evaluation of Independent Directors was done by the entire board, excluding the director being evaluated. The Evaluation Process was conducted through a structured questionnaire prepared after taking into consideration the various aspects laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company. The Board of Directors expressed satisfaction with the evaluation process.

In a separate meeting of Independent Directors held on March 31, 2022, performance of non-independent directors, Chairman of the Company and the Board as a whole was evaluated, taking into account the views of Executive Directors and other Non-Executive Directors. Independent Directors have also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board and recorded their satisfaction with the flow of information.

RISK MANAGEMENT

Risk management is an ongoing process and embedded in the operating framework of the Company. Risk Management & Strategic Planning Committee of the Board has been entrusted for timely identification, evaluation and mitigation of all types of internal and external risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks etc. The Committee is responsible for formulating and reviewing the risk management plan/ policy and ensuring its effectiveness across the organization. The Audit Committee of the Board

has an additional oversight in the risk management systems prevailing in the Company.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se those are generally dealt in regular course of business and have to be taken care of, are fluctuations in foreign exchange rates and prices of raw material as well as finished products.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link <https://www.ganeshaecosphere.com/corporate-governance-policies>.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to focus on inclusive growth and improving lives by contributing towards communities around which it operates. In compliance with Section 135 of the Companies Act, 2013, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Companies Act, 2013.

The Composition of CSR Committee along with details of CSR activities undertaken by the Company have been disclosed in the 'Report on CSR activities', set out as "Annexure C" and forming an integral part of this Report.

The CSR policy of the Company was amended, during the year under review, to incorporate the amendments notified through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021. The CSR Policy may be accessed at the link <https://www.ganeshaecosphere.com/corporate-governance-policies>.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2) of SEBI Listing Regulations, a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is provided in a separate section forming part of the Annual Report.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposit from public in terms of the provisions of Sections 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

In terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company, during the year, had accepted an amount of ₹8.77 Crore as unsecured loans from the Directors and the balance outstanding as on March 31, 2022 was ₹8.92 Crore.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2021-22 and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure D".

PARTICULARS OF EMPLOYEES

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as "Annexure E" and forms an integral part of this Report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing AGM. Any member interested in obtaining a copy thereof, may also write to the Company Secretary.

CORPORATE GOVERNANCE

As required under Schedule V to the SEBI Listing Regulations, a separate section on Corporate Governance together with a Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance, forms an integral part of this Report.

POLICY ON SEXUAL HARASSMENT

Prevention and control of sexual harassment at workplace constitutes an important part of corporate culture while aligning with best practices and improving management processes. The Company has zero tolerance for sexual



harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace with a mechanism of lodging complaints and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaints were reported to the Board for sexual harassment of women at work place during the financial year 2021-22.

GENERAL

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued any shares (including sweat equity shares) to employees of the Company or its subsidiary under any scheme.
- There is no change in the Share Capital Structure of the Company during the year under review.
- There was no revision in the financial statements.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of the Company's subsidiaries.
- There has been no change in the nature of business of the Company.

- There is no proceeding initiated/ pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record appreciation for the co-operation and support extended by various departments of the Central and the State Government(s), Bankers and Business associates.

Your Directors also wish to express their deepest appreciation to the employees at all levels, whose dedicated efforts, co-operation and unending support helped the Company in delivering results despite the challenges. We are also grateful to all the shareholders, customers, dealers, agents, suppliers and bankers of the Company for reposing continued trust, support and confidence in the management of the Company.

For and on behalf of the Board

Place : Kanpur
Date : August 4, 2022

(Shyam Sunder Sharma)
Chairman
DIN: 00530921

Annexure-A

FORM AOC-1

(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013
read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(₹ in Lakh)

1	S. No.	1	2	3
2	Name of the subsidiary	Ganesha Ecopet Private Limited*	Ganesha Ecotech Private Limited*	Ganesha Overseas Private Limited*
3	The date since when subsidiary was acquired	Incorporated on 19/11/2019	Incorporated on 17/11/2020	Acquired on 15/07/2021
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	15/07/2021 to 31/03/2022
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (INR)	Indian Rupees (INR)	Reporting Currency - Nepalese Rupee Exchange Rate 1 INR = 1.60 Nepalese Rupees
6	Share Capital	1000.00#	1500.00	1500.00
7	Reserves and Surplus (Other equity)	(28.64)	1436.25	(32.13)
8	Total Assets	16677.48	19072.13	3093.86
9	Total Liabilities	16677.48	19072.13	3093.86
10	Investments	-	-	-
11	Turnover	-	-	-
12	Profit (loss) before taxation	(9.36)	(239.12)	(9.75)
13	Provision for taxation	(5.94)	(44.08)	(0.41)
14	Profit (loss) after taxation	(3.42)	(195.04)	(10.16)
15	Proposed dividend	-	-	-
16	Extent of Holding %	100%	100%	100%

#excludes preference share capital as preference shares are treated as financial liability under IND AS 32.

*not commenced operations till March 31, 2022.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate companies and Joint Ventures.

Name of Associate/ Joint Ventures	Name 1
1 Latest Audited Balance sheet Date	N. A.
2 Date on which the Associate or Joint Venture was associated or acquired	
3 Shares of Associate/ Joint Ventures held by the company on year end.	
i No.	
ii Amount of investments in Associates/ Joint Venture	
iii Extent of Holding %	



GANESHA ECOSPHERE LTD.

	Name of Associate/ Joint Ventures	Name 1
4	Description of how there is significant influence	N. A.
5	Reason why the associate/ joint venture is not consolidated	
6	Networth attributable to Shareholding as per latest audited Balance Sheet	
7	Profit/Loss for the year	
i	Considered in consolidation	
ii	Not considered in consolidation	

For and on behalf of the Board of Directors

Sharad Sharma

Managing Director
(DIN: 00383178)

Shyam Sunder Sharmma

Chairman
(DIN: 00530921)

Bharat Kumar Sajnani

Company Secretary
FCS: 7344

Gopal Agarwal

Chief Financial Officer
FCA: 075080

Annexure-B

Secretarial Audit Report

For the Financial Year ended on 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ganesha Ecosphere Limited [CIN: L51109UP1987PLC009090]** (hereinafter called the 'Company') for the Financial year ended 31st March, 2022. The 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 Financial year ended on 31st March, 2022 ('Audit Period') 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 and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2022, 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;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable for Foreign Direct Investment and External Commercial Borrowings as there was no reportable event during the financial year under review);**
- (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 **[Not applicable as there was no reportable event during the Audit Period];**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [upto 12th August, 2021] and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [with effect from 13th August, 2021];
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [upto 15th August, 2021] and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [with effect from 16th August, 2021] **(Not applicable as the Company has not issued and listed any debt securities during the Audit Period);**
 - (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 **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [upto 9th June, 2021] and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 [with effect from 10th June, 2021] **[Not applicable as the Company has not delisted / proposed to delist its Equity Shares during the year under review];**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **[Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review];** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis and representation made by the Company and its officers, the Company has complied with the provisions of Plastic Waste Management Rules, 2016 specifically applicable to the Company.

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to following observation:-

There has been a delay of one day in filing disclosure of related party transactions on a consolidated basis under Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the half year ended 31st March, 2021 for which both National Stock Exchange of India Limited and BSE Limited imposed a fine of ₹ 5,000/- each (plus applicable GST) which was paid by the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Woman Independent Director. There has been no change in the composition of the Board of Directors during the period under review. Adequate notice is given to all Directors to schedule Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance 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 the 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 Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion 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 and as informed, the

Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:

- (a) The Company had completed the acquisition of an under construction PET Washing Plant at Nepal by acquiring the entire equity shareholding of 'Ganesha Overseas Private Limited' (Formerly known as Essel Industries Nepal Private Limited) on 15th July, 2021 at a consideration of ₹ 1.83 Crore (i.e. 3,00,000 Equity Shares @ ₹ 61.08 per share) consequently, Ganesha Overseas Private Limited, Nepal, has become an overseas Wholly Owned Subsidiary of the Company.
- (b) The Company had made further investment of ₹ 13.12 Crores (equivalent to NPR 21,00,00,000) by subscribing 21,00,000 Equity shares of NPR 100 each in Ganesha Overseas Private Limited, Nepal, an Overseas Wholly-owned Subsidiary on 4th January, 2022 in compliance with the provisions of the Act read with rules made thereunder.
- (c) The Company has made investment in 33,00,000 Unsecured Zero Coupon Compulsorily Convertible Non-Marketable Debentures of face value of ₹ 100/- each (CCDs) aggregating to ₹ 33.00 Crores of Ganesha Ecotech Private Limited, a Wholly-owned Subsidiary of the Company and the aforesaid debentures were allotted to the Company on 25th January, 2022.
- (d) During the Audit period, the Company has entered into a mutual collaboration Agreement with Applied DNA Sciences, Inc. ('ADNAS'), USA on 20th October, 2021 for deployment of Certain T[®] platform technology of Applied DNA's traceability system to tag an initial pilot production of recycled polyester (rPet) and to support their sustainability goals for rPet and to confirm raw material authenticity at all stages of the textile value chain.

For **S.K.Gupta & Co.**
Company Secretaries

(S.K.GUPTA)
Managing Partner
F.C.S-2589

Place: Kolkata
Date: 4th August, 2022

CP-1920
UDIN:F002589D000738896

Note: This Report to be read with our letter of even date which is marked as **Annexure** and forms an integral part of this Report.

Annexure to the Secretarial Audit Report

To,
The Members,
Ganesha Ecosphere Limited
[CIN: L51109UP1987PLC009090]
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

Our Secretarial Audit Report for the Financial year ended 31st March, 2022 is to be read along with this letter

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to Secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S.K.Gupta & Co.**
Company Secretaries

(S.K.GUPTA)
Managing Partner
F.C.S-2589
CP-1920

UDIN:F002589D000738896

Place: Kolkata
Date: 4th August, 2022

Annexure 'C' to the Directors' Report

Report on Corporate Social Responsibility (CSR) Activities/Initiatives for the year ended March 31, 2022
(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014)

1. Brief outline on CSR Policy of the Company:

In terms of the CSR Policy of the Company, the following areas have been identified:

1. Promotion of Education at pre-school and school level.
2. Providing environmentally sustainable social infrastructure.
3. Providing better health facilities and combating disease.
4. Eradicating hunger, poverty and malnutrition.
5. Training to promote nationally recognized sports.

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee of the Company comprises of 4 (four) directors, out of which 2 (two) directors are independent. The composition of CSR Committee is as under:

S. 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
1	Shri Abhilash Lal (Chairman)	Non- Executive Independent Director	3	3
2	Shri Pradeep Kumar Goenka	Non- Executive Independent Director	3	3
3	Shri Vishnu Dutt Khandelwal	Promoter Executive Director	3	3
4	Shri Sharad Sharma	Promoter Executive Director	3	3

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

Composition of CSR committee: <https://www.ganeshaecosphere.com/board-committee>

CSR Policy : <https://www.ganeshaecosphere.com/corporate-governance-policies>

CSR projects: <https://www.ganeshaecosphere.com/corporate-social-responsibility>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set- off for the Financial Year, if any
		Not Applicable	

6. Average net profit of the Company as per section 135(5): ₹ 7,927.40 Lakh

- | | |
|--|---------------|
| 7. (a) Two percent of average net profit of the Company as per section 135(5): | ₹ 158.55 Lakh |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: | NIL |
| (c) Amount required to be set off for the financial year, if any: | NIL |
| (d) Total CSR obligation for the financial year (7a+7b-7c): | ₹ 158.55 Lakh |

(Budget allocated: ₹ 158.60 Lakh)

8. (a) CSR amount spent or unspent for the financial year:

(₹ in Lakh)

Total Amount Spent for the Financial Year	Amount Unspent				
	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	Date of transfer	Name of the Fund	Amount	Date of Transfer
71.49	87.11	April 30, 2022	Not Applicable		

(b) Details of CSR amount spent against 'ongoing projects' for the financial year:

(₹ in Lakh)

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Computer Training Centre	Promoting education among children, women & differently abled	Yes	Kanpur Dehat (Uttar Pradesh)		2 Years	8.65	2.01	6.64	Yes	NA	
2.	Capacity Building Centre	Promoting education among children, women & differently abled.	Yes	Kanpur (Uttar Pradesh)		2 Years	1.35	0.08	1.27	Yes	NA	
3.	Dispensary	Promoting healthcare including preventive healthcare	Yes	Kanpur Dehat (Uttar Pradesh) & Rampur (Uttar Pradesh)		2 Years	6.00	3.11	2.89	Yes	NA	
4.	Ganesha Sports Academy	Training to promote nationally recognized sports	Yes	Kanpur (Uttar Pradesh)		3 Years	76.34	0.03	76.31	Yes	NA	
Total							92.34	5.23	87.11			

(c) Details of CSR amount spent against 'other than ongoing projects' for the financial year:

(₹ in Lakh)

1	2	3	4	5		6	7	8	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Healthcare (Health care activities including blanket distribution, health check-up camps, distribution of oxygen concentrators & hematology analyzer machines and development of a shade for yoga and exercise under Kalyan Mandapam initiative)	Promoting healthcare including preventive healthcare	Yes	Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand) & Rampur (Uttar Pradesh)		27.66	Yes	NA	
2	Healthcare (Contribution to NGOs)	Promoting healthcare including preventive healthcare	Yes	Kanpur (Uttar Pradesh)		0.50	No	Yog Kshem Sewa Nyas	CSR00032893
3	Plastic Pollution Free City Program	Ensuring environmental sustainability	No	Shrimadhopur (Rajasthan)		0.16	Yes	NA	
4	Rain Water Harvesting	Ensuring environmental sustainability	Yes	Kanpur Dehat (Uttar Pradesh) & Rampur (Uttar Pradesh)		10.56	Yes	NA	
5	Assistance to Schools	Promoting education among children, women & differently abled	Yes	Kanpur (Uttar Pradesh)		4.95	Yes	NA	

(₹ in Lakh)

1	2	3	4	5	6	7	8
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
6	Educational Assistance to students affected in Covid-19	Promoting education among children, women & differently abled	Yes	Kanpur (Uttar Pradesh)	2.79	Yes	NA
7	Assistance for Higher Education	Promoting education among children, women & differently abled	Yes	Kanpur (Uttar Pradesh)	1.97	Yes	NA
			No	Muzaffarpur (Bihar)	5.00		
8	Education (Contribution to NGOs and other trusts)	Promoting education among children, women & differently abled	Yes	Kanpur (Uttar Pradesh)	1.02	No	a) Jyoti Bal Vikas Sansthan CSR00016348
					5.00	No	b) Sewa Samarpan Sansthan CSR00010880
			No	Mumbai (Maharashtra)	0.12	No	Blind Organization of India CSR00003325
Total					59.73		

(d) Amount spent in Administrative Overheads: ₹ 6.53 Lakh

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 71.49 Lakh

(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in Lakh)

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any Name of the Fund Amount Date of Transfer	Amount remaining to be spent in succeeding financial years
1.	2020-21	18.80	4.79	Not applicable	14.01

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Lakh)

1	2	3	4	5	6	7	8	9
S. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the Project	Amount spent on the Project in the reporting Financial Year	Cumulative amount spent at the end of the reporting Financial Year	Status of the project Completed / Ongoing
1.	FY31.03.2021_2	Education (Assistance to Schools)	2020-21	2 Years	9.79	4.79	9.79	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Sd/-
(Shyam Sunder Sharma)
Chairman

Sd/-
(Abhilash Lal)
Chairman CSR Committee

Annexure-D

Annexure 'D' to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022:

I. CONSERVATION OF ENERGY

(a) The steps taken or impact on conservation of energy:

The Company has always been a frontrunner in constantly improving its operational performance in all areas while giving due importance to conservation of energy. Apart from making constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst its employees, the following specific measures have been taken by the Company, during the year under review:

- i) Monitoring of power and control panel using a thermal camera to reduce power consumption caused by heating effect of cable terminals.
- ii) Periodical monitoring of capacitor panel to maintain Power factor and reduce reactive power.
- iii) Maintenance activity of Plant Machines as per schedule resulting into improved efficiency and saving in energy consumption.
- iv) Wastage of power due to usage of unwanted lights in day time has been reduced through daily manual checking procedure to control the on/off time of building lights in day time. Also, astronomical timer has been provided to control the on/off time of boundary and street lights.
- v) Automation of dewatering pumps to avoid overrun of motor for power saving and to save pump dry run.
- vi) Insulation covering on extruder barrels to maintain a certain temperature without the use of excess power resulting to power saving and reduction of heating loss.
- vii) Use of cross ventilation system in machine control rooms for panel's cooling.
- viii) Water consumption reduced by optimizing water flow for process machines. Re-use of water in washing facility process and machines to reduce overall water consumption.
- ix) Improved efficiency of own power generation by usage of diesel generator only for emergencies and as stand by.

(b) Steps taken by company for using alternate sources of energy:

All new projects and line extensions in factories are equipped with high efficiency motors, variable frequency drives, LED lights, roof mounted self-driven ventilators and maximized use of natural illumination. These are also being retrofitted in existing factories after feasibility evaluation. Efforts are continuing to identify other viable opportunities of using alternate sources of energy.

(c) Capital investment on energy conservation equipments:

Not Significant

II. TECHNOLOGY ABSORPTION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company is having latest state of the art plant and machinery and has the policy of continuous modernization and upgradation of machines. In our philosophy to continuously upgrade ourselves from a technological standpoint, the following efforts have been made:

- a) Product development and customization to create new market opportunities,
- b) Upgradation of processes for cycle time reduction.
- c) Process improvements to reduce emissions and wastes.
- d) Technology absorption from Technical Journals and attending of National and International Exhibitions/ Seminars.

2. Benefit derived as a result of the above efforts:

- a) Improved customer base & market share with premium-class products,
- b) Cycle time reduction and productivity enhancement,
- c) Waste minimization and cost saving,
- d) Conservation of resources and improved efficiencies,
- e) Reduced carbon footprints and environmental protection.



3. In case of Imported Technology (imported during the last three years reckoned from the beginning of Financial Year):

The Company has not imported any technology during the preceding three years.

4. Expenses incurred on Research and Development:

The expenses involved in in-house research and development carried out in a routine manner are insignificant; therefore, the same have not been accounted for separately.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details with regard to Foreign Exchange earnings and outgo are as under:

	(₹ in Lakh)	
	Financial Year (2021-22)	Financial Year (2020-21)
A) Foreign Exchange earnings (F.O.B. Value)	10,810.68	5,428.70
B) Foreign Exchange outgo	5,476.91	6,579.64

Annexure 'E' to the Directors' Report

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

S. No.	Name	Designation	Remuneration in F.Y. 2021-22 (₹ in Lakh)	Remuneration in F.Y. 2020-21 (₹ in Lakh)	% increase/ (decrease) in remuneration	Ratio of remuneration of each Director to the median remuneration of employees
1.	Mr. Shyam Sunder Sharmma	Non- Executive Chairman*	27.95	28.25	(1.06)	22.36
2.	Mr. Sharad Sharma	Managing Director & CEO	135.40	93.40	44.97 ^{&}	108.32
3.	Mr. Vishnu Dutt Khandelwal	Executive Vice-Chairman	135.32	93.32	45.01 ^{&}	108.26
4.	Mr. Rajesh Sharma	Joint Managing Director	135.40	93.40	44.97 ^{&}	108.32
5.	Mr. Surendra Kumar Kabra	Non- Executive/ Independent Director*	6.40	5.45	17.43	5.12
6.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director*	5.60	4.24	32.07	4.48
7.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director*	6.40	5.45	17.43	5.12
8.	Mr. Abhilash Lal	Non- Executive/ Independent Director*	4.80	5.45	(11.93)	3.84
9.	Mrs. Shobha Chaturvedi	Non- Executive/ Independent Director*	6.20	5.25	18.09	4.96
10.	Mr. Gopal Agarwal	Chief Financial Officer	27.83	21.28	30.78	N.A.
11.	Mr. Bharat Kumar Sajnani	Company Secretary	11.22	9.67	16.03	N.A.

* The Non-Executive Directors of the Company are paid remuneration by way of sitting fees at the rate of ₹ 5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting and commission upto 1% of the net profits of the Company, as approved by the shareholders.

& The increase in remuneration is as per the Remuneration policy of the Company and within the limits approved by the members. Since, during the previous year 2020-21, the Board of Directors has restricted the amount of Performance Linked Remuneration payable to Shri Vishnu Dutt Khandelwal, Shri Sharad Sharma and Shri Rajesh Sharma, therefore their remuneration for the financial year 2021-22 reflects higher increase.

- ii. During the year 2021-22, there was an increase of 1.63% in median remuneration of employees.
- iii. There were 2587 permanent employees on the roll of the Company as on March 31, 2022.
- iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2021-22 was 0.85%, whereas the increase in the managerial remuneration for the same financial year was 30.04%. (Refer note above)
- v. It is hereby affirmed that the remuneration paid during the Financial Year ended March 31, 2022 is as per the remuneration policy of the Company.

Corporate Governance Report 2021-22

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At GESL, we believe that as we move towards achieving our growth targets, our Corporate Governance processes must adhere to the globally benchmarked standards. Corporate Governance is an integral element of the Company's value system, management ethos and business practices. Our Corporate Governance practices are driven by timely disclosures, transparent accounting policies and high levels of integrity in decision-making. The Company believes that the governance process should ensure that the resources employed must be utilised optimally so as to meet the stakeholders' aspirations and expectations. This is demonstrated in improving shareholder returns and performance focused work environment. Our customers have benefited from the high quality products made available to them at reasonable prices. Our employee satisfaction is reflected in the stability of our senior management and substantially high productivity. The Company is committed to contribute to the "Triple Bottom Line"

i.e. ensuring the conduct of business around social, environmental and economic concerns and this is apparently reflected in the Company's area of business. GESL's governance philosophy revolves around trusteeship, transparency, control, accountability and ethical business conduct. The practice of each of these enables the management to direct and control the affairs of the Company in an efficient manner and in creating the right corporate culture towards emerging as a socially responsible corporate citizen.

2. BOARD OF DIRECTORS

A. Composition and category of Board of Directors, attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards / Committees:

The Board has an optimum combination of Executive and Non-Executive Directors as per the Corporate Governance requirements. The composition of the Board of Directors and other relevant details as on March 31, 2022 are as under:

S. No.	Name of Director	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on September 4, 2021	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Limited)			Directorship in Other Listed Entities and Category of Directorship
						Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee)		
			Held	Attended			Member	Chairman	
1.	Mr. Shyam Sunder Sharma DIN: 00530921	Promoter Non-Executive Director	4	4	Yes	1	1	--	--
2.	Mr. Vishnu Dutt Khandelwal DIN: 00383507	Promoter Executive Director	4	4	Yes	3	2	--	--
3.	Mr. Sharad Sharma DIN: 00383178	Promoter Executive Director	4	4	Yes	3	1	--	--
4.	Mr. Rajesh Sharma DIN: 02228607	Promoter Executive Director	4	4	Yes	3	--	--	--
5.	Mr. Surendra Kumar Kabra DIN: 01280980	Non- Executive/ Independent Director	4	4	Yes	2	1	--	Aditya Ispat Limited (Non- Executive- Non Independent Director)
6.	Mr. Pradeep Kumar Goenka DIN: 00404746	Non- Executive/ Independent Director	4	4	Yes	1	2	2	--

S. No.	Name of Director	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on September 4, 2021	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Limited)			Directorship in Other Listed Entities and Category of Directorship
						Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee)		
			Held	Attended			Member	Chairman	
7.	Mr. Vishwa Nath Chandak DIN: 00313035	Non- Executive/ Independent Director	4	4	Yes	2	3	--	Mangalam Timber Products Ltd. (Non- Executive-Independent Director)
8.	Mr. Abhilash Lal DIN: 03203177	Non- Executive/ Independent Director	4	3	No	3	4	--	▪ APL Apollo Tubes Limited (Non- Executive-Independent Director) ▪ Apollo Pipes Limited (Non- Executive-Independent Director)
9.	Mrs. Shobha Chaturvedi DIN: 08553800	Non- Executive/ Independent Director	4	4	Yes	1	--	--	--

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

Relationship between Directors inter-se:

Mr. Sharad Sharma and Mr. Rajesh Sharma are sons of Mr. Shyam Sunder Sharmma and Mr. Vishnu Dutt Khandelwal is brother of Mr. Shyam Sunder Sharmma.

Shareholding of Non-Executive Directors:

As on March 31, 2022, the shareholding of non-executive director in the Company is as follows:

Name of the Director	Shareholding as on March 31, 2022
Mr. Shyam Sunder Sharmma	19,38,927 Equity Shares

None of the other Non-Executive Directors hold any shares in the Company.

B. Details of Board Meetings held during the year:

The Board met 4 (four) times during the year. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	May 22, 2021	9	9
2.	August 6, 2021	9	9
3.	October 28, 2021	9	8
4.	February 5, 2022	9	9

All meetings of the Board were held through video conferencing and necessary quorum was present throughout the meeting(s), in terms of the provisions of the Act and Listing regulations.

**Information placed before the Board:**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

Key Skills/Expertise/Competencies of the Board:

The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of Company's business operations for it to function effectively and those actually available with the Board are as follows:

- Leadership / Operational Experience;
- Industry Specific Knowledge and Experience;
- Risk Management & Strategic Planning;
- Legal and Regulatory Matters;
- Knowledge of Finance and related aspects;
- Corporate Governance; &
- Personal Attributes such as Integrity, Accountability etc.



- ① Mr. Shyam Sunder Sharmma
- ② Mr. Vishnu Dutt Khandelwal
- ③ Mr. Sharad Sharma

- ④ Mr. Rajesh Sharma
- ⑤ Mr. Surendra Kumar Kabra
- ⑥ Mr. Pradeep Kumar Goenka

- ⑦ Mr. Vishwa Nath Chandak
- ⑧ Mr. Abhilash Lal
- ⑨ Mrs. Shobha Chaturvedi

C. Terms and conditions of appointment of Independent Directors:

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company i.e. <https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/BoardOfDirector/Terms-and-Condition-of-appointment-of-Independent-Directors.pdf>

D. Familiarization Programme for Independent Directors:

The Independent Directors are provided with necessary documents and reports to enable them to familiarise with the Company's procedures and practices. They are also apprised about the business operations, strategies, risks involved and performance of the Company. Quarterly updates on relevant statutory changes encompassing important laws are regularly informed to the Directors at the Board and Board Committee meetings.

The details of Familiarization Programme for Independent Directors are available on the Company's website at the following web link:

<https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/DetailsoffamiliarizationprogrammesimpertedtoIndependentDirectors.pdf>

E. Separate Meeting of the Independent Directors:

During the year ended March 31, 2022, 1 (one) meeting of Independent Directors was held on March 31, 2022. At the meeting, the Independent Directors:

1. Evaluated the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluated performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluated the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the meeting through video conferencing.

F. Confirmation by the Board:

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

Directors and Officers Insurance:

In compliance with the provisions of Regulation 25(10) of the Listing Regulations, the Company has undertaken the Directors and Officers Insurance (D and O Insurance)

for all its Directors (including Independent Directors) and Key Managerial Personnel.

G. Code of Conduct:

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. All Board members and senior management personnel have affirmed compliance with this Code of Conduct. A declaration to this effect, signed by Mr. Sharad Sharma, Managing Director & Chief Executive Officer of the Company, is enclosed at the end of this report. Code of Conduct of the Company is available on the website of the Company at <https://www.ganeshaecosphere.com/code-of-conduct>.

3. COMMITTEES OF THE BOARD:

As on March 31, 2022, the Company has 7 (seven) Board level Committees:

- A. Audit Committee,
- B. Nomination and Remuneration Committee,
- C. Stakeholders Relationship Committee,
- D. Risk Management & Strategic Planning Committee,
- E. Corporate Social Responsibility Committee,
- F. Management Committee and
- G. Capital Raising Committee

The composition of the Committees of the Board of Directors is available on the website of the Company at <https://www.ganeshaecosphere.com/board-committee>.

A. AUDIT COMMITTEE

Composition:

The Company has an Audit Committee constituted in accordance with the Corporate Governance requirements. As on March 31, 2022, the Committee consisted of 5 (five) Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Surendra Kumar Kabra, Mr. Vishnu Dutt Khandelwal, Mr. Vishwa Nath Chandak and Mr. Abhilash Lal.

Mr. Pradeep Kumar Goenka and Mr. Surendra Kumar Kabra are Chartered Accountants. Mr. Vishnu Dutt Khandelwal is Post Graduate in Commerce and has also rich experience in the field of Accounting and Financial Management. Mr. Vishwa Nath Chandak is M.Com., LL.B. and has rich experience in the Textile Industry. Mr. Abhilash Lal is Post Graduate in Management from IIM, Bangalore and has also rich experience in all aspects of financial services.

Mr. Bharat Kumar Sajnani, Company Secretary of the Company also acts as Secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee are in conformity with the requirements specified in Regulation

18(3) read with Part C of Schedule II to the Listing Regulations and also comply with the requirements of Section 177 of the Companies Act, 2013.

Brief description of terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions.
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter- corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the reports of the Company's Cost Auditors.
21. Reviewing the following information:
 - Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by management;
 - Management letter(s) of internal control weaknesses, if any, issued by statutory auditors;
 - Internal Audit Reports relating to internal control weaknesses;

- Appointment, removal and terms of remuneration of internal auditor and statutory notification, amendment or modification, as may be applicable.
 - Utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. To carry out such other functions as mandated by the Board from time to time and/or enforced by any

Meetings:

During the financial year ended March 31, 2022, 4 (four) Audit Committee Meetings were held on May 22, 2021, August 6, 2021, October 28, 2021 and February 5, 2022. Chief Financial Officer, Internal Auditors, Cost Auditors and the Statutory Auditors were invited to be present at the Audit Committee Meetings.

Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non- Executive/ Independent Director	4	4
2.	Mr. Surendra Kumar Kabra	Non- Executive/ Independent Director	4	4
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	4	4
4.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	4	3
5.	Mr. Abhilash Lal	Non- Executive/ Independent Director	4	3

Mr. Pradeep Kumar Goenka, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 4, 2021.

B. NOMINATION AND REMUNERATION COMMITTEE

Composition:

The Nomination and Remuneration Committee of the Board consists of 5 (five) Directors as on March 31, 2022, namely, Mr. Surendra Kumar Kabra (Chairman), Mr. Pradeep Kumar Goenka, Mr. Vishwa Nath Chandak, Mr. Shyam Sunder Sharma and Mr. Abhilash Lal.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements specified in Regulation 19(4) read with Part D of Schedule II to the Listing Regulations and also comply with the requirements of Section 178 of the Companies Act, 2013.

Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy

relating to, the remuneration of the directors, key managerial personnel and other employees.

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
3. Devising policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Meetings:

During the year ended March 31, 2022, 3 (three) Nomination and Remuneration Committee Meetings were held on May 22, 2021, October 28, 2021 and February 5, 2022.

Details of Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Surendra Kumar Kabra, Chairman	Non- Executive/ Independent Director	3	3
2.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director	3	3
3.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	3	2
4.	Mr. Shyam Sunder Sharmma	Promoter Non- Executive/ Non- Independent Director	3	-
5.	Mr. Abhilash Lal	Non- Executive/ Independent Director	3	2

Remuneration Policy:

The Company has adopted Policy on Nomination, Remuneration and Board Diversity which is available on the website of the Company at the link <https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/Policy-on-Nomination-Remuneration-And-Board-Diversity.pdf>

Details of Remuneration of the Directors for the financial year 2021-22:

i. Executive Directors:

The Company pays remuneration to the Executive Directors by way of salary, perquisites and allowances (fixed component) and performance linked remuneration (variable component). The amount of performance linked remuneration payable to such Directors is determined by the Board.

The Details of Remuneration are as follows:

Name of Director	Designation	Salary & Allowances (₹)	Perquisites (₹)	Performance Linked Remuneration (₹)	Tenure
Mr. Vishnu Dutt Khandelwal	Executive Vice Chairman	30,00,000/-	32,400/-	105,00,000/-	5 years (from June 19, 2018)
Mr. Sharad Sharma	Managing Director	30,00,000/-	39,600/-	105,00,000/-	5 years (from February 1, 2019)
Mr. Rajesh Sharma	Joint Managing Director	30,00,000/-	39,600/-	105,00,000/-	5 years (from June 19, 2018)

ii. Non-Executive Directors:

Non-Executive Directors (NEDs) of the Company play a crucial role to the independent functioning of the Board. They bring in external and wider perspective to the decision-making by the Board. They provide leadership and strategic guidance, while maintaining objective judgement.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. They are paid sitting fees at the rate of ₹ 5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting. In the light of the services rendered by the NEDs to the Company, the Members, at the 28th Annual General Meeting of the Company approved payment of remuneration to NEDs of the Company, by way of commission upto 1% of the net

profit of the Company. The distribution of commission amongst the NEDs is determined by the Board. The Board decided that such commission shall be distributed in following manner for the year 2021-22 amongst the Non-Executive Directors (except Chairman of the Company) on the basis of their attendance and contribution at the Board and Audit Committee Meetings (subject to maximum limit of ₹ 6,00,000/- for each such Director, as decided by the Board at its meeting held on October 28, 2021).

The Board at its meeting held on May 21, 2022, decided a remuneration of ₹ 27,75,000/- as commission payable to Mr. Shyam Sunder Sharmma, Chairman, for the F.Y. 2021-22 in view of his valuable contribution and entrepreneurial leadership.

The Details of Sitting Fees Paid and Commission payable to such directors for the year 2021-22 are as follows:

Name of Directors	Sitting Fees (₹)	Commission (₹)	Tenure
Mr. Surendra Kumar Kabra	40,000/-	6,00,000/-	5 years (from September 5, 2019)
Mr. Pradeep Kumar Goenka	40,000/-	6,00,000/-	5 years (from September 5, 2019)
Mr. Vishwa Nath Chandak	35,000/-	5,25,000/-	3 years (from September 5, 2019)
Mr. Abhilash Lal	30,000/-	4,50,000/-	5 years (from September 5, 2019)
Mrs. Shobha Chaturvedi	20,000/-	6,00,000/-	5 years (from September 5, 2019)
Mr. Shyam Sunder Sharmma	20,000/-	27,75,000/-	N.A.

Apart from the sitting fees and commission provided above, the non-executive directors had no other pecuniary relationship or transaction with the Company.

Performance evaluation criteria for Independent Directors:

The performance of Independent Directors was evaluated by the entire Board on the basis of the criteria laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE
Composition:

The Stakeholders Relationship Committee of the Board comprises of 4 (four) Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Shyam Sunder Sharmma, Mr. Vishnu Dutt Khandelwal and Mr. Sharad Sharma.

Terms of Reference:

The terms of reference of Stakeholders Relationship Committee shall inter-alia include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various

services being rendered by the Company's Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Issuance of certificates of securities upon split/consolidation/ renewal/ re-materialisation thereof and issuance of duplicate certificates of securities.

The Committee also oversees the working of Registrar and Share Transfer Agent of the Company.

Meetings:

During the year ended March 31, 2022, 10 (ten) Stakeholders Relationship Committee Meetings were held on May 19, 2021, July 30, 2021, August 14, 2021, October 11, 2021, November 1, 2021, November 23, 2021, January 3, 2022, January 29, 2022, March 23, 2022 and March 31, 2022.

Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non-Executive/ Independent Director	10	10
2.	Mr. Shyam Sunder Sharmma	Promoter Non-Executive Director	10	2
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	10	8
4.	Mr. Sharad Sharma	Promoter Executive Director	10	9

Mr. Pradeep Kumar Goenka, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on September 4, 2021.

Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of investors during the financial year ended March 31, 2022, are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	13	12	1*

* The Complaint was responded on March 25, 2022 and closed by BSE on April 5, 2022.

Compliance Officer:

Compliance Officer of the Company: Mr. Bharat Kumar Sajnani, Company Secretary.

D. RISK MANAGEMENT & STRATEGIC PLANNING COMMITTEE

Composition:

The Risk Management & Strategic Planning Committee of the Board consists of 5 (five) Directors namely, Mr. Shyam Sunder Sharmma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma, Mr. Abhilash Lal and Mr. Pradeep Kumar Goenka.

Terms of Reference:

The Board of Directors at its meeting held on August 6, 2021, had revised the Terms of Reference of the Risk Management & Strategic Planning Committee to bring it in line with the amendments made in Regulation 21 of the Listing Regulations, by SEBI vide its Notification No. SEBI/LAD-NRO/GN/2021/22 dated May 5, 2021.

The terms of reference of Risk Management & Strategic Planning Committee shall inter-alia include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.

- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities;
- (6) To assist the Board in fulfilling its oversight responsibilities relating to the medium and long-term strategic direction and development.
- (7) To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks;
- (8) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (9) To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- (10) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings:

During the year ended March 31, 2022, 2 (two) meetings of the Risk Management & Strategic Planning Committee were held on November 6, 2021 & March 31, 2022.

Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Shyam Sunder Sharmma, Chairman	Promoter Non-Executive/ Non-Independent Director	2	2
2.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	2	2
3.	Mr. Sharad Sharma	Promoter Executive Director	2	2
4.	Mr. Pradeep Kumar Goenka	Non-Executive/ Independent Director	2	1
5.	Mr. Abhilash Lal	Non-Executive/ Independent Director	2	2

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Composition:**

The Corporate Social Responsibility (CSR) Committee of the Board consists of 4 (four) Directors namely, Mr. Abhilash Lal (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka.

Terms of Reference:

The Board of Directors at its meeting held on August 6, 2021, had revised the Terms of Reference of the CSR Committee to bring it in line with the amendments made by Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, introduced by Ministry of Corporate Affairs (MCA) vide its Notification dated January 22, 2021.

Terms of Reference of the Committee inter alia include the following:

- (1) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (2) To formulate and recommend the CSR annual action plan and any modification(s)/ alteration(s) thereto during the financial year, for approval of the Board from time to time, in accordance with the Company's CSR policy and provisions of applicable laws;
- (3) To review and recommend the amount of expenditure to be incurred on the CSR activities;
- (4) To monitor the CSR policy of the Company from time to time;
- (5) To institute a transparent monitoring mechanism for implementation of the CSR projects/programs/ activities undertaken by the Company;

- (6) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings:

During the year ended March 31, 2022, 3 (three) Corporate Social Responsibility (CSR) Committee Meetings were held on May 22, 2021, August 6, 2021 and February 5, 2022.

F. MANAGEMENT COMMITTEE**Composition:**

The Management Committee of the Board consists of 4 (four) directors namely, Mr. Shyam Sunder Sharmma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka.

Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

- a) To review banking arrangements and cash management,
- b) To exercise all powers to borrow money (otherwise than by issue of debentures), and take necessary actions connected therewith, including refinancing for optimization of borrowing costs,
- c) To approve opening/ closing and operation of Bank Accounts,
- d) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable,

- e) To delegate authorities & operational powers from time to time to the executives/ authorised persons.
- f) To review regularly and make recommendations about changes to the charter of the Committee.

Meetings:

During the year ended March 31, 2022, 3 (three) Management Committee Meeting were held on April 17, 2021, December 29, 2021 and March 10, 2022.

G. CAPITAL RAISING COMMITTEE

Composition:

The Capital Raising Committee of the Board consists of 3 (three) Directors namely, Mr. Vishnu Dutt Khandelwal (Chairman), Mr. Sharad Sharma and Mr. Abhilash Lal.

Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

1. To analyze various options for infusion of capital;
2. To decide on the actual size, mode(s), no. of tranches, timing, pricing including discount/ premium, if any, reservation to employees, customers, existing shareholders and / or any other persons as decided by the Board and as provided under SEBI Regulations subject to applicable Rules and Regulations and GOI and RBI approval;
3. To decide all other terms and conditions of the Issue and to accept any amendment(s), modification(s), variation(s) or alteration(s) thereto;
4. To appoint and enter into arrangement with the Book Running Lead Managers ("BRLMs"), escrow agent, legal counsel and any other agencies or persons or intermediaries to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the placement agreement with the BRLMs;
5. To open and operate bank account(s) of the Company in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;
6. To authorize any concerned persons on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
7. To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the issue, if any;
8. To determine and finalize the Issue opening and Issue closing date, the Issue Price, in consultation with the BRLMs, and to do all such acts and thing as may be necessary and expedient for, and incidental and ancillary to, the Issue;
9. To allot the equity shares/other securities pursuant to the Issue and to do all such acts and things as may be necessary to give effect such allotment;
10. To make applications to the Stock Exchange(s) for listing of the equity shares/ other securities of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
11. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the Issue, in consultation with the BRLMs;
12. To settle all questions, difficulties, or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
13. To take such action, give such directions, as may be necessary or desirable as regards to the Issue and to do all such acts, matters, deeds and things, including but not limited to the allotment of shares against the valid applications received in the Issue, as are in the best interest of the Company;
14. To execute and deliver any and all other documents or instruments and doing or causing to be done any and all act or things as the Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing.
15. To delegate any of the powers mentioned hereinabove at point no. 1 to 13, to any of the Director(s) of the Company.

Meetings:

During the year ended March 31, 2022, no meeting of the Capital Raising Committee was held.

4. GENERAL BODY MEETINGS

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:-

Year	Date of Meeting	Time	Place	Particulars of Special Resolutions passed at the Meeting
2021	September 4, 2021	12:15 P.M.	Held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) Deemed Venue: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304.	No Special Resolution was passed in the 32nd Annual General Meeting held on September 4, 2021.
2020	September 22, 2020	9:30 A.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	No Special Resolution was passed in the 31st Annual General Meeting held on September 22, 2020.
2019	September 5, 2019	12:00 Noon	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	1) Consent for re-appointment of Shri Shyam Sunder Sharmma (DIN: 00530921) as Director who retires by rotation. 2) Consent for alteration of the Articles of Association of the Company. 3) Consent for re-appointment of Shri Sharad Sharma (DIN: 00383178) as the Managing Director of the Company. 4) Consent for appointment and re-designation of Shri Rajesh Sharma (DIN: 02228607) as the Joint Managing Director of the Company. 5) Consent for re-appointment of Shri Abhilash Lal (DIN: 03203177) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years. 6) Consent for re-appointment of Shri Anoop Gupta (DIN: 00153340) as a Non-Executive Independent Director of the Company for a second term of 1 (one) year. 7) Consent for re-appointment of Shri Pradeep Kumar Goenka (DIN: 00404746) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years. 8) Consent for re-appointment of Shri Surendra Kumar Kabra (DIN:01280980) as a Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years. 9) Consent for re-appointment of Shri Vishwa Nath Chandak (DIN: 00313035) as a Non-Executive Independent Director of the Company for a second term of 3 (three) consecutive years 10) Consent for approval of remuneration of Shri Vishnu Dutt Khandelwal, Whole Time Director and Promoter in terms of Regulation 17 (6) (e) of SEBI Listing Regulations.

Postal Ballot:

During the year under review, the Company did not pass any special resolution through postal ballot and there is no proposal to pass any resolution through postal ballot as on the date of this report.

5. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are submitted to the Stock Exchanges and published in 'Business Standard' (in English and Hindi) newspaper in terms of the requirements of Regulation 33(3) & 47(1)(b) of the Listing Regulations. These results

are available on the official website of the BSE Limited and National Stock Exchange of India Limited i.e. www.bseindia.com & www.nseindia.com, respectively.

The Financial Results and Annual Report of the Company, official news releases and presentations made to Institutional Investors and Analysts that are submitted to the stock exchanges, from time to time, are also posted on the Company's official website i.e. www.ganeshaecosphere.com.

The 'Management Discussion and Analysis Report' is given separately forming part of the Annual Report.

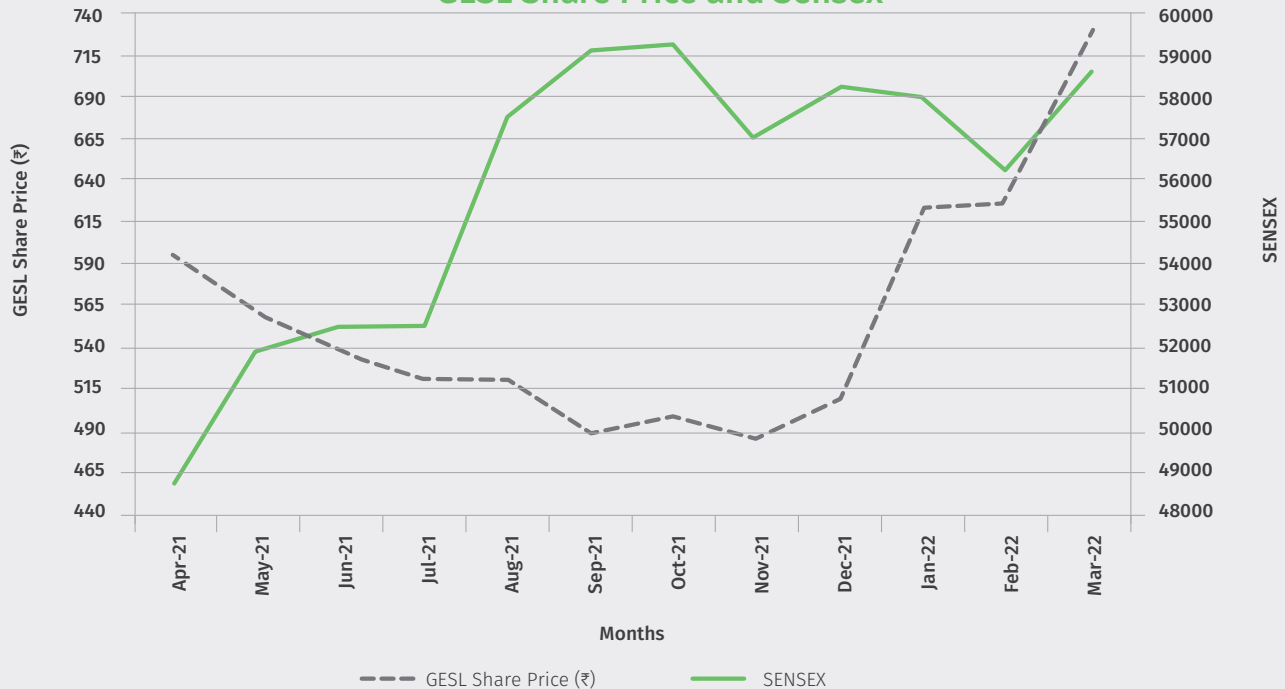
6. GENERAL SHAREHOLDERS' INFORMATION

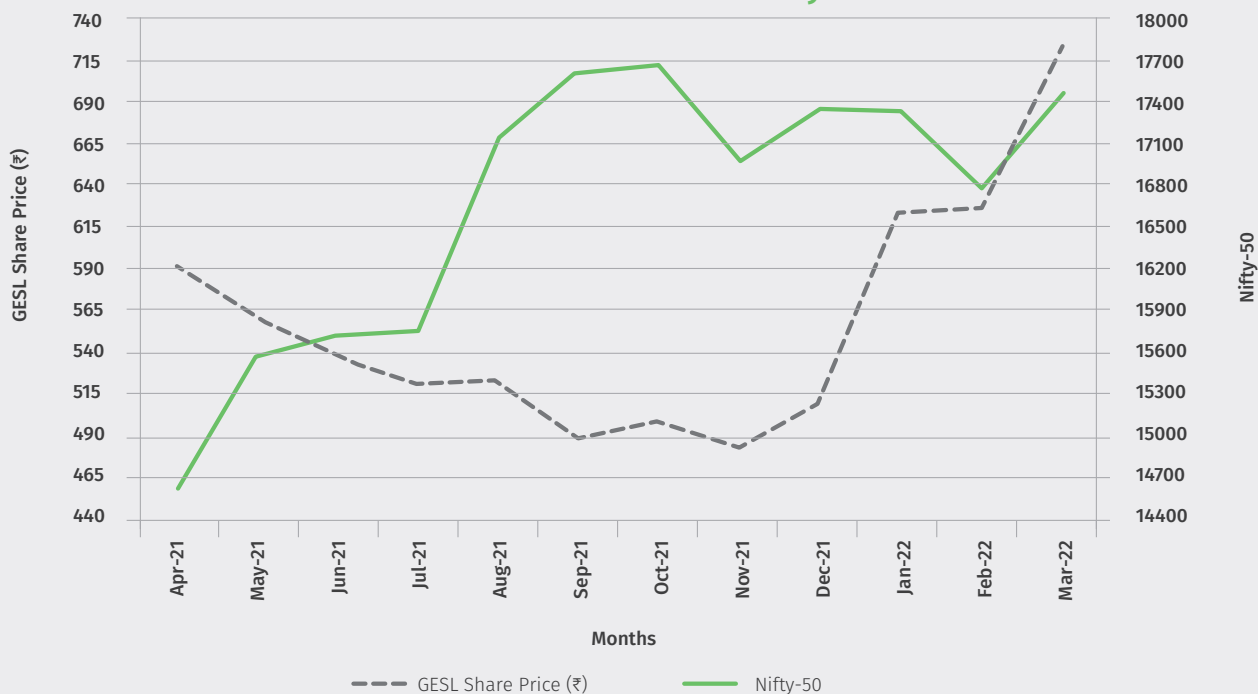
A. Corporate Identification Number (CIN):	L51109UP1987PLC009090	
B. Annual General Meeting:	Date: September 30, 2022 Time: 9:30 A.M. Venue: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	
C. Calendar for financial year ended March 31, 2023:	Particulars of Quarter	On or before*
	First Quarter Results	August 14, 2022
	Second Quarter Results	November 14, 2022
	Third Quarter Results	February 14, 2023
	Fourth Quarter & Annual Results	May 30, 2023
	*or such other date as may be extended by SEBI.	
D. Date of Book Closure:	From September 24, 2022 to September 30, 2022 (both days inclusive).	
E. Dividend Payment Date:	On and after October 4, 2022	
F. Listing on Stock Exchanges:	The Company's Equity Shares are listed at following Stock Exchanges: - BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400 001 - National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051 The Annual Listing Fee to these stock exchanges has been paid up-to-date.	
G. Stock Codes – Equity Shares:	- BSE Limited, Mumbai: 514167 - National Stock Exchange of India Limited: GANECOS	

H. Stock Market Price Data for the year 2021-22:

Month	BSE PRICES				NSE PRICES			
	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded
April, 2021	625.00	510.00	594.10	2,04,684	618.40	511.00	593.00	4,49,372
May, 2021	622.00	540.15	561.05	61,505	625.00	551.20	559.75	4,46,130
June, 2021	573.80	508.95	537.90	46,104	572.25	508.10	540.90	6,74,884
July, 2021	551.50	494.85	519.75	60,851	549.90	492.85	519.85	4,66,571
August, 2021	602.05	486.10	521.80	1,50,804	602.00	490.05	524.25	9,82,149
September, 2021	528.40	472.00	489.40	72,035	528.90	474.05	489.30	4,41,317
October, 2021	558.10	480.00	499.45	1,46,399	560.00	479.80	500.30	12,75,788
November, 2021	521.80	475.05	486.60	37,541	516.05	470.55	485.20	3,85,180
December, 2021	519.85	460.00	509.35	47,341	519.00	454.95	509.40	4,34,820
January, 2022	687.30	517.65	624.70	9,65,234	688.00	512.10	622.90	46,65,623
February, 2022	742.30	581.00	625.85	5,20,185	742.00	591.25	628.10	24,26,786
March, 2022	762.65	607.00	728.30	5,33,167	763.70	610.00	726.80	18,64,416

The information is downloaded from official website of the BSE Limited & National Stock Exchange of India Limited.

Performance of the Share Price of the Company in comparison to the BSE Sensex:**GESL Share Price and Sensex**

**Performance of the Share Price of the Company in comparison to the NSE Nifty 50:****GESL Share Price and Nifty-50****I. Registrar and Share Transfer Agent (RTA):**

Skyline Financial Services Pvt. Ltd.
D-153/A, First Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020
Tel: 011- 40450193-97, 011- 26812682-83,
E-mail: admin@skylinerta.com
Website: www.skylinerta.com

J. Share Transfer System:

The Board of Directors of the Company have delegated the power of approval of transmission, dematerialization and other related matters to M/s. Skyline Financial Services Private Limited, the Registrar and Share Transfer Agent of the Company, subject to review by Stakeholders Relationship Committee of the Board on quarterly basis.

The shareholders may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, Members are advised to dematerialize the physical shares held by them.

Further, SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has made it mandatory for the listed companies to issue shares/ securities, within the prescribed time, in demat mode *only* while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their demat account with any Depository Participant (DP) having registration with SEBI or seek guidance on demat procedure from Company's RTA to avoid any inconvenience at later stage.

K. Distribution of Share Holding as on March 31, 2022:

No. of Shares	Shareholders		Shareholding	
	Number	% of total	Number	% of total
1- 500	15840	92.78	1398237	6.41
501 - 1000	573	3.36	447644	2.05
1001 - 2000	281	1.65	420373	1.93
2001 - 3000	109	0.64	275154	1.26
3001 - 4000	43	0.25	152931	0.70
4001 - 5000	46	0.27	215288	0.99
5001 - 10000	73	0.43	563533	2.58
10001 & above	108	0.63	18356237	84.09
Total	17073	100.00	21829397	100.00

Shareholding Pattern as on March 31, 2022:

S. No.	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	21	92,37,013	42.31
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	21	92,37,013	42.31
(B)	Public Shareholding			
(1)	Institutions	15	39,48,318	18.09
(2)	Non-Institutions	17,036	86,24,731	39.51
	Total Public Shareholding	17,051	1,25,73,049	57.60
(C)	Non-Promoter- Non Public Shareholding			
(1)	Shares underlying DRs	-	-	-
(2)	Shares held by Employee Trusts	1	19,335	0.09
	Total Non-Promoter- Non Public Shareholding	1	19,335	0.09
	Total (A+B+C)	17,073	2,18,29,397	100.00

L. Dematerialisation of shares and liquidity:**ISIN Code- Equity Shares: INE 845 D01014**

As on March 31, 2022, 98.02% of the total Equity Shares of the Company have been dematerialised. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. January 1, 2002 as per the notification issued by Securities and Exchange Board of India (SEBI).

M. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:

There were no GDRs/ ADRs/ Warrants or any convertible instruments outstanding for conversion as on March 31, 2022.

N. Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to the risk of price fluctuation

of raw material as well as finished goods. In the absence of alternate use of raw material, its price fluctuations are directly linked to the price fluctuations of finished products. Accordingly, Company passes on any adverse movement in prices of finished goods to raw material suppliers. The Company's reputation for quality, product differentiation and service coupled with robust marketing network mitigates the impact of price risk on finished goods.

The Company is also exposed to foreign exchange risk due to borrowings in foreign currency, import of raw materials, colour/ chemicals, stores and spares etc. and export of its finished products to various countries. The Company evaluates exchange rate exposure arising from these transactions and takes required hedging from time to time, which minimizes the impact of fluctuations in exchange rate movement.

**O. Plant Location:**

1. Kanpur Unit :	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, Uttar Pradesh- 209304.
2. Rudrapur Unit :	Plot No. 6, Sector-2, Integrated Industrial Estate, Pantnagar, Uttarakhand- 263153.
3. Bilaspur Units :	a) Khata No. 96 and 97, Arazi Village Kotha, Ali Nagar, Pargana and Tehsil Bilaspur, Distt. Rampur, Uttar Pradesh-244923. b) Gata No. 112, Village Temra, Tehsil Bilaspur, Distt. Rampur Uttar Pradesh- 244923.

P. Address for Correspondence:**With the Registrar and Share Transfer Agent:**

Skyline Financial Services Pvt. Ltd.
D-153/A, First Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020
Tel:, 011- 40450193-97, 011- 26812682-83
E-mail: admin@skylinert.com

With the Company:

The Company Secretary,
Ganesha Ecosphere Limited
113/216-B, First Floor,
Swaroop Nagar, Kanpur- 208002.
Tel: 0512-2555505-06
Fax: 0512-2555293
E-mail: secretarial@ganeshaecosphere.com
bharat@ganeshaecosphere.com

Q. E-mail for Investors:

The Company has designated complaints@ganeshaecosphere.com as email address especially for investor grievance(s).

R. Nomination Facility:

As per the provisions of Section 72 of the Act and circulars issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form and who have not yet registered their nomination are required to register the same by submitting **Form No. SH-13** with Company or its RTA. The format of SH-13 can be downloaded from Company's website at www.ganeshaecosphere.com under investors section.

The Members holding shares in demat mode are requested to submit their nomination mandate with their Depository participant.

S. Dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

During the financial year 2021-22, pursuant to Section 124 of the Companies Act, 2013, dividend for the financial

year 2013-14 amounting to ₹10.56 Lakh which remained unpaid / unclaimed for a period of seven years from the date it was lying in the unpaid dividend account, has been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government.

The dividend for following years, which remains unclaimed for seven years from the date it is lying in the unpaid dividend account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not claimed their dividend are requested to immediately lodge their claim with the Company or its Registrar and Share Transfer Agent, M/s. Skyline Financial Services Private Limited. The details of dividends specified below are available on the website of the Company at link www.ganeshaecosphere.com/unclaimed-dividends/. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. www.iepf.gov.in

The due dates for transfer of unclaimed dividend(s) to IEPF for subsequent years are given below:

Financial Year	Dividend Per Share (₹)	Date of Declaration	Due Date for transfer to IEPF
2014-15	1.20	September 19, 2015	October 20, 2022
2015-16	1.20	September 8, 2016	October 10, 2023
2016-17	1.20	September 25, 2017	October 27, 2024
2017-18	1.50	September 15, 2018	October 16, 2025
2018-19	2.00	September 5, 2019	October 7, 2026
2019-20	2.00	September 22, 2020	October 26, 2027
2020-21	2.00	September 4, 2021	October 6, 2028

Mandatory Transfer of Shares to Demat Account of Investor Education and Protection Fund Authority (IEPFA):

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) all shares in respect of which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules.

During the financial year, 29,325 Equity Shares of the Company were transferred to the IEPFA. Relevant details of such shares are available on the website of the Company <https://www.ganeshacosphere.com/unclaimed-dividends>

7. DISCLOSURES

a) Related Party Transactions:

During the financial year, all transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations, were placed before the Audit Committee and also before the Board for approval, wherever required. All related party transactions undertaken during the year were at arms' length basis. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. None of the transactions with any of the related parties were in conflict with the interests of the Company. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy.

The Company's Policy on Related Party Transactions is disclosed on the website of the Company at the link <https://ganeshacosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/related-party-transaction.pdf>

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authorities on matters relating to Capital Markets during the last three years:

None

c) Vigil Mechanism /Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, actual or suspected fraud, violation of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The vigil mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

The Policy has been posted on the website of the Company and may be accessed at the link <https://ganeshacosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/whistle-blower-policy.pdf>

d) Adoption of Mandatory and Non-Mandatory Requirements:

The Company has complied with all mandatory requirements of Listing Regulations. However, the Company has not adopted the non-mandatory requirements.

e) Policy for determining 'material' subsidiaries:

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations. As on March 31, 2022, the Company had no material subsidiary as per the thresholds laid down under the Listing Regulations.

The Company's Policy for determining Material Subsidiaries is disclosed on the website of the Company at the link <https://ganeshacosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/Policy-for-determining-Material-Subsidiaries.pdf>

f) Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A).

Not Applicable.

g) Certificate from a Company Secretary in Practice:

A Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, Kanpur, that none of the directors



on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or such other statutory authority, is annexed herewith as a part of this report.

h) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the financial year:

During the financial year, there have been no instances when the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

i) Total fees for all services paid by the Company to the statutory auditor:

Details relating to fees paid to the Statutory Auditors are given in Note 23 to the Standalone Financial Statements of the Company.

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

a)	Number of Complaints filed during the financial year	NIL
b)	Number of Complaints disposed of during the financial year	NIL
c)	Number of Complaints pending at the end of the financial year	NIL

k) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

During the year under review, the Company and its subsidiaries have not given any Loans and advances in the nature of loans to any firms/companies in which

directors are interested.

l) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations except for one-day delay in submission of disclosure of related party transactions to the Stock Exchanges, under Regulation 23(9) of the Listing Regulations, for the half year ended March 31, 2021.

8. CEO AND CFO CERTIFICATION:

The Chief Executive Officer and the Chief Financial Officer of the Company provide annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. They also provide quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Sharad Sharma, Managing Director & Chief Executive Officer of Ganesha Ecosphere Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2021-22.

Place : Kanpur
Date : August 4, 2022

(Sharad Sharma)

Managing Director & Chief Executive Officer
DIN: 00383178

Certificate of Non- Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C, Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

as submitted by the Directors of **Ganesha Ecosphere Limited** ('the Company') bearing **CIN: L51109UP1987PLC009090** and having its Registered Office at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.) to the Board of Directors of the Company ('the Board') for the Financial years 2021-22 and 2022-23 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for 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.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status at the MCA Portal (www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial year ended 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment*	Date of Cessation
1.	Shri Shyam Sunder Sharmma	00530921	19.06.1989	N.A.
2.	Shri Sharad Sharma	00383178	30.10.1987	N.A.
3.	Shri Vishnu Dutt Khandelwal	00383507	30.10.1987	N.A.
4.	Shri Surendra Kumar Kabra	01280980	19.07.1994	N.A.
5.	Shri Pradeep Kumar Goenka	00404746	29.07.2006	N.A.
6.	Shri Rajesh Sharma	02228607	19.06.2008	N.A.
7.	Shri Vishwanath Chandak	00313035	28.02.2009	N.A.
8.	Shri Abhilash Lal	03203177	29.09.2014	N.A.
9.	Smt. Shobha Chaturvedi	08553800	05.09.2019	N.A.

* The date of appointment is as per the Authorised Signatories details displayed on MCA Portal.

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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial year ended 31st March, 2022.

For **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

Place: Kolkata
Date: 4th August, 2022

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589D000739017

Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have examined the compliance of the conditions of the Corporate Governance by **Ganesha Ecosphere Limited** ("the Company") for the Financial Year ended 31st March, 2022, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI Listing Regulations"].

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither audit nor an expression of the opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management and considering the relaxation granted by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned "SEBI Listing Regulations" as applicable during the Financial year ended 31st March, 2022 *except for delay of one-day in submission of disclosure of related party transactions to the Stock Exchanges, under Regulation 23(9) of the SEBI Listing Regulations for the half year ended 31st March, 2021.*

We further state that such compliance 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 **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

Place: Kolkata
Date: 4th August, 2022

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589D000738918

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L51109UP1987PLC009090
2.	Name of the Company	Ganesha Ecosphere Limited
3.	Registered address	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat- 209304, Uttar Pradesh.
4.	Website	www.ganeshaecosphere.com
5.	E-mail id	gesl@ganeshaecosphere.com
6.	Financial Year reported	April 1, 2021 to March 31, 2022 (FY 2021-2022)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of: ▪ Polyester Staple Fibre (NIC Code: 20302) ▪ Spun Yarn (NIC Code: 13114) ▪ Dyed Texturized Yarn (NIC Code: 20303)
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	▪ Polyester Staple Fibre ▪ Spun Yarn ▪ Dyed Texturized Yarn
9.	Total number of locations where business activity is undertaken by the Company:	
	a) Number of International Locations	None
	b) Number of National Locations	Details of Plant Locations of the Company are provided under the head 'General Shareholders' Information' in the Corporate Governance Report.
10.	Markets served by the Company - Local/ State/ National/ International:	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 2,182.94 Lakh
2.	Total Turnover (INR)	₹ 1,02,235.46 Lakh
3.	Total profit after taxes (INR)	₹ 6,954.65 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 158.60 Lakh (including ₹ 87.11 Lakh transferred to Unspent CSR Account pertaining to ongoing projects of the Company) which is 2.28% of the profit after tax. For detailed information, please refer 'Annexure C' to the Directors' Report.
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer 'Annexure C' to the Directors' Report for details on CSR initiatives undertaken by the Company.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, as on March 31, 2022; the Company had three wholly owned subsidiaries (including one overseas subsidiary), namely: Subsidiaries (India): ▪ Ganesha Ecopet Private Limited; and ▪ Ganesha Ecotech Private Limited Subsidiary (Overseas): ▪ Ganesha Overseas Private Limited, Nepal
----	--	--

2.	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The Company encourages its subsidiaries to adopt its policies and practices.
5.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company's suppliers, distributors etc. are encouraged to adopt BR Initiatives of the Company and follow the practices expected from responsible businesses.

SECTION D: BR INFORMATION

1. Details of BR Head and Director responsible for BR and implementation of the BR policy:

DIN:	00383178
Name of Director:	SHARAD SHARMA
Designation:	Managing Director and CEO
Telephone number:	0512- 2555505-06
Email ID	sharad@ganeshaecosphere.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	NA*	Y	Y
2.	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The policies have been formulated by taking inputs from the concerned stakeholders and are updated, time to time, in light of changing scenario and suggestions.								
3.	Does the policy conform to any National / international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO 14001, ISO 45001 and GRS compliance certificate.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable/ internal policies are approved by the Managing Director or Functional Heads of the Company, as appropriate.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6.	Indicate the link for the policy to be viewed online?	Policies mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available at http://ganeshaecosphere.com/corporate-governance-policies/ . View of other policies is restricted to the respective stakeholders.								
7.	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8.	Does the company have in-house Structure to implement the policy/ policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Implementation of the policies is evaluated internally from time to time.								

*No specific policy exists for this principle; however, the Company actively participates in policy advocacy through its memberships in various industry associations and forums.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable.

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance of the Company is periodically assessed by the BR Head.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR Report is part of Annual Report and is published annually. The Annual Report is available on the Company's website at <http://ganeshaecosphere.com/annual-reports>

legal conduct of business operations. The Policy relating to Ethics, Bribery and Corruption is an extension of the Company's Code of Conduct and it extends to all the members of the Board, Key Managerial Personnel and Senior Management of the Company/ Group. The Policy is also shared with our Suppliers / Contractors / others and it is Company's endeavor to encourage its suppliers, vendors, contractors and third parties with whom it conducts business to abide by the same.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company's stakeholders include its investors, employees, vendors/ partners, government and local communities. The details of investors' complaints and resolution during the financial year 2021-22 are provided in the Corporate Governance Report forming part of this Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

GESL's governance philosophy revolves around trusteeship, transparency, control, accountability and ethical business conduct. The Company is committed to adhere to the highest standards of ethical, moral and

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Sustainability is at heart of our organization and our principal business is recycling. We believe in giving second life to PET through recycling.

With and by recycling plastic waste into useful products, we bring a real difference to businesses, environment & communities. Our goal is to protect, preserve and nurture

our ecology by reducing the burden of plastic waste on the planet in one hand and to create a sustainable & circular economy on a global level, on the other.

Our each unit is equipped with Effluent Treatment Plants, pollution control devices etc. We have received ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 (OH&S) with respect to (i) Quality Management System; (ii) Environmental Management System; and (iii) Occupational Health and Safety Management System. We have received the Hohenstein Textile Testing Institute's (Germany) authorization to use the STANDARD 100 by OEKO-TEX mark, validating the highest ecological standards and have also received the compliance certificate for Global Recycled Standard (GRS) from the CU Inspection and Certifications India Private Limited.

The three products are:

- a) Recycled Polyester Staple Fibre
 - b) Dyed Texturized Yarn
 - c) Spun Yarn
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is taking consistent efforts to source, produce and design its products in a manner that results in conservation of resources, including water and energy. Details of conservation of energy are given in 'Annexure-D' of the Directors' Report.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our product is an intermediate industrial product, thus end consumer data of reduction during usage (energy, water) is not available with the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavours to integrate social, ethical and environmental factors across the entire supply chain. The raw material sourcing of our Company is primarily being done domestically through road transport. Key raw material is transported through full truck load and efforts are made to source the key raw material preferably from nearest places. Vendors and service providers are encouraged to adopt practices based on generally adopted standards with regards to

Environment, Health and Safety. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to promote circular economy and mitigate the impact on climate.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Key raw material i.e. post- consumer PET bottle scrap is collected by the small and unorganized rag-pickers and it is one of the highest paid scrap material for rag-pickers. The raw material so collected by rag-pickers reaches to us through small scrap dealers. Thousands of rag-pickers are engaged into collection of PET bottle scrap and are earning their livelihood besides helping the environment. Also, the Company encourages local procurement of goods & services around its plants proximity and region and thereby supporting Government's initiative of "Atmanirbhar Bharat Abhiyaan".

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

In our commitment to ensuring a greener tomorrow, we strive to reduce and recycle our waste. We have a strong processes and systems in place which ensures that we minimize generation of waste. Product waste and scrap generated is relatively low, more than 50% of which is re-used by us.

Principle 3

1. Total number of employees: 3614
2. Total number of employees hired on temporary/ contractual/casual basis: 688
3. Number of permanent women employees: 441
4. Number of permanent employees with disabilities: 10
5. Do you have an employee association that is recognized by management? No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.
None

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

As per Policy of the Company every employee has been given training on safety on six-month basis. In the year under reference, following percentage of employees were given safety & skill up-gradation training:

Particulars	Safety Training	Skill Up-Gradation Training
Permanent Employees	80%	22%
Permanent Women Employees	68%	19%
Casual/ Temporary/ Contractual Employees	78%	2%
Employees with Disabilities	98%	33%

Principle 4

1. Has the Company mapped its internal and external stakeholders?

Yes.

2. Out of above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders. The Company's CSR programs are designed to serve the needs of this sections of the society. The key communities consist of areas in and around the Company's manufacturing facilities. Further, the Company is indirectly linked with marginalized and vulnerable sections as most of the raw material is sourced from Rag-pickers/ Kabadis.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Ganesha believes in doing business responsibly, considering all dimensions of sustainability. The Company is committed to focus on inclusive growth and improving lives by contributing towards society at large. The Company, with the divine thought "Sarve Bhavantu Sukhinah Sarve Santu Nir-Aamayaah" strives to serve the humanity by supporting the communities in which we live and work. While designing and implementing its CSR initiatives, the Company ensures to extend its support to the ones in need and takes into consideration the requirements of the communities especially the marginalized members. The Company has taken various initiatives for the benefit of local communities and disadvantaged and marginalized stakeholders, under its CSR programs:

1. Free Health Checkup Camps;
2. Free Ambulance Service;
3. Assistance to Schools;
4. Educational Assistance for higher education and to the students affected in COVID-19; and
5. Distribution of medical equipments as COVID relief measures.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company and its subsidiaries advocate the supremacy of human rights, health and safety and labour standards. The Company does not hire child labour, forced labour or involuntary labour. The Company discourage its business associates from doing any violation of Human Rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No Complaint relating to violation of human rights was received by the Company.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, the Company's policy is extended to the entire group and the suppliers/contractors/others are encouraged to adopt its policies and practices.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Global environmental issues are addressed as a part of our business model. Your Company recycles over 16% of the PET bottle scrap generated in India. Energy conservation, use of renewable energy, water conservation and sustainable processes are also being adopted by the Company.

3. Does the company identify and assess potential environmental risks?

Yes, the Company has a mechanism to identify and assess risks including environmental risks. Manufacturing Facilities of the Company are ISO 14001 certified.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof,

in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in 'Annexure-D' to the Directors' Report forming part of this Annual Report and the same is available on the website of the Company at <http://ganeshaecosphere.com/annual-reports>

The Company is committed to efficiently utilize its resources and ensure minimum consumption in all its processes. Approx. 17.1% of the plants' annual energy requirement was met by harnessing the renewable energy generated from the roof-top solar power plants installed across the Company's manufacturing facilities. Efforts are made to enhance the capacity of Solar Power Plants for taking the organization's renewable energy mix to ~50%.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emission/ waste generated by the Company is within the permissible limits given by CPCB/ SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no pending show cause notices as on March 31, 2022.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of following associations:

- (a) Indian Industries Association (IIA)
- (b) PET Packaging Association for Clean Environment (PACE)
- (c) All India Plastics Manufacturers' Association (AIPMA)
- (d) All India Recycled Fibre and Yarn Manufacturers Association
- (e) Material Recycling Association of India (MRAI)

(f) The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Ganesha has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders and actively put forth its viewpoint on various policy matters and inclusive development policies.

Principle 8

1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Being a responsible corporate citizen, Ganesha has a value system of giving back to society and improving life of the people and the surrounding environment. The Company supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business. The details of Company's CSR initiatives have been provided in 'Annexure C' to Directors' Report that forms part of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Programmes as covered under CSR Activities are undertaken by the Company as well as external organizations. Activities undertaken by external organizations are directed and monitored by the Company on regular intervals.

3. Have you done any impact assessment of your initiative?

The CSR Programmes and their impacts/ outcomes are periodically monitored and reviewed by the CSR Committee of the Board and the management. Statutory 'impact assessment' is currently not applicable to the Company as its CSR obligations are well below the prescribed thresholds.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Community development initiatives are undertaken as part of the Company's CSR activities as detailed in 'Annexure- C' to the Directors' Report that forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

At Ganesha, the CSR projects and programs are undertaken after identifying the communities that require development. The Company is committed to improving the quality of life of the communities around its plant locations and society at large through need based CSR initiatives in the areas of healthcare, education and environment. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
- None.
2. Does the company display product information on the product label, over and above what is mandated

as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company display product information on the product label as per applicable rules and guidelines as well as customer requirements.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

Independent Auditor's Report

To
The Members of
Ganesha Ecosphere Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ganesha Ecosphere Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 opinion.

Emphasis of Matter

We draw attention to Note 41.0 of the standalone financial statements, which describes the effects of a fire in one of the Company's production facilities. Our opinion on the standalone financial statements is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.d of the standalone financial statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.

Evaluation of pending litigations (as described in note 30.2 of the standalone financial statements)

The Company has pending litigations for demand in dispute under various statutes which involves significant judgment to determine the possible outcome of these disputes.

We have obtained the details of litigations under various statutes for the year ended March 31, 2022 from the management.

We have reviewed the management's underlying assumptions in estimating the provisions in respect to the disputed matters and the possible outcome of the disputes. We have also reviewed the legal precedence, where available, and other documents provided for review by the management in evaluating its position in these matters.

We have also reviewed the assumptions made by the management as at March 31, 2022 and evaluated whether any change was required on account of information and updates made available during the year.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (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 Ind AS specified under Section 133 of the Act. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

In preparing the standalone 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 the 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 system 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period 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 Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report 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.
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in auditor's report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its director's during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

- (h) 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, 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 standalone financial statements - refer note 30.2;
 - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer note 8.6;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022;
 - iv. (a) the management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, 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 – refer note 47.0;
 - (b) the management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, 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 – refer note 47.0;
 - (c) based on the audit procedures that has 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) above contain any material mis-statement;
 - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

For Narendra Singhania & Co.

Chartered Accountants

Firm Reg No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

UDIN - 22087931AJJXGR9045

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited ("the Company") on the standalone financial statements as of and for the year ended March 31, 2022)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (1) (a) i) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right of use assets on the basis of available information.
- ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the property, plant and equipment are physically verified by the management, according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of property, plant and equipment has been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the 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 Company) as disclosed in the standalone financial statements and included in the property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year, or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (2) (a) As explained to us, the physical verification of inventory, except goods in transit, has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate having regard to the size of the Company & nature of its operations. For stock held with third parties at the year end, if any, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verifications of inventories.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks in which there are few differences when compared with the unaudited books of accounts (refer note 44.0).
- (3) During the year, the Company has made investments and granted unsecured loans and guarantees to its wholly owned subsidiaries and other parties. However, the Company has not provided any advances in the nature of loans or security to any other party during the year.
- a) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans, guarantees and securities to subsidiaries and other party are as per the table given below:

Particulars	(₹ in Lakh)	
	Loans	Guarantees
Aggregate amount granted/ provided during the year:		
- subsidiaries	14,330.00	37,075.00
- others	125.00	-
Balance outstanding as at the balance sheet date:		
- subsidiaries	3,745.00	37,075.00
- others	94.50	-

- b) In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees provided are not prejudicial to the Company's interest.
- c) The schedule of repayment of principal and payment of interest on the above loans has been stipulated and the repayments are regular.
- d) There were no overdue amounts remaining outstanding as at the balance sheet date in respect of the above loans.
- e) There were no loans granted which has fallen due during the year and which 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 which are repayable on demand or without specifying any terms or period of repayment.
- (4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect to the investments made by it during the year.
- (5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (6) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (7) (i) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income-tax, duty of customs and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (ii) According to the records of the Company, and as per the information and explanations given to us, there are no dues of provident fund, employees state insurance, duty of customs and goods and services tax, which have not been deposited on account of any dispute, The particulars of dues of income-tax and value added tax as at March 31, 2022, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount of demand (₹ in Lakh)	Amount paid under protest (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.60	0.48	2010-11 to 2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
Income Tax Act, 1961	Income Tax Demand u/s 143(3)	35.92	7.50	2015-16	Commissioner of Income Tax (Appeals), Kanpur

- (8) According to the information and explanations given to us, and based on our examination of the records of the Company, there are no transactions which have not been recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (9) (a) Based on our audit procedures, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) Based on our audit procedures, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) Based on our audit procedures, and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company during the year.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company doesn't have any associate or joint venture.
- (f) Based on our audit procedures, and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (10) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the said Order is not applicable to the Company during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under audit. Accordingly, the reporting under Clause 3(x)(b) of the said Order is not applicable to the Company during the year.
- (11) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, we report that no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, there are no whistle-blower complaints received by the Company during the year.
- (12) In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the said Order are not applicable to the Company.
- (13) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.
- (14) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal auditor for the period under audit have been considered by us.
- (15) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its Directors or persons connected with them covered under Section 192 of the Act. Accordingly, the reporting under Clause 3(xv) of the said Order is not applicable to the Company during the year.
- (16) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the said Order are not applicable to the Company.
- (b) The Company has not conducted any non-banking financial/ housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Clause 3(xvi)(c) of the said Order are not applicable to the Company.
- (d) According to the information and explanations given to us, there is no Core Investment Company as a part of the Group. Accordingly, the provisions of Clause 3(xvi)(d) of the said Order are not applicable to the Company.

- (17) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the said Order is not applicable to the Company during the year.
- (19) According to the information and explanations given to us and on the basis of financial ratios (refer note 40.0), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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 indicating that the 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.
- (20) (a) In respect of other than ongoing projects, as at balance sheet date, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of Section 135 of the Act.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under Section 135(5) of the Act pursuant to ongoing projects, to a special account in compliance with the provisions of Section 135(6) of the Act (refer note 32.0).
- (21) The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of standalone financial statements.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931
Place: Kanpur
Date: May 21, 2022
UDIN – 22087931AJJXGR9045

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the standalone financial statements as of and for the year ended March 31, 2022)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesha Ecosphere Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone 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 controls 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 (the "Guidance Note") 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed 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 over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information, and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

For Narendra Singhania & Co.
Chartered Accountants

Firm Reg No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

UDIN - 22087931AJJXGR9045

Standalone balance sheet as at March 31, 2022

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	26,401.06	28,255.22
(b) Capital work-in-progress	3.2	644.96	1,070.61
(c) Right of use assets (ROU)	3.3	121.75	123.36
(d) Intangible assets	4.1	91.77	135.95
(e) Financial assets:			
(i) Investment in subsidiary	5.1	10,534.55	5,570.64
(ii) Loans	5.2	3,844.63	1,382.72
(iii) Others	5.3	772.79	700.39
(f) Other non-current assets	6.0	301.71	295.20
Sub-total		42,713.22	37,534.09
(2) Current assets			
(a) Inventories	7.0	18,908.65	17,251.95
(b) Financial assets:			
(i) Investment	8.1	6,887.51	7,213.14
(ii) Trade receivables	8.2	11,622.69	10,555.13
(iii) Cash and cash equivalents	8.3	57.50	210.30
(iv) Bank balances other than (iii) above	8.4	90.98	173.92
(v) Loans	8.5	6.51	2.05
(vi) Others	8.6	314.80	126.75
(c) Current tax assets (net)	10.0	577.19	510.65
(d) Other current assets	9.0	4,546.09	1,252.70
(3) Assets held for sale/ disposal	11.0	126.15	27.25
Sub-total		43,138.07	37,323.84
TOTAL ASSETS		85,851.29	74,857.93
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	56,220.77	49,699.66
Sub-total		58,403.71	51,882.60
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	13.0	2,624.75	3,212.17
(b) Deferred tax liabilities (net)	18.1	1,769.62	1,913.08
(c) Government grants	14.2	433.60	400.21
(d) Provisions	17.1	677.14	609.21
Sub-total		5,505.11	6,134.67
(2B) Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	13.0	11,253.50	9,491.88
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	301.54	61.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	5,934.57	3,459.64
(iii) Other financial liabilities	15.2	3,547.58	2,670.93
(b) Government grants	14.1	52.69	44.57
(c) Other current liabilities	16.0	578.21	843.51
(d) Provisions	17.2	274.38	268.34
Sub-total		21,942.47	16,840.66
TOTAL EQUITY AND LIABILITIES		85,851.29	74,857.93
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: Kanpur
Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Standalone statement of profit and loss for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I INCOME			
Revenue from operations	19.0	1,02,235.46	75,113.56
Other income	20.0	1,149.44	1,077.21
Total income		1,03,384.90	76,190.77
II EXPENSES			
Cost of materials consumed		65,501.77	46,035.61
Purchases of stock-in-trade		2,101.42	1,876.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(1,881.60)	(359.37)
Employee benefits expenses	22.0	5,783.71	4,800.95
Finance costs	25.0	975.85	870.83
Depreciation and amortization expense	24.0	2,837.01	2,716.18
Other expenses	23.0	18,993.00	14,288.34
Total expenses		94,311.16	70,229.08
III Profit before tax (I-II)		9,073.74	5,961.69
IV Tax expense:	26.0		
Current tax		2,263.57	1,253.26
Deferred tax (credit)/ charge		(144.48)	189.79
Total tax expense		2,119.09	1,443.05
V Profit for the year (III-IV)		6,954.65	4,518.64
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit obligation		4.07	42.82
Less: Income-tax relating to above item	26.0	(1.02)	(10.78)
		3.05	32.04
VII Total comprehensive income for the year (V+VI)		6,957.70	4,550.68
VIII Earnings per share			
Basic (face value of ₹10 per equity share)	28.0	31.86	20.70
Diluted (face value of ₹10 per equity share)		31.86	20.70
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.**Chartered Accountants****Firm Reg. No. 009781N****Narendra Singhania****Partner****Membership No.: 087931**

Place: Kanpur

Date: May 21, 2022

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

Managing Director

DIN: 00383178

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Shyam Sunder Sharma

Chairman

DIN: 00530921

Gopal Agarwal

Chief Financial Officer

FCA: 075080

Standalone cash flow statement for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities:			
Profit before tax as per statement of profit and loss		9,073.74	5,961.69
Adjustments for:			
Depreciation and amortization expense		2,837.01	2,716.18
Loss on sale/ discard of property, plant and equipment (net)		3.29	18.53
Allowance for doubtful trade receivables and advances		(22.61)	(12.75)
Bad debts/ advances written off/ (recovered)		(4.94)	42.51
Liabilities no longer required written back		(26.65)	(73.63)
(Gain)/ loss on foreign currency fluctuations and translations (net)		(153.06)	50.36
Interest expense		886.80	718.86
Interest income		(613.05)	(261.49)
Profit on sale of investments		(147.91)	(161.80)
Fair value gain on financial assets		(106.44)	(510.71)
Fair value gain on preference shares		(168.17)	(70.64)
Dividend on preference shares		(30.00)	(12.90)
Amortization of Government grants		(44.90)	(52.79)
Operating profit before working capital changes		11,483.11	8,351.42
Movements in working capital:			
Increase in trade receivables		(1,048.32)	(831.89)
Increase in other receivables and prepayments		(2,485.73)	(348.59)
Increase in inventories		(1,656.69)	(2,771.02)
Increase in trade payables		2,714.68	161.28
Increase in other payables		818.99	360.42
Increase in provisions		78.03	57.62
Cash generated from operations		9,904.07	4,979.24
Direct taxes paid (net of refunds)		(2,330.12)	(1,349.57)
Net cash flow generated from operating activities (A)		7,573.95	3,629.67
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(1,715.72)	(3,113.09)
Purchase of intangible assets		(5.77)	(1.50)
Proceeds from sale of property, plant and equipment		345.33	125.41
Investment made in subsidiary		(4,795.74)	(4,500.00)
Loan to subsidiaries		(2,387.00)	(368.00)
Loan to body corporate		(73.50)	(21.00)
Fixed deposits made		(253.69)	(904.83)
Fixed deposits matured		277.74	2,552.18
Interest received		422.41	296.69
Purchase of investments		(6,125.51)	(4,401.02)
Proceeds from sale of investments		6,705.49	4,482.87
Net cash flow used in investing activities (B)		(7,605.96)	(5,852.29)

Standalone cash flow statement for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities			
Proceeds from non-current borrowings (other than related parties)		5,286.64	944.79
Repayment of non-current borrowings (other than related parties)		(5,678.73)	(2,888.42)
Proceeds from current borrowings (net) (other than related parties)		1,082.77	5,616.51
Proceeds from/(repayment of) related parties as borrowings (net)		514.00	(182.50)
Dividend paid to equity shareholders		(436.59)	(436.59)
Interest paid		(888.88)	(731.12)
Net cash flow used in financing activities (C)		(120.79)	2,322.67
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		(152.80)	100.05
Cash and cash equivalents at the beginning of the year		210.30	110.25
Cash and cash equivalents at the end of the year	8.3	57.50	210.30
Notes:			
The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.			
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.**Chartered Accountants****Firm Reg. No. 009781N****Narendra Singhania****Partner****Membership No.: 087931**

Place: Kanpur

Date: May 21, 2022

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

Managing Director

DIN: 00383178

Shyam Sunder Sharmma

Chairman

DIN: 00530921

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Gopal Agarwal

Chief Financial Officer

FCA: 075080

Standalone statement of changes in equity for the year ended March 31, 2022

A. Equity share capital

(₹ in Lakh)

As at April 1, 2020	2,182.94
Changes in equity share capital during the year	-
As at March 31, 2021	2,182.94
Changes in equity share capital during the year	-
As at March 31, 2022	2,182.94

B. Other equity

(₹ in Lakh)

Particulars	Reserves and surplus					Total
	Capital redemption reserve	Capital reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2020	450.00	225.28	13,952.72	264.13	30,693.48	45,585.61
Profit for the year	-	-	-	-	4,518.64	4,518.64
Other comprehensive income for the year	-	-	-	-	32.04	32.04
Total comprehensive income for the year	-	-	-	-	4,550.68	4,550.68
Dividend paid	-	-	-	-	(436.59)	(436.59)
Other	-	-	-	-	(0.04)	(0.04)
Balance as at March 31, 2021	450.00	225.28	13,952.72	264.13	34,807.53	49,699.66
Profit for the year	-	-	-	-	6,954.65	6,954.65
Other comprehensive income for the year	-	-	-	-	3.05	3.05
Total comprehensive income for the year	-	-	-	-	6,957.70	6,957.70
Dividend paid	-	-	-	-	(436.59)	(436.59)
Balance as at March 31, 2022	450.00	225.28	13,952.72	264.13	41,328.64	56,220.77

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Narendra Singhania & Co.

Chartered Accountants

Firm Reg. No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma

Managing Director

DIN: 00383178

Shyam Sunder Sharmma

Chairman

DIN: 00530921

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Gopal Agarwal

Chief Financial Officer

FCA: 075080

Notes to the standalone financial statements for the year ended March 31, 2022

1.0 Corporate information

Ganesha Ecosphere Limited ("the Company") is a public limited company, incorporated and domiciled in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The address of the registered office is Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.). The Company is a leading PET Waste recycling company in India and is engaged in the manufacturing of Recycled Polyester Staple Fibre (RPSF), Spun Yarn and Dyed Texturised Yarn.

2.0 Significant Accounting Policies

a) Basis of preparation

(i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis under historical cost convention with the exception of certain financial assets and liabilities that are required to be carried at fair values at the end of each reporting period by Ind AS.

(iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee ('₹'), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss. Exchange differences,

Notes to the standalone financial statements for the year ended March 31, 2022

in respect of foreign currency borrowings taken for acquiring qualifying assets included in property, plant and equipment, to the extent it is an adjustment to interest cost, has been capitalized. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition of qualifying assets are adjusted in the carrying cost of such assets.

d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

The specific criterion for each of the Company's activities has been stated below:

(i) Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

(ii) Job work receipts

Revenue from job work is recognized at the time of dispatch of material.

(iii) Export incentives

Export incentives under various schemes are accounted for in the year of export.

(iv) Recycling certification income

Income is recognized in the year in which the certificate is issued.

(v) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

(vi) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognized as a separate asset, but only when the ultimate recovery is reasonably certain.

(vii) Dividend income on preference shares

Dividend income on investment in preference shares of subsidiary company is recognized on a time proportion accrual basis using the applicable coupon rate.

e) Government grants

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and are netted off from the related expense. However, where the grant pertains to expenses already incurred in earlier years, it is disclosed in other income.

Export Promotion Capital Goods ('EPCG') scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

Notes to the standalone financial statements for the year ended March 31, 2022

In case of interest free/ concessional loan provided by Government, the loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial fair value of the loan and the proceeds received. The loan or assistance is subsequently measured as per the accounting policy applicable to financial liabilities.

f) Taxes

(i) 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 substantially enacted, at the reporting date.

(ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered as highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Asset 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.

h) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Notes to the standalone financial statements for the year ended March 31, 2022

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Written Down Value Method ('WDV') except in respect of buildings and plant & equipment of Kanpur Unit and Temra (Bilaspur) Unit (excluding Rooftop Solar Panels, which are depreciated on WDV method) where depreciation is provided on Straight Line Method ('SLM').

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets	Useful life
Buildings	30 – 60 years
Roads (capitalised under buildings)	10 years
Continuous process plant (plant & equipment)	18 years
Rooftop solar panels (part of plant & equipment)	10 years
Other plant & equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment (including computers, computers equipment and servers)	3-10 years
Vehicles	8-10 years

Residual value of tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. 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.

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.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Intangible assets which are not ready for their intended use are disclosed as intangible assets under development and are stated at the amount expended up to the date of the balance sheet.

The Company amortizes computer software and technical know-how using the straight line method over the period of 5 years.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the standalone financial statements for the year ended March 31, 2022

j) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

k) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the statement of profit and loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Lease

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 period of time in exchange for a consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases (that do not contain purchase option) and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation/ amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated/ amortized on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as estimated by the management. Leasehold land has been amortized over the lease term of 90 years.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate is implicit in the lease not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The lease payments on short-term leases and lease of low-value assets are recognized as expense on a straight-line basis over the lease term.

Notes to the standalone financial statements for the year ended March 31, 2022

m) Inventories

(i) Measurement of Inventory

Inventories of raw material, stores & spares, work-in-progress, finished goods and stock-in-trade (including goods-in-transit) are stated at cost or net realizable value, whichever is lower. Waste & scrap is valued at net realizable value.

(ii) Cost of Inventories

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase of inventories comprise the purchase price, import duties and other non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of inventory items. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting material into finished goods.

Cost of inventories is ascertained on the 'weighted average' basis except stock-in-trade, where cost is ascertained on first-in-first-out (FIFO) basis.

(iii) Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products. Estimate of net realizable value of finished goods and stock-in-trade are based on the most reliable evidence, available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of the inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Amount of write down of the inventories below cost is recognized as an expense as and when the event occurs.

n) 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the statement of profit and loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

o) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the

Notes to the standalone financial statements for the year ended March 31, 2022

control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, family pension fund and employee's state insurance

(a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Notes to the standalone financial statements for the year ended March 31, 2022

r) Investment in subsidiaries

Non-current investment in equity shares of subsidiaries is recognized at cost, unless there are indications of a permanent diminution in the value of investment, as per Ind AS 27. Non-current investments in preference shares and compulsory convertible debentures of subsidiaries is recognized at fair value through profit and loss.

s) 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.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All financial assets are recognized 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed to statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Notes to the standalone financial statements for the year ended March 31, 2022

Financial assets at FVTOCI (debt instrument)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Company has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. The Company makes such election on an instrument -by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Gains and losses on these financial assets are never recycled to statement of profit and loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at FVTPL (equity instruments)

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

In case of equity instruments which are held for trading are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

Notes to the standalone financial statements for the year ended March 31, 2022

Investment in Subsidiaries

Investment in subsidiaries is carried at deemed cost in the separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized 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.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

(b) 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. All financial liabilities are recognized 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 including derivative financial instruments.

Notes to the standalone financial statements for the year ended March 31, 2022

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 'Financial instruments'.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability 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 recognized in the statement of profit and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share

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 weighted average number of equity shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

u) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the said rules applicable from April 1, 2022 as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the standalone financial statements for the year ended March 31, 2022

Ind AS 16 – Proceeds before intended use

The amendments specify that the excess of net sale proceeds of items produced while the Company is preparing the asset for its intended use over its cost of testing, if any, shall not be recognized in the profit or loss but shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the standalone financial statements for the year ended March 31, 2022

3.1 Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross block							
As at April 1, 2020	1,256.61	8,722.71	35,418.62	123.50	346.91	320.98	46,189.33
Additions	-	-	2,166.39	-	54.92	47.23	2,268.54
Disposals	-	-	(201.36)	(1.71)	(50.87)	(14.43)	(268.37)
As at March 31, 2021	1,256.61	8,722.71	37,383.65	121.79	350.96	353.78	48,189.50
Additions	-	858.30	1,187.53	1.44	31.61	93.98	2,172.86
Disposals (refer note 41.0 relating to fire)	-	(215.00)	(2,097.41)	(0.50)	(23.80)	(34.09)	(2,370.80)
As at March 31, 2022	1,256.61	9,366.01	36,473.77	122.73	358.77	413.67	47,991.56
Accumulated depreciation							
As at April 1, 2020	-	2,683.78	14,133.85	87.97	284.76	213.28	17,403.64
Charge for the year	-	321.78	2,263.58	8.91	33.22	35.90	2,663.39
Disposals	-	-	(69.59)	(1.62)	(48.34)	(13.20)	(132.75)
As at March 31, 2021	-	3,005.56	16,327.84	95.26	269.64	235.98	19,934.28
Charge for the year	-	325.95	2,366.46	6.55	37.39	49.11	2,785.46
Disposals	-	(51.81)	(1,026.56)	(0.48)	(19.68)	(30.71)	(1,129.24)
As at March 31, 2022	-	3,279.70	17,667.74	101.33	287.35	254.38	21,590.50
Net block							
As at March 31, 2021	1,256.61	5,717.15	21,055.81	26.53	81.32	117.80	28,255.22
As at March 31, 2022	1,256.61	6,086.31	18,806.03	21.40	71.42	159.29	26,401.06

3.2 Capital work-in-progress (CWIP)

(₹ in Lakh)

CWIP ageing schedule	Amount of CWIP for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021					
Projects in progress	1,003.36	67.25	-	-	1,070.61
As at March 31, 2022					
Projects in progress	430.78	146.93	67.25	-	644.96

3.3 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2020	126.59
Additions	-
Disposals	-
As at March 31, 2021	126.59
Additions	-
Disposals	-
As at March 31, 2022	126.59

Notes to the standalone financial statements for the year ended March 31, 2022

3.3 Right of use assets (ROU) (contd.)

(₹ in Lakh)

Accumulated amortization	
As at April 1, 2020	1.62
Charge for the year	1.61
Disposals	-
As at March 31, 2021	3.23
Charge for the year	1.61
Disposals	-
As at March 31, 2022	4.84
Net block as at March 31, 2021	123.36
Net block as at March 31, 2022	121.75

3.4 All property, plant and equipment as well as ROU assets are charged as security for the term loan and working capital loan facilities from banks, to secure their respective dues (refer notes 13.1 and 27).

3.5 Refer note 30.1 for contractual commitment for the acquisition of property, plant and equipment.

3.6 There is no impairment loss during the year ending March 31, 2022 and March 31, 2021.

3.7 All the title deeds of the immovable properties are held in the name of the Company.

3.8 There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

3.9 There is no project which has temporarily been suspended.

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Intangible assets under development	Total
Gross block				
As at April 1, 2020	14.63	305.71	-	320.34
Additions	-	1.48	-	1.48
Disposals	-	-	-	-
As at March 31, 2021	14.63	307.19	-	321.82
Additions	-	5.76	-	5.76
Disposals	-	-	-	-
As at March 31, 2022	14.63	312.95	-	327.58
Accumulated amortization				
As at April 1, 2020	14.63	120.06	-	134.69
Amortization for the year	-	51.18	-	51.18
Disposals	-	-	-	-
As at March 31, 2021	14.63	171.24	-	185.87
Amortization for the year	-	49.94	-	49.94
Disposals	-	-	-	-
As at March 31, 2022	14.63	221.18	-	235.81
Net block				
As at March 31, 2021	-	135.95	-	135.95
As at March 31, 2022	-	91.77	-	91.77

Net book value

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
4.1 Intangible assets	91.77	135.95

4.2 There is no impairment loss during the year ending March 31, 2022 and March 31, 2021.

4.3 There is no intangible asset under development and hence, related disclosures are not applicable.

Notes to the standalone financial statements for the year ended March 31, 2022

5.0 Non-current financial assets

5.1 Investment in subsidiaries*

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
Investment in equity instrument of subsidiary companies (unquoted, valued at cost)				
In equity shares of Rs 10 each fully paid up of Ganesha Ecopet Private Limited	1,00,00,000	1,000.00	1,00,00,000	1,000.00
In equity shares of Rs 10 each fully paid up of Ganesha Ecotech Private Limited	1,50,00,000	1,500.00	1,50,00,000	1,500.00
In equity shares of Nepali Rupee 100 each fully paid up of Ganesha Overseas Private Limited	24,00,000	1,495.74	-	-
Investment in preference shares of subsidiary company (unquoted, valued at fair value through profit and loss)				
In 1% preference shares of Rs 100 each fully paid up of Ganesha Ecopet Private Limited	30,00,000	3,238.81	30,00,000	3,070.64
Investment in compulsorily convertible debentures of subsidiary company (unquoted, valued at cost)				
In zero coupon compulsorily convertible debentures of Rs 100 each fully paid of Ganesha Ecotech Private Limited	33,00,000	3,300.00	-	-
Total		10,534.55		5,570.64

* Maximum amount outstanding during the year ₹10,534.55 Lakh (March 31, 2021: ₹5,570.64 Lakh). There is no impairment loss in the value of investment.

5.2 Loans

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
Loans to related parties				
Loan to subsidiaries*				
- Ganesha Ecopet Private Limited	765.00		1,135.00	
[Maximum amount outstanding during the year ₹2,500.00 Lakh (March 31, 2021: ₹1,200.00 Lakh)]				
- Ganesha Ecotech Private Limited	2,980.00	3,745.00	223.00	1,358.00
[Maximum amount outstanding during the year ₹2,980.00 Lakh (March 31, 2021: ₹223.00 Lakh)]				
Loan to Ganesha Employees' Welfare Trust ^		94.50		-
[Maximum amount outstanding during the year ₹125.00 Lakh (March 31, 2021: ₹ Nil)]				
Loans to others				
Loan to a body corporate (given for meeting business requirement)		-		21.00
Loans to employees		5.13		3.72
Total		3,844.63		1,382.72

Notes to the standalone financial statements for the year ended March 31, 2022

5.2 Loans (contd.)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	3,844.63	1,382.72
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	3,844.63	1,382.72
Less: Allowance for doubtful loans	-	-
Total	3,844.63	1,382.72

* Loans have been given for setting up of projects.

^ Loan has been given for buying equity shares of the Company under Employees Stock Option Scheme.

Refer note 36.0 for information about credit risk and market risk of loans.

5.3 Others

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits with remaining maturity of more than twelve months*	363.09	309.13
Security deposits	366.80	378.36
Accrued dividend on preference shares	42.90	12.90
Total	772.79	700.39

*held as lien by banks against letter of credits, bank guarantees & other credit facilities amounting to ₹363.09 Lakh (March 31, 2021: ₹308.28 Lakh).

6.0 Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	286.34	283.77
Prepaid expenses	15.37	11.43
Total	301.71	295.20

7.0 Inventories

(at lower of cost and net realisable value)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	9,093.72	8,516.46
Work-in-progress	953.26	791.24
Finished goods	5,153.76	5,331.21
Finished goods (in-transit)	1,383.93	598.57
Stock-in-trade	578.51	310.25
Stock-in-trade (in-transit)	8.40	-
Stores and spares	1,737.07	1,704.22
Total	18,908.65	17,251.95

Cost of inventories amounting to ₹94.34 Lakh (March 31, 2021: ₹286.38 Lakh) in respect of write-downs of inventory to net realisable value has been expensed out in the statement of profit and loss.

Notes to the standalone financial statements for the year ended March 31, 2022

8.0 Current financial assets

8.1 Investments

(carried at fair value through profit and loss)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
(₹ in Lakh)				
a) Investment in mutual funds (unquoted):				
SBI Banking & PSU Fund (units of ₹1,000 each)	-	-	60,653.476	1,549.10
Axis Dynamic Bond Fund (units of ₹10 each)	-	-	22,15,143.608	549.60
DSP Banking & PSU Debt Fund (units of ₹10 each)	-	-	68,95,850.711	1,322.89
ICICI Pru Long Short Fund Series I - Class B42 (units of ₹100 each)	9,99,950.002	1,012.74	-	-
L&T Triple Ace Bond Fund (units of ₹10 each)	-	-	18,69,535.585	1,114.97
SBI Equity Hybrid Fund Growth (units of ₹10 each)	2,70,140.493	593.93	2,70,140.493	500.23
Axis Banking & PSU Debt Fund (units of ₹100 each)	-	-	10,892.881	224.33
Sub-total		1,606.67		5,261.12
b) Investment in bonds & debentures (unquoted):				
9.56% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	88.000	931.64	-	-
10.5% Indsind Bank Series III-2019 NCD Perpetual (units of ₹10,00,000 each)	35.000	350.00	35.000	350.00
9.15% PNB Perpetual Bond (units of ₹10,00,000 each)	25.000	238.61	25.000	238.61
7.74% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	40.000	401.71	40.000	401.71
9.5% UBI Series XX Perpetual Bond (units of ₹10,00,000 each)	30.000	308.57	30.000	308.57
IIFL Secured Redeemable Non-convertible Debenture Series D8 (units of ₹10,00,000 each)	-	-	150.000	150.00
8.50% BOB Series XIII Perpetual Bond (units of ₹10,00,000 each)	-	-	50.000	503.13
8.50% SBI Series II Perpetual Bond (units of ₹10,00,000 each)	22.000	229.72	-	-
8.85% HDFC Bank Series I Perpetual Bond (units of ₹10,00,000 each)	100.000	1,003.89	-	-
9.55% Canara Bank Perpetual Bond (units of ₹10,00,000 each)	50.000	522.35	-	-
8.50% Canara Bank Series III Perpetual Bond (units of ₹10,00,000 each)	50.000	510.35	-	-
9.04% Bank of India Series VI Perpetual Bond (units of ₹10,00,000 each)	50.000	509.55	-	-
8.30% Canara Bank Series II Perpetual Bond (units of ₹10,00,000 each)	27.000	274.45	-	-
Sub-total		5,280.84		1,952.02
Total		6,887.51		7,213.14

Refer note 35.0 and 36.0 for information about fair value measurement, credit risk and market risk of investments.

Notes to the standalone financial statements for the year ended March 31, 2022

8.2 Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	11,681.10	10,725.51
Less: Allowance for doubtful trade receivables	(58.41)	(170.38)
Total	11,622.69	10,555.13
Break-up:		
Receivables considered good - secured	1,323.30	1,050.43
Receivables considered good - unsecured	10,299.39	9,504.70
Receivables which have significant increase in credit risk	-	-
Receivables considered doubtful - unsecured	58.41	170.38
	11,681.10	10,725.51
Less: Allowance for doubtful trade receivables	(58.41)	(170.38)
Total	11,622.69	10,555.13

Notes:

- 1) Trade receivable represents the amount of consideration, in exchange for goods or services transferred to the customers, that is unconditional. There are no contract assets and contract liabilities.
- 2) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director of the Company is a partner, a director or a member.
- 3) No trade receivables are due from any other related party.
- 4) Refer note 35.0 & 36.0 for information about fair value measurement, credit risk and market risk of trade receivables.
- 5) Refer note 38.0 for ageing schedule of trade receivables.

8.3 Cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- On current accounts	47.97	178.62
- Deposits with original maturity of less than three months	-	11.08
Cheques on hand	-	14.01
Cash on hand	9.53	6.59
Total	57.50	210.30

8.4 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend (Earmarked)	59.40	64.32
Deposits with original maturity of more than three months*	31.58	109.60
Total	90.98	173.92

*held under lien with banks against letter of credits and with power distribution boards amounting to ₹31.58 Lakh (March 31, 2021: ₹100.32 Lakh)

Notes to the standalone financial statements for the year ended March 31, 2022

8.5 Loans

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Loans to employees	6.51	2.05
Total	6.51	2.05
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	6.51	2.05
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	6.51	2.05
Less: Allowance for doubtful loans	-	-
Total	6.51	2.05

Note: Refer note 36.0 for information about credit risk and market risk of loans.

8.6 Other financial assets

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest receivable on fixed deposits and others	300.60	109.96
Security deposits	13.21	16.79
Mark to market of derivative financial instruments	0.99	-
Total	314.80	126.75

9.0 Other current assets

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to suppliers	772.48	788.64
Advances to employees and others	26.14	18.73
Prepaid expenses	261.79	278.96
Balances with Government authorities	194.30	166.37
Insurance claim receivable (refer note 41.0)	3,099.85	-
Export incentives receivable	191.53	-
Sub-total	4,546.09	1,252.70
Unsecured, considered doubtful		
Advances to suppliers	24.53	32.90
Less: Allowance for doubtful advances	(24.53)	(32.90)
Sub-total	-	-
Total	4,546.09	1,252.70

Notes to the standalone financial statements for the year ended March 31, 2022

10.0 Current tax assets (net)

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Income-tax	577.19	510.65
Total	577.19	510.65

11.0 Assets held for sale/ disposal

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Discarded fixed assets held for sale/ disposal	47.76	27.25
Discarded inventory held for disposal	78.39	-
Total	126.15	27.25

12.1 Share capital

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Authorised		
3,40,00,000 (March 31, 2021: 3,40,00,000) equity shares of ₹10 each	3,400.00	3,400.00
21,50,000 (March 31, 2021: 21,50,000) preference shares of ₹100 each	2,150.00	2,150.00
Total	5,550.00	5,550.00
Issued, subscribed and fully paid up		
2,18,29,397 (March 31, 2021: 2,18,29,397) equity shares of ₹10 each	2,182.94	2,182.94
Total	2,182.94	2,182.94

Notes:

i) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	(Nos.)	
	As at March 31, 2022	As at March 31, 2021
Equity shares		
As at the beginning of the year	2,18,29,397	2,18,29,397
Add: Shares issued during the year	-	-
As at the end of the year	2,18,29,397	2,18,29,397

ii) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the standalone financial statements for the year ended March 31, 2022

12.1 Share capital (contd.)

iii) Shares in the Company held by each shareholder holding more than five per cent:

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10/- each fully paid up				
GPL Finance Limited	22,13,809	10.14	22,13,811	10.14
Shyam Sunder Sharmma	19,38,927	8.88	19,38,927	8.88
SBI Mutual Fund	15,16,934	6.95	15,94,857	7.31
DSP Equity Fund	14,95,952	6.85	13,26,100	6.07
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02
MCAP India Fund Limited	9,94,704	4.56	22,56,619	10.34

iv) Shares held by the promoters at the end of the year:

Name of the Promoters	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Shyam Sunder Sharmma	19,38,927	8.88	0.00	19,38,927	8.88	0.00
Rajesh Sharma	10,95,529	5.02	0.00	10,95,529	5.02	0.00
Sharad Sharma	8,75,583	4.01	0.00	8,75,583	4.01	0.00
Vishnu Dutt Khandelwal	7,20,200	3.30	0.00	7,20,200	3.30	0.00
Vimal Sharma	4,91,738	2.25	0.00	4,91,738	2.25	3.18
Seema Sharma	3,03,560	1.39	0.00	3,03,560	1.39	12.76
Ratna Sharma	2,67,871	1.23	0.24	2,67,238	1.22	3.65
Shyam Sunder Sharmma HUF	1,07,000	0.49	0.00	1,07,000	0.49	0.00
Sandeep Khandelwal	2,04,501	0.94	0.36	2,03,771	0.93	92.15
Yash Sharma	1,32,445	0.61	0.00	1,32,445	0.61	32.45
Sharad Sharma HUF	94,731	0.43	0.00	94,731	0.43	0.00
Nirmal Khandelwal	46,875	0.21	0.00	46,875	0.21	0.00
Vishnu Dutt Khandelwal HUF	41,940	0.19	0.36	41,790	0.19	11.44
Rajesh Sharma HUF	23,250	0.11	0.00	23,250	0.11	0.00
Ashwani Sharma*	-	-	-	633	0.00	0.00
Harsh Sharma	1,17,498	0.54	16.92	1,00,498	0.46	100.00
Hemant Sharma	77,568	0.36	1.97	76,068	0.35	100.00
Charu Khandelwal	21,449	0.10	8.99	19,679	0.09	100.00
Naveen Sharma	10,002	0.05	100.00	-	-	-
Kunjika Kaushal	6,237	0.03	100.00	-	-	-
GPL Finance Limited	22,13,809	10.14	0.00	22,13,811	10.14	0.00
Sandeep Yarns Pvt Ltd	4,46,300	2.04	0.00	4,46,300	2.04	0.00
Total	92,37,013	42.31		91,99,626	42.14	

*633 Equity Shares of the Company held by Late Ashwani Sharma have been transmitted in the name of Mrs. Ratna Sharma.

- v) The Company has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during the period of five years immediately preceding the reporting date.

Notes to the standalone financial statements for the year ended March 31, 2022

12.2 Other equity

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	13,952.72
General reserve	264.13	264.13
Retained earnings	41,328.64	34,807.53
Total	56,220.77	49,699.66
(a) Capital redemption reserve		
Opening balance	450.00	450.00
Adjustment during the year	-	-
Closing balance	450.00	450.00
(b) Capital reserve		
Opening balance	225.28	225.28
Adjustment during the year	-	-
Closing balance	225.28	225.28
(c) Securities premium		
Opening balance	13,952.72	13,952.72
Adjustment during the year	-	-
Closing balance	13,952.72	13,952.72
(d) General reserve		
Opening balance	264.13	264.13
Adjustment during the year	-	-
Closing balance	264.13	264.13
(e) Retained earnings		
Opening balance	34,807.53	30,693.48
Adjustment during the year:		
Net profit for the year	6,954.65	4,518.64
Other comprehensive income (net) for the year	3.05	32.04
Dividend paid	(436.59)	(436.59)
Other	-	(0.04)
Closing balance	41,328.64	34,807.53
Total (a to e)	56,220.77	49,699.66

Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve was created for redemption of preference share capital and it is a non-distributable reserve.

Capital reserve

Capital reserve represent capital subsidy received and amount received on forfeiture of shares of the Company. Capital reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the standalone financial statements for the year ended March 31, 2022

12.2 Other equity (contd.)

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used to transfer profits from retained earnings for general purposes. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

13.0 Borrowings

(₹ in Lakh)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Non-current borrowings				
Term loans:				
- from banks (secured)	413.11	3,047.27	413.03	682.67
- from State Government (secured) (refer footnote (iv) below)	247.56	164.90	-	-
Foreign currency loan from bank (secured)	1,964.08	-	434.50	0.01
Total	2,624.75	3,212.17	847.53	682.68
Current borrowings				
Working capital loans from banks				
- Rupee loans (secured)	9,329.97	8,247.20		
Current maturities of long-term borrowings	847.53	682.68		
Loans repayable on demand (unsecured):				
- from directors	892.00	425.00		
- from directors' relatives	63.00	63.00		
- from other related parties	121.00	74.00		
Total	11,253.50	9,491.88		

Notes:

- Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.
 - The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.
 - Refer note 36.0 for liquidity risk.
 - Loans discounted to their present value using the average interest rate on borrowings and the differential loan amount has been disclosed as government grant.
- v) Net debt reconciliation:**

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current and non-current borrowings	13,878.25	12,704.05
Less: Cash and cash equivalents	(57.50)	(210.30)
Interest payable	16.91	35.01
Net debt	13,837.66	12,528.76

Notes to the standalone financial statements for the year ended March 31, 2022

v) Net debt reconciliation: (contd)

(₹ in Lakh)

Particulars	Current and non-current borrowings	Cash and cash equivalents	Interest payable	Total
Net debt as at April 1, 2020	9,175.52	(110.25)	61.84	9,127.11
Cash flows	3,490.38	(100.05)	-	3,390.33
Other non-cash movements:				
- foreign exchange adjustments	23.58	-	-	23.58
- fair value adjustments	14.57	-	(14.57)	-
Interest expense	-	-	718.86	718.86
Interest paid	-	-	(731.12)	(731.12)
Net debt as at March 31, 2021	12,704.05	(210.30)	35.01	12,528.76
Cash flows	1,204.68	152.80	-	1,357.48
Other non-cash movements:				
- foreign exchange adjustments	(1.42)	-	-	(1.42)
- fair value adjustments	(29.06)	-	(16.02)	(45.08)
Interest expense	-	-	886.80	886.80
Interest paid	-	-	(888.88)	(888.88)
Net debt as at March 31, 2022	13,878.25	(57.50)	16.91	13,837.66

13.1 a) Nature of security and terms of repayment for non-current borrowings:

	Nature of security	Terms of repayment
1	Term loan from bank, balance outstanding amounting to ₹611.16 Lakh (including foreign currency loan balance outstanding of ₹599.65 Lakh) (March 31, 2021: ₹700.00 Lakh including foreign currency loan outstanding of ₹ Nil), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakh (March 31, 2021: ₹ Nil) and personal guarantees of some of the executive directors of the Company and others.	Repayable in 22 quarterly installments starting from March, 2022 and last installment falling due in June 2027. Rate of interest 7.95% p.a. (foreign currency loan: 2.39% p.a.) as at the year end (March 31, 2021: 7.40%).
2	Term loan from bank, balance outstanding amounting to ₹1,867.12 Lakh (including foreign currency loan balance outstanding of ₹1,798.93 Lakh) (March 31, 2021: ₹2,154.11 Lakh including foreign currency loan outstanding of ₹ Nil), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakh (March 31, 2021: ₹ Nil) and personal guarantees of some of the executive directors of the Company and others.	Repayable in 17 quarterly installments starting from April 2022 and last installment falling due in April 2026. Rate of interest 7.95% p.a. (Foreign currency loan: 2.39% p.a.) as at the year end (March 31, 2021: 8.10% p.a.).

Notes to the standalone financial statements for the year ended March 31, 2022

	Nature of security	Terms of repayment
3	Term loan from bank, balance outstanding amounting to ₹746.44 Lakh (March 31, 2021: ₹875.83 Lakh), is secured by way of exclusive charge on assets financed by loan. The loan is further secured by way of personal guarantees of the executive directors of the Company and others.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due in March, 2024. Average rate of interest 6.78% p.a. as at the year end (March 31, 2021: 6.30% p.a.).
4	Loan from U.P. Government, balance outstanding amounting to ₹111.72 Lakh (March 31, 2021: ₹ Nil), is secured by way of bank guarantee of equivalent amount.	Repayable in March, 2029. The loan is interest free.
5	Loan from U.P. Government, balance outstanding amounting to ₹23.04 Lakh (March 31, 2021: ₹23.04 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in 2 installments during August 2023 and December 2023. The loan is interest free.
6	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakh (March 31, 2021: ₹29.42 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in January 2025. The loan is interest free.
7	Loan from U.P. Government, balance outstanding amounting to ₹194.90 Lakh (March 31, 2021: ₹194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.

13.1 b) Nature of security and terms of repayment for current borrowings:

	Nature of security	Terms of repayment
1	Working capital loans from banks, balance outstanding amounting to ₹9,329.97 Lakh (March 31, 2021: ₹8,247.20 Lakh) are secured by hypothecation of current assets of the Company (both present and future), ranking pari passu inter-se. These loans are further secured by way of extension of pari-passu second charge on property, plant and equipment of the Company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Company and others.	Repayable on demand. Rate of interest is ranging from 5.35% to 8.25% p.a. over the tenure of the loans. (March 31, 2021: Rate of interest ranging from 6.00% to 9.00% p.a.)
2	Unsecured loans from directors and other related parties amounting to ₹1,076.00 Lakh (March 31, 2021: ₹562.00 Lakh).	Repayable on demand. Rate of interest 5.50% p.a. as at the year end (March 31, 2021: 7.00% p.a.).

13.2 The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

Notes to the standalone financial statements for the year ended March 31, 2022

14.0 Government grants

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	444.77	483.87
Received during the year*	86.42	13.70
Released to the statement of profit and loss	(44.90)	(52.79)
At the end of the year	486.29	444.78
14.1 Current	52.69	44.57
14.2 Non-current	433.60	400.21

*There is no unfulfilled commitments as at the balance sheet date related to Government grant received under the EPCG Scheme.

15.1 Trade payables

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	301.54	61.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,934.57	3,459.64
Total	6,236.11	3,521.43

Note:

- Refer note 36.0 for information about liquidity risk and market risk of trade payables.
- Refer note.39.0 for ageing schedule of trade payables.

c). Dues to micro and small enterprises:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	301.54	61.79
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period 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	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

Notes to the standalone financial statements for the year ended March 31, 2022

15.2 Other current financial liabilities

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital expenditure	19.31	26.60
Interest accrued	16.91	35.01
Unclaimed dividends*	59.41	64.32
Mark to market of derivative financial instruments	-	150.65
Other payables	3,451.95	2,394.35
Total	3,547.58	2,670.93

* During the year, the Company has transferred ₹10.56 Lakh (March 31, 2021: ₹10.48 Lakh) to Investor Education and Protection Fund towards unclaimed dividend and there are no overdue amounts as at the balance sheet date.

16.0 Other current liabilities

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	92.09	67.32
Statutory dues payables	486.12	776.19
Total	578.21	843.51

17.0 Provisions

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits		
17.1 Non-current		
Leave obligations	90.39	76.65
Gratuity (refer note 29.1)	586.75	532.56
Total	677.14	609.21
17.2 Current		
Leave obligations	53.69	52.18
Gratuity (refer note 29.1)	220.69	216.16
Total	274.38	268.34

18.1 Deferred tax liabilities (net)

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	(401.71)	(315.99)
Deferred tax liabilities	2,171.33	2,229.07
Total	1,769.62	1,913.08

Notes to the standalone financial statements for the year ended March 31, 2022

18.1.a Movement of deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)		
As at the beginning of the year	1,913.08	1,712.51
Charge/ (credit) to statement of profit and loss*	(143.46)	200.57
Total	1,769.62	1,913.08

*Deferred tax on remeasurement of defined benefit obligation of ₹1.02 Lakh has been charged to other comprehensive income (March 31, 2021: ₹10.78 Lakh).

18.1.b Components of deferred tax (assets)/ liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liability		
Property, plant and equipment	2,048.41	2,079.51
Others	122.92	149.56
Sub-total	2,171.33	2,229.07
Deferred tax asset		
Expenses allowed in the year of payment	(380.83)	(264.83)
Provision for doubtful trade receivables and advances	(20.88)	(51.16)
Sub-total	(401.71)	(315.99)
Total	1,769.62	1,913.08

19.0 Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Finished goods (including process waste)	98,457.40	72,212.99
Stock-in-trade	2,313.26	2,012.59
Sub-total	1,00,770.66	74,225.58
Other operating revenues		
Sale of waste and scrap	360.95	260.47
Job work receipts	8.44	7.34
Insurance claims received	74.42	38.29
Export incentives	461.95	184.87
Allowance for doubtful trade receivables written back (net)	35.21	23.06
Income from recycling certification	399.42	297.82
Liabilities no longer required written back	26.65	73.63
Others	97.76	2.50
Sub-total	1,464.80	887.98
Total	1,02,235.46	75,113.56

Notes to the standalone financial statements for the year ended March 31, 2022

19.0 Revenue from operations (contd.)

The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued thereafter are reduced from gross sales and net sales is shown in the statement of profit and loss. Details of the revenue from contracts with customers as it appears in the invoices raised on them and credit notes issued thereafter are as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Revenue from contracts with Customers	1,00,882.05	74,332.28
Less:		
b. Performance and price discounts	59.39	43.12
c. Other discounts	52.00	63.58
Revenue from sale of products	Total	74,225.58

20.0 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	613.05	261.49
Government grants	44.90	52.79
Gain on foreign currency fluctuations and translations (net)	28.34	-
Profit on sale of investments	147.91	161.80
Fair value gain on financial assets	106.44	510.71
Fair value gain on preference shares	168.17	70.64
Dividend on preference shares (accrued)	30.00	12.90
Miscellaneous income	10.63	6.88
Total	1,149.44	1,077.21

(₹ in Lakh)

21.0 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year*		
Finished goods	6,537.69	5,929.78
Stock-in-trade	586.91	310.25
Work-in-progress	953.26	791.24
Sub-total	8,077.86	7,031.27
Inventories at the beginning of the year*		
Finished goods	5,929.78	6,000.31
Stock-in-trade	310.25	100.32
Work-in-progress	791.24	571.27
Sub-total	7,031.27	6,671.90
Less: Loss of finished & process goods inventory due to fire.	835.01	-
Total	(1,881.60)	(359.37)

*including goods-in-transit.

Notes to the standalone financial statements for the year ended March 31, 2022

22.0 Employee benefits expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	5,302.82	4,361.97
Contribution to provident and other funds (refer note 29.2)	246.19	209.53
Gratuity expense (refer note 29.1)	126.61	137.48
Staff welfare expenses	108.09	91.97
Total	5,783.71	4,800.95

23.0 Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing expenses:		
Consumption of stores and spares	2,369.52	2,010.48
Power and fuel	8,485.28	6,860.62
Processing charges	796.98	445.78
Repairs and maintenance		
- Plant and machinery	451.72	325.29
- Buildings	104.03	65.15
Sub-total	12,207.53	9,707.32
Administrative expenses		
Rent (refer note 31.0)	106.32	114.02
Rates and taxes	9.65	59.44
Insurance	164.27	136.74
Repairs and maintenance - others	93.15	79.13
CSR expenditure (refer note 32.0)	158.60	162.80
Travelling and conveyance	132.11	107.73
Communication costs	40.82	37.19
Printing and stationery	38.76	34.59
Legal and professional fee	85.53	43.41
Cost auditors' remuneration	1.10	1.00
Directors' sitting fee	1.85	2.50
Payment to auditor (refer details below)	12.78	12.90
Bad debts/ advances written off	-	42.51
Allowances for doubtful trade receivables and advances	12.60	10.31
Loss on sale/ discard of property, plant and equipment (net)	3.29	18.53
Miscellaneous expenses	115.87	111.83
Vehicle running and maintenance	89.45	63.12
Commission to non-executive directors	55.50	56.89
Security service charges	152.70	140.10
Loss on foreign currency fluctuations and translations (net)	-	15.60
Sub-total	1,274.35	1,250.34

Notes to the standalone financial statements for the year ended March 31, 2022

23.0 Other expenses (contd.)

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Selling expenses		
Freight and forwarding charges	5,055.68	2,980.96
Other selling and distribution expenses	455.44	349.72
Sub-total	5,511.12	3,330.68
Total	18,993.00	14,288.34
Break up of payment to auditor:		
As auditor:		
- Audit fee	8.50	8.50
- Tax audit fee	1.00	1.00
- Limited review fee	3.00	3.00
In other capacity		
- Other services (certification fee)	0.20	0.10
- Reimbursement of expenses	0.08	0.30
Total	12.78	12.90

24.0 Depreciation and amortization expense

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	2,785.46	2,663.39
Amortization of intangible assets	49.94	51.18
Amortization of ROU assets	1.61	1.61
Total	2,837.01	2,716.18

25.0 Finance costs

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	886.80	718.86
Exchange differences regarded as an adjustment to borrowing cost	-	56.38
Other borrowing costs (including bank charges)	89.05	95.59
Total	975.85	870.83

Notes to the standalone financial statements for the year ended March 31, 2022

26.0 Tax expense

26.1 The major components of income-tax expense are as under:

		(₹ in Lakh)	
Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A) Profit and loss section			
Current tax			
In respect of current year		2,270.08	1,256.96
In respect of earlier years		(6.51)	(3.70)
	Sub-total	2,263.57	1,253.26
Deferred tax			
Relating to origination and reversal of temporary differences		(144.48)	189.79
	Sub-total	(144.48)	189.79
Income tax expense reported in the statement of profit and loss	Total	2,119.09	1,443.05
B) Other comprehensive income ('OCI') section			
Deferred tax related to items recognized in OCI during the year:			
Re-measurement gain on defined benefit obligation		(1.02)	(10.78)
Income-tax charged to OCI	Total	(1.02)	(10.78)

26.2 Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

		(₹ in Lakh)	
Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before income-tax		9,073.74	5,961.69
Enacted income-tax rate applicable to the Company		25.168%	25.168%
Current tax expense on profit before tax at the enacted income-tax rate		2,283.68	1,500.44
Adjustments in respect of current income-tax of earlier years		(6.51)	(3.70)
Permanent disallowances		40.36	41.56
Remeasurement of net deferred tax liabilities		(226.90)	(93.33)
Others		28.46	(1.92)
Total income-tax expense		2,119.09	1,443.05

Consequent to reconciliation items shown above, the effective tax rate is 23.350% (March 31, 2021: 24.205%).

Notes to the standalone financial statements for the year ended March 31, 2022

27.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
First charge		
Non-current assets		
Property, plant and equipment	26,401.06	28,255.22
Capital work-in-progress	644.96	1,070.61
Right of use assets	121.75	123.36
Non-current financial assets	15,151.97	7,653.75
Other non-current assets	301.71	295.20
Total non-current assets pledged as security	42,621.45	37,398.14
Second charge		
Current assets		
Financial assets		
Investments	6,887.51	7,213.14
Trade receivables	11,622.69	10,555.13
Cash and cash equivalents	57.50	210.30
Bank balances	31.58	109.60
Others	321.31	128.80
Non financial assets		
Inventories	18,908.65	17,251.95
Current tax assets	577.19	510.65
Others	4,672.24	1,279.95
Total current assets pledged as security	43,078.67	37,259.52
Total assets pledged as security	85,700.12	74,657.66

28.0 Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earning per share has been computed as under:		
Profit for the year (₹ in Lakh)	6,954.65	4,518.64
Weighted average number of equity shares outstanding (Numbers)	2,18,29,397	2,18,29,397
Earnings per share (₹) - Basic (face value of ₹10 per share)	31.86	20.70
Earnings per share (₹) - Diluted (face value of ₹10 per share)	31.86	20.70

Notes to the standalone financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans

29.1 Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

Movement in the present value of the defined benefit obligation for gratuity are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	748.72	694.46
Liability transferred to subsidiary company	(4.61)	(1.60)
Current service cost	88.54	92.34
Interest expense	38.07	45.14
Benefits paid	(59.21)	(38.80)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(64.59)
Actuarial (gains) / losses arising from changes in financial assumptions	(12.85)	22.38
Actuarial (gains) / losses arising from experience adjustments	8.78	(0.61)
Closing defined benefit obligation	807.44	748.72

Net liability recognized in balance sheet:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	807.44	748.72
Fair value of plan assets	-	-
Funded status (deficit)	(807.44)	(748.72)
Net liability recognized in balance sheet	807.44	748.72
Break-up of defined benefit obligation		
Current liability	220.69	216.16
Non-current liability	586.75	532.56
Total	807.44	748.72

Net defined benefit expense recognized in employee benefit expenses in the statement of profit and loss:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	88.54	92.34
Net interest cost	38.07	45.14
Total	126.61	137.48

Remeasurement (gain) / loss recognized in other comprehensive income:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(64.59)
Actuarial (gains) / losses arising from changes in financial assumptions	(12.85)	22.38
Actuarial (gains) / losses arising from experience adjustments	8.78	(0.61)
Total	(4.07)	(42.82)

Notes to the standalone financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans (contd.)

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	5.65%	5.10%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	30.00%	30.00%
Withdrawal rate (above 58 years)	10.00%	10.00%
Mortality	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is as under:

(₹ in Lakh)

Particulars	Year	Change in assumption	Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2022	1.00%	(22.30)	23.69
	March 31, 2021	1.00%	(14.98)	15.72
Salary escalation rate	March 31, 2022	1.00%	21.65	(21.02)
	March 31, 2021	1.00%	15.21	(14.85)
Withdrawal rate	March 31, 2022	1.00%	negligible	negligible
	March 31, 2021	1.00%		

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

Maturity profile of demand of defined benefit obligation is as under:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	220.69	216.16
1 - 2 Year	162.35	145.99
2 - 3 Year	124.34	110.02
3 - 4 Year	94.00	83.79
4 - 5 Year	61.80	63.93
Above 5 years	144.26	128.83
Total	807.44	748.72

Fair value and changes in fair value of plan assets during the year ended March 31, 2022:

Gratuity obligations are not funded.

As per the policy of the Company, no gratuity is payable to the executive directors of the Company.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes to the standalone financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans (contd.)

29.2 Defined contribution plans

The Company also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards contribution to defined contribution plans is ₹246.19 Lakh (March 31, 2021: ₹209.53 Lakh).

29.3 Leave obligation

The Company provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

30.0 Commitments and contingencies (to the extent not provided for)

30.1 Commitments

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) Estimated amount of contracts remaining to be executed on capital account (net of advances):	-	1,153.77
b) Corporate guarantees given to banks for securing the amounts lent by them to the subsidiary companies	37,075.00	5,000.00
Total	37,075.00	6,153.77

30.2 Contingent liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) Matters with tax authorities		
- Income-tax matters	35.92	35.92
- VAT matters	2.61	7.65
b) Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board ('UPCB') on Rudrapur unit of the Company in pursuance of a general order of Hon'ble National Green Tribunal ('NGT') dated November 14, 2019 ('Order'). The operation of the said Order has been stayed by the Hon'ble Supreme Court vide its order dated March 18, 2020. The management believes that this demand has erroneously been raised on the Company by UPCB and not sustainable.	100.00	100.00
c) Bills discounted under letters of credit and outstanding	234.48	97.40
d) Claims against the Company not acknowledged as debt (interest thereon not ascertainable at present)	49.23	43.90
Total	422.24	284.87

Notes to the standalone financial statements for the year ended March 31, 2022

31.0 Leases - short term leases

The Company has certain operating leases primarily consisting of leases for office premises, guest houses and warehouses having different lease terms. Such leases are generally with the option of renewal against increased rent and premature termination clause. Rental expense recorded for short-term leases and low value asset leases is ₹106.32 Lakh for the year ended March 31, 2022 (March 31, 2021: ₹114.02 Lakh).

The Company has taken certain land on long term lease for factory purposes (disclosed under "Right of use assets"). Since entire lease payments have been prepaid, the Company does not have any future lease liability towards the same.

For details pertaining to the carrying value of right of use assets and amortization charged thereon during the year, refer note 3.3 of the financial statements.

The Company does not have any lease liability and thus there are no liquidity risks.

32.0 Details of corporate social responsibility (CSR) expenditure

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the Company during the year	158.60	160.00
Amount spent during the year on:		
a. Research in science & technology *	-	22.99
b. Promoting education among children, women & differently abled*	30.85	26.53
c. Promoting healthcare including preventive healthcare*	34.16	21.30
d. Rural development	-	13.01
e. Ensuring environmental sustainability	10.72	41.06
f. Prime Minister's National Relief Fund	-	33.98
g. Training to promote nationally recognized sports*	76.34	-
h. Administrative overheads	6.53	3.93
Total	158.60	162.80
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not Applicable	Not Applicable
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

*Includes ₹87.11 Lakh of CSR expense pertaining to the ongoing projects as at March 31, 2022 (March 31, 2021: ₹18.80 Lakh) which was transferred to the Unspent Corporate Social Responsibility Account of the Company within 30 days from end of financial year.

Note: The Company has not incurred any expenditure on construction/ acquisition of any asset.

33.0 Segment information

33.1 Primary segment (by business segment):

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company's operations comprises of only one segment i.e. sale of polyester staple fibre and polyester yarn which are mainly having similar risks and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment (synthetic textile). In view of the same, separate primary segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

Notes to the standalone financial statements for the year ended March 31, 2022

33.0 Segment information (contd.)

33.2 Secondary segment (by geographical demarcation):

Considering the nature of the business in which the Company operates, the Company deals with various customers in multiple geographies. The details of segment revenue based on geographical demarcation is as under:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of products		
- India	87,799.62	68,172.43
- Outside India	12,971.04	6,053.15
Total	1,00,770.66	74,225.58

34.0 Related party disclosures

Name of related parties and nature of relationship:

34.1 Subsidiaries

Ganesha Ecopet Private Limited	Wholly owned subsidiary, incorporated in India (w.e.f. November 19, 2019)
Ganesha Ecotech Private Limited	Wholly owned subsidiary, incorporated in India (w.e.f. November 17, 2020)
Ganesha Overseas Private Limited	Wholly owned subsidiary, incorporated in Nepal (acquired w.e.f. July 15, 2021)

34.2A. Key management personnel

Shri Shyam Sunder Sharmma	Non-Executive Chairman
Shri Vishnu Dutt Khandelwal	Executive Vice Chairman
Shri Sharad Sharma	Managing Director
Shri Rajesh Sharma	Joint Managing Director
Shri Gopal Singh Shekhawat	Director (Administration) (till December 24, 2020)
Shri Surendra Kumar Kabra	Independent Director
Shri Pradeep Kumar Goenka	Independent Director
Shri Vishwa Nath Chandak	Independent Director
Shri Anoop Gupta	Independent Director (till September 22, 2020)
Shri Abhilash Lal	Independent Director
Smt. Seema Sharma	Non-Executive Director (till September 22, 2020)
Smt. Shobha Chaturvedi	Independent Director
Shri Gopal Agarwal	Chief Financial Officer
Shri Bharat Kumar Sajani	Company Secretary & Compliance Officer

B. Relatives of key management personnel

Smt. Vimal Sharma	Wife of Shri Shyam Sunder Sharmma
Smt. Nirmal Khandelwal	Wife of Shri Vishnu Dutt Khandelwal
Shri Sandeep Khandelwal	Son of Shri Vishnu Dutt Khandelwal
Shri Yash Sharma	Son of Shri Sharad Sharma
Shri Ashwani Sharma (till April 03, 2020)	Son of Shri Rajesh Sharma
Shyam Sunder Sharmma HUF	Shri Shyam Sunder Sharmma is Karta
Vishnu Dutt Khandelwal HUF	Shri Vishnu Dutt Khandelwal is Karta
Sharad Sharma HUF	Shri Sharad Sharma is Karta
Rajesh Sharma HUF	Shri Rajesh Sharma is Karta

Notes to the standalone financial statements for the year ended March 31, 2022

34.0 Related party disclosures (contd.)

C. Entities controlled by key management personnel or their relatives

Sandeep Yarns Private Limited

GPL Finance Limited

D. Entities over which key management personnel are able to exercise significant influence

Ganesha Employees' Welfare Trust

34.3 Summary of transactions during the year

(₹ in Lakh)

Particulars	Year ended	Subsidiaries	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives	Entities over which key management personnel are able to exercise significant influence
Investment in share capital	March 31, 2022	1,495.74	-	-	-	-
	March 31, 2021	4,500.00	-	-	-	-
Investment in zero coupon compulsorily convertible debentures	March 31, 2022	3,300.00	-	-	-	-
	March 31, 2021	-	-	-	-	-
Unsecured loan given	March 31, 2022	14,330.00	-	-	-	125.00
	March 31, 2021	1,518.00	-	-	-	-
Unsecured loan repaid	March 31, 2022	11,943.00	-	-	-	30.50
	March 31, 2021	1,150.00	-	-	-	-
Interest income	March 31, 2022	259.82	-	-	-	-
	March 31, 2021	50.66	-	-	-	-
Accrued dividend and fair value gain on preference shares	March 31, 2022	198.17	-	-	-	-
	March 31, 2021	83.54	-	-	-	-
Expenses incurred on reimbursable basis	March 31, 2022	3.94	-	-	-	-
	March 31, 2021	23.64	-	-	-	-
Sale of capital goods, general stores and management services	March 31, 2022	137.12	-	-	-	-
	March 31, 2021	-	-	-	-	-
Transfer of employees super annuation benefits on transfer of employees to subsidiaries	March 31, 2022	5.05	-	-	-	-
	March 31, 2021	-	-	-	-	-
Corporate guarantees given to banks (refer note 43.0)	March 31, 2022	37,075.00	-	-	-	-
	March 31, 2021	5,000.00	-	-	-	-
Managerial remuneration	March 31, 2022	-	406.12	-	-	-
	March 31, 2021	-	297.02	-	-	-
Commission and sitting fee	March 31, 2022	-	57.35	-	-	-
	March 31, 2021	-	59.39	-	-	-

Notes to the standalone financial statements for the year ended March 31, 2022

34.0 Related party disclosures (contd.)

(₹ in Lakh)

Particulars	Year ended	Subsidiaries	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives	Entities over which key management personnel are able to exercise significant influence
Salary and allowances	March 31, 2022	-	39.05	39.44	-	-
	March 31, 2021	-	30.95	17.51	-	-
Interest paid	March 31, 2022	-	54.17	3.78	5.87	-
	March 31, 2021	-	34.54	5.88	3.72	-
Unsecured loan accepted	March 31, 2022	-	877.00	-	47.00	-
	March 31, 2021	-	274.00	-	52.00	-
Unsecured loan repaid	March 31, 2022	-	410.00	-	-	-
	March 31, 2021	-	327.00	173.50	8.00	-
Amount outstanding at balance sheet date						
Unsecured loan payable	March 31, 2022	-	892.00	63.00	121.00	-
	March 31, 2021	-	425.00	63.00	74.00	-
Unsecured loan receivable	March 31, 2022	3,745.00	-	-	-	94.50
	March 31, 2021	1,358.00	-	-	-	-
Amounts payable	March 31, 2022	-	402.34	1.87	1.48	-
	March 31, 2021	-	294.27	4.34	1.28	-
Amounts receivable	March 31, 2022	255.88	-	-	-	-
	March 31, 2021	86.87	-	-	-	-

34.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.

35.0 Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

- The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.
- The Company has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.
- Loans, investments and other non-current financial assets are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. The fair value of loans, investments and other non-current financial assets has been considered as equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
- Fair values of cash and cash equivalents, trade receivables, bank balances, current investments, current loans, other current financial assets, trade payables, current borrowings and other financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

Notes to the standalone financial statements for the year ended March 31, 2022

35.0 Financial instruments (contd.)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial assets designated at fair value through profit and loss (FVTPL)						
Current investments	D	Level 2	6,887.51	6,887.51	7,213.14	7,213.14
Investment in subsidiaries (non-current)	C	Level 3	3,238.81	3,238.81	3,070.64	3,070.64
2. Financial assets designated at fair value through other comprehensive income (FVTOCI)			-	-	-	-
3. Financial assets designated at amortized cost						
a) Trade receivables	D	Level 3	11,622.69	11,622.69	10,555.13	10,555.13
b) Cash and cash equivalents	D	Level 3	57.50	57.50	210.30	210.30
c) Other bank balances	D	Level 3	90.98	90.98	173.92	173.92
d) Loans	C, D	Level 3	3,851.14	3,851.14	1,384.77	1,384.77
e) Investment in subsidiaries	C	Level 3	7,295.74	7,295.74	2,500.00	2,500.00
f) Other financial assets	C, D	Level 3	1,087.59	1,087.59	827.14	827.14
Total			34,131.96	34,131.96	25,935.04	25,935.04

Financial liabilities

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial liabilities designated at fair value through profit and loss						
Mark to market of derivative financial instruments	A	Level 2	-	-	150.65	150.65
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	13,878.25	13,878.25	12,704.05	12,704.05
b) Trade payables	D	Level 3	6,236.11	6,236.11	3,521.43	3,521.43
c) Other financial liabilities	D	Level 3	3,547.58	3,547.58	2,520.28	2,520.28
Total			23,661.94	23,661.94	18,896.41	18,896.41

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

Notes to the standalone financial statements for the year ended March 31, 2022

36.0 Financial risk management

The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's senior management oversees the management of these risks.

The Company has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Company through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, loans given and other financial assets.

The allowance for lifetime expected credit loss on trade receivables is as under:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Allowance for expected credit loss		
Opening balance	170.38	185.49
Impairment loss recognized (net of reversals)	(111.97)	(15.11)
Closing balance	58.41	170.38

Loans given and other financial assets are considered to be of good quality and there is no significant credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

a) Financing arrangements

The Company believes that it has sufficient working capital to meet its current requirements. Accordingly, no liquidity risk is perceived. Further, the Company is having cash credit facilities from banks of ₹12,500.00 Lakh (March 31, 2021: ₹12,500.00 Lakh), repayable on demand which carry floating rate of interest.

Notes to the standalone financial statements for the year ended March 31, 2022

36.0 Financial risk management (contd.)

b) Contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2022	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	847.53	875.41	1,655.38	93.96	3,472.28
Current borrowings	10,405.97	-	-	-	10,405.97
Trade payables	6,236.11	-	-	-	6,236.11
Other financial liabilities	3,547.58	-	-	-	3,547.58
Total	21,037.19	875.41	1,655.38	93.96	23,661.94

As at March 31, 2021	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	682.68	682.67	1,988.60	540.90	3,894.85
Current borrowings	8,809.20	-	-	-	8,809.20
Trade payables	3,521.43	-	-	-	3,521.43
Other financial liabilities	2,670.93	-	-	-	2,670.93
Total	15,684.24	682.67	1,988.60	540.90	18,896.41

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) Foreign currency risk

The Company is exposed to foreign currency risk through operating and financing activities in foreign currency. The Company uses derivative financial instruments, such as foreign currency sale and purchase forward contracts and currency and interest rate swap contracts, to reduce foreign currency risk exposure and follows its risk management policies.

Derivative financial instruments outstanding as at the reporting date

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Nominal value of forward contracts		
Forward contracts to sell USD	1,259.19	148.92
Forward contracts to buy USD	2,440.24	-
b) Currency cum interest rate swap (INR/ EURO)	-	1,767.99
	3,699.43	1,916.91

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Notes to the standalone financial statements for the year ended March 31, 2022

36.0 Financial risk management (contd.)

The currency profile of financial assets and financial liabilities (unhedged foreign currency exposure) as at the balance sheet date is as under:

(₹ in Lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	808.74	584.17	1,392.91	729.24	357.05	1,086.29
Financial liabilities						
Trade and other payables	(135.47)	(32.85)	(168.32)	(235.44)	(3.42)	(238.86)
Borrowings	-	-	-	-	(1,767.99)	(1,767.99)
Net assets/ (liabilities)	673.27	551.32	1,224.59	493.81	(1,414.36)	(920.56)

Foreign currency risk sensitivity

1% increase and decrease in foreign exchanges rate will have the following impact on profit before tax: (₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
USD	6.73	(6.73)	4.94	(4.94)
EURO	5.51	(5.51)	(14.14)	14.14
Increase / (decrease) in profit before tax	12.24	(12.24)	(9.20)	9.20

ii) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates.

Exposure to interest rate risk:

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	1,323.56	9.54%	726.90	5.72%
Variable rate borrowings	12,554.69	90.46%	11,977.15	94.28%
Total	13,878.25	100.00%	12,704.05	100.00%

Interest rate sensitivity on variable rate borrowings

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for whole of the year.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
50 basis points increase would decrease the profit before tax by	(62.77)	(59.89)
50 basis points decrease would Increase the profit before tax by	62.77	59.89

Notes to the standalone financial statements for the year ended March 31, 2022

37.0 Capital risk management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor's, creditor's and market's confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.

The gearing ratio at the end of the reporting period is as under:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Current and non-current borrowings (including current maturities)	13,878.25	12,704.05
Debt (A)	13,878.25	12,704.05
Total equity (B)	58,403.71	51,882.60
Equity and debt (C =A+B)	72,281.96	64,586.65
Gearing ratio (A/C)	19.20%	19.67%

38.0 Trade receivables ageing schedule

a. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	11,552.64	50.84	18.76	0.45	-	11,622.69
- considered doubtful	-	1.32	0.78	21.82	34.49	58.41
	11,552.64	52.16	19.54	22.27	34.49	11,681.10
Less: Allowance for doubtful debts						58.41
Total						11,622.69

b. As at March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	10,502.50	21.25	31.13	0.25	-	10,555.13
- considered doubtful	3.28	-	81.78	8.18	77.14	170.38
	10,505.78	21.25	112.91	8.43	77.14	10,725.51
Less: Allowance for doubtful debts						170.38
Total						10,555.13

Notes to the standalone financial statements for the year ended March 31, 2022

39.0 Trade payables ageing schedule

a. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	301.54	-	-	-	301.54
ii) Other than MSME	5,932.34	0.98	1.25	-	5,934.57
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-
Total	6,233.88	0.98	1.25	-	6,236.11

b. As at March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	61.79	-	-	-	61.79
ii) Other than MSME	3,457.17	1.52	0.95	-	3,459.64
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-
Total	3,518.96	1.52	0.95	-	3,521.43

40.0 Analytical ratios

	Ratios	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance	Reason for variance
a.	Current ratio	Current assets	Current liabilities	1.96	2.21	-11%	
b.	Debt-equity ratio	Total debt (borrowings)	Total Equity	0.24	0.24	-3%	
c.	Debt-service coverage ratio	Earnings available for debt service	Debt Service	1.62	2.16	-25%	Basis higher debt repayments during current year and thus reducing the debt amount
d.	Return on equity	Profit after tax	Average total equity	12.61%	9.07%	39%	Basis higher profit numbers
e.	Inventory turnover ratio	Sale of products	Average inventory	5.57	4.68	19%	
f.	Trade receivables turnover ratio	Sale of products	Average trade receivables	9.09	7.32	24%	
g.	Trade payables turnover ratio	Consumption of materials #	Average trade payables	14.62	14.64	0%	
h.	Net capital turnover ratio	Revenue from operations	Working capital (Current assets - current liabilities)	4.85	3.67	32%	Basis higher turnover
i.	Net profit ratio	Profit after tax	Revenue from operations	6.80%	6.02%	13%	

Notes to the standalone financial statements for the year ended March 31, 2022

40.0 Analytical ratios (contd.)

	Ratios	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance	Reason for variance
j.	Return on capital employed	Earnings before interest and taxes	Average capital employed (total equity + total borrowings)	14.69%	11.32%	30%	Basis higher profit numbers
k.	Return on investment	Income from treasury investments	Average funds invested in treasury investments	7.75%	11.28%	-31%	Basis increase in market yield of Bonds, debt mutual funds and decrease in FD rates

Cost of materials consumed + Purchases of stock-in-trade + manufacturing expenses (excluding power & fuel)

41.0 A major fire broke out in Company's polyester staple fibre manufacturing unit at Raipur (Rania), District Kanpur Dehat on June 04, 2021, which resulted into substantial damages to the building, plant and machinery and inventories. Based on initial evaluation, Company has recognized a loss of ₹3,358.48 Lakh during June, 2021 quarter and also recognized deferred tax asset of ₹845.26 Lakh in respect of this loss. The net impact of ₹2,513.22 Lakh was disclosed as exceptional item in the financial results for the quarter ended June 30, 2021. The amount of loss was re-assessed at ₹3,009.85 Lakh as on March 31, 2022 and provision for loss was reduced accordingly.

The assets, damaged by fire, are fully insured and process of assessment of claim settlement is still underway and yet to be finalized by insurance company. Based on the valid insurance policy, discussions with insurance surveyors and loss assessors and management's own evaluation, there is reasonable certainty in settling the insurance claim at least equal to the extent of loss earlier provided for in the books of accounts. Accordingly, the Company has reversed the provision for loss of ₹3,009.85 Lakh at the end of the year and corresponding amount has been accounted for as insurance claim receivable under current assets. Any deficit/ surplus in the amount of insurance claim shall be recorded as expense/ income upon final settlement of claim.

42.0 COVID 19 assessment

The Company has considered possible effects that may result from the ongoing COVID 19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Company's financial statements may differ from that estimated as at the date of approval of the financial statements.

43.0 Disclosures as per Section 186(4) of the Companies Act, 2013

The details of the loans, guarantees and investments under Section 186 of the Companies Act, 2013 are as follows:

- (i) Details of investments made and loans given are provided under the respective heads.
- (ii) The Company has given corporate guarantees of ₹37,075.00 Lakh (previous year ₹5,000 Lakh) to various banks for securing the amounts lent by them to subsidiaries of the Company.

Notes to the standalone financial statements for the year ended March 31, 2022

44.0 Borrowings based on security of current assets

The Company has obtained borrowings from banks on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books except the following:

(₹ in Lakh)

Name of the Bank	Quarter ended	Securities provided	As per the books of accounts	As reported in quarterly returns	Difference	Reasons for material discrepancies
State Bank of India consortium	June 30, 2021	Inventories and trade receivables	27,121.87	26,633.18	488.69	Refer note below
State Bank of India consortium	September 30, 2021	Inventories and trade receivables	27,004.31	26,992.94	11.37	Negligible
State Bank of India consortium	December 31, 2021	Inventories and trade receivables	30,578.20	30,577.84	0.36	Negligible
State Bank of India consortium	March 31, 2022	Inventories and trade receivables	30,589.75	30,575.08	14.67	Negligible

Note: Difference is mainly because of the fire accident, as the extent of loss to the inventories could not be ascertained till the time of submitting quarterly returns to banks.

45.0 Ganesha Ecosphere Employees' Stock Option Scheme - 2021

The Board of Directors and the Shareholders of the Company have approved a Scheme called as "Ganesha Ecosphere Employees' Stock Option Scheme - 2021" (Scheme) on January 25, 2021 and February 26, 2021 respectively. This Scheme is effective from February 26, 2021. Pursuant to the Scheme, the Company has constituted "Ganesha Employees' Welfare Trust" (Trust) to acquire, hold and allocate/ transfer equity shares of the Company to eligible employees from time to time on the terms and conditions specified under the Scheme. The said Trust had purchased 19,335 (March 31, 2021: Nil) equity shares of the Company during the year from the secondary open market at cost of ₹485.42 per share. However, no offer was made to eligible employees under the scheme till March 31, 2022.

46.0 Events occurring after the balance sheet date

The Board of Directors of the Company have recommended dividend of ₹2 per fully paid up equity share of ₹10 each, aggregating to ₹436.59 Lakh for the financial year 2021-22 (March 31, 2021: ₹2.00 per fully paid up equity share of ₹10 each, aggregating ₹436.59 Lakh). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and the actual dividend amount will be dependent on the share capital outstanding as on the relevant record date/ book closure.

47.0 Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Notes to the standalone financial statements for the year ended March 31, 2022

47.0 Other statutory information (contd.)

- (v) 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 (whether recorded in writing or otherwise) 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.
- (vi) 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 to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any transactions which is 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).
- (viii) The Company is regular in paying its dues and has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (ix) The Company is in compliance with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restrictions on number of Layers) rules, 2017.
- (x) The Company has not entered into any scheme of arrangement, during the year, which has any impact on financial results or position of the Company.
- (xi) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (xii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (xiii) The Company has used the borrowings from banks for the purpose for which it was taken .

48.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: Kanpur
Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Shyam Sunder Sharma
Chairman
DIN: 00530921

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Independent Auditor's Report

To
The Members of
Ganesha Ecosphere Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ganesha Ecosphere Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2022, their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements" section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matters

1. We draw attention to Note 41 of the consolidated financial statements, which describes the effects of a fire in one of the Parent's production facilities.
2. We draw attention to Note 33 of the consolidated financial statements, which describes that a cyber fraud on one of the subsidiary amounting to ₹245.67 Lakh had occurred in its escrow account maintained with HDFC Bank Ltd. by way of unauthorised RTGS/NEFT transfers. During Police investigation, ₹31.89 lakh were recovered and balance amount of ₹213.78 lakh has been written off as loss.

Our opinion on the consolidated financial statements is not modified in respect of the matters stated in above paragraphs.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.e of the consolidated financial statements) Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.
Evaluation of pending litigations (as described in note 30.2 of the consolidated financial statements) The Group has pending litigations for demand in dispute under various statutes which involves significant judgment to determine the possible outcome of these disputes.	We have obtained the details of litigations under various statutes for the year ended March 31, 2022 from the management. We have reviewed the management's underlying assumptions in estimating the provisions in respect to the disputed matters and the possible outcome of the disputes. We have also reviewed the legal precedence, where available, and other documents provided for review by the management in evaluating its position in these matters. We have also reviewed the assumptions made by the management as at March 31, 2022 and evaluated whether any change was required on account of information and updates made available during the year.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the consolidated 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 consolidated 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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 of the Parent 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 of the Parent, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 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.

Other Matters

- a) We did not audit the financial statements of three subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹38,843.47 Lakh as at March 31, 2022, total revenue of ₹ Nil, total net loss after tax of ₹208.64 Lakh, total comprehensive loss of ₹208.64 Lakh and net cash inflows of ₹1,931.70 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143(3)(i) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

Further, of these subsidiaries, one subsidiary, is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in Nepal and which have been audited by other auditor under generally accepted auditing standards applicable in Nepal. The Parent's management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in Nepal to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) We also did not audit the financial statements of a Trust controlled by the Parent included in the consolidated financial statements, whose financial statements reflect total assets of ₹94.50 Lakh as at March 31, 2022, total revenue of ₹ Nil, total net profit/(loss) after tax of ₹ Nil, total comprehensive income/(loss) of ₹ Nil and net cash inflows of ₹0.63 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and are certified by the management of the Parent. According to the information and explanations given to us by the management of the Parent, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid Trust, and our report in terms of Section 143(3)(i) of the Act, in so far as it relates to the aforesaid Trust, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management of the Parent.

Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in Other Matters paragraph above, of companies included in the consolidated financial statements for the year ended March 31, 2022 and covered under the Act we report that:

- A) Following are the observations reported by the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2022 for which such Order reports have been issued till date and made available to us:

S. No.	Name	CIN	Relation	Clause number of the CARO report of other auditors
1.	Ganesha Ecopet Pvt Ltd	U37100UP2019PTC123520	Subsidiary	ix(c)
2.	Ganesha Ecotech Pvt Ltd	U37100UP2020PTC138065	Subsidiary	ix(c)
3.	Ganesha Ecotech Pvt Ltd	U37100UP2020PTC138065	Subsidiary	xi(a)

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:

- (a) We/ the other auditors whose reports we have relied upon, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Parent and the reports of the other auditors, who are appointed under Section 139 of the Act, of its subsidiaries incorporated in India, none of the directors of the Parent and its subsidiaries incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent and its subsidiaries incorporated in India, refer to our separate report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in auditor's report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/ provided by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. Further, as per the reports of the other auditors of the subsidiaries incorporated in India, no managerial remuneration has been paid by the subsidiaries during the year ended March 31, 2022.

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
 - i. the Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - refer note 30.2;
 - ii. the Group has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer note 8.6;
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2022.
- (i) (a) the respective managements of the Parent and its subsidiaries incorporated in India and the other auditors of such subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their 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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – refer note 45.0;

- (b) the respective managements of the Parent and its subsidiaries incorporated in India and the other auditors of such subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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 – refer note 45.0;
 - (c) based on such audit procedures performed by us and that performed by the other auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.
- (j) The dividend declared or paid during the year by the parent company is in compliance with Section 123 of the Act.

For Narendra Singhania & Co.
Chartered Accountants

Firm Registration No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

UDIN: 22087931AJJXLR5417

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the consolidated financial statements as of and for the year ended March 31, 2022)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ganesha Ecosphere Limited** ("the Parent") and its subsidiaries incorporated in India (the Parent and its subsidiaries together referred to as "the Group") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors or management of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued and the Standards on Auditing prescribed 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information, and according to the explanations given to us, and based on the consideration of the reports of other auditors of subsidiaries incorporated in India, the Parent and its subsidiaries incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to two subsidiaries incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India, whose reports have been furnished to us by the management.

Our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting, of the Parent and its subsidiaries incorporated in India, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For Narendra Singhania & Co.

Chartered Accountants

Firm Reg No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

UDIN: 22087931AJJXLR5417

Consolidated balance sheet as at March 31, 2022

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	29,793.58	30,880.91
(b) Capital work-in-progress	3.2	27,647.43	1,746.22
(c) Right of use assets (ROU)	3.3	121.75	123.36
(d) Goodwill		13.46	-
(e) Intangible assets	4.1	96.76	139.59
(f) Financial assets:			
(i) Loans	5.1	5.13	24.72
(ii) Others	5.2	835.29	687.53
(g) Other non-current assets	6.0	4,711.36	1,964.70
Sub-total		63,224.76	35,567.03
(2) Current assets			
(a) Inventories	7.0	19,646.70	17,251.95
(b) Financial assets:			
(i) Investment	8.1	6,887.51	7,213.14
(ii) Trade receivables	8.2	11,615.13	10,555.13
(iii) Cash and cash equivalents	8.3	2,210.31	242.19
(iv) Bank balances other than (iii) above	8.4	92.86	1,273.92
(v) Loans	8.5	6.51	2.05
(vi) Others	8.6	273.11	829.99
(c) Current tax assets (net)	10.0	601.47	511.14
(d) Other current assets	9.0	4,785.49	1,251.87
(3) Assets held for sale/ disposal	11.0	126.15	27.25
Sub-total		46,245.24	39,158.63
TOTAL ASSETS		1,09,470.00	74,725.66
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	55,178.21	49,512.93
Sub-total		57,361.15	51,695.87
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	23,648.62	3,212.17
(b) Deferred tax liabilities (net)	18.1	1,719.94	1,913.08
(c) Government grants	14.2	1,548.55	400.21
(d) Provisions	17.1	704.96	611.15
Sub-total		27,622.07	6,136.61
(2B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	12,133.39	9,491.88
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	301.54	61.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	6,110.83	3,459.64
(iii) Other financial liabilities	15.2	5,012.43	2,721.77
(b) Government grants	14.1	52.69	44.57
(c) Other current liabilities	16.0	596.08	844.88
(d) Provisions	17.2	279.82	268.65
Sub-total		24,486.78	16,893.18
TOTAL EQUITY AND LIABILITIES		1,09,470.00	74,725.66
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: Kanpur
Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated statement of profit and loss for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I INCOME			
Revenue from operations	19.0	1,02,144.36	75,113.56
Other income	20.0	691.46	943.01
Total income		1,02,835.82	76,056.57
II EXPENSES			
Cost of materials consumed		65,501.77	46,035.61
Purchases of stock-in-trade		2,101.42	1,876.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(1,881.60)	(359.37)
Employee benefits expenses	22.0	5,788.47	4,800.95
Finance costs	25.0	976.12	881.28
Depreciation and amortization expense	24.0	2,840.13	2,716.18
Other expenses	23.0	19,243.10	14,310.19
Total expenses		94,569.41	70,261.38
III Profit before tax (I-II)		8,266.41	5,795.19
IV Tax expense	26.0		
Current tax		2,263.57	1,253.26
Deferred tax (credit)/ charge		(194.09)	189.79
Total tax expense		2,069.48	1,443.05
V Profit for the year (III-IV)		6,196.93	4,352.14
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit obligation		4.07	42.82
Less: Income-tax relating to above item	26.0	(1.02)	(10.78)
		3.05	32.04
VII Total comprehensive income for the year (V+VI)		6,199.98	4,384.18
VIII Earnings per share			
Basic (face value of ₹10 per equity share)	28.0	28.39	19.94
Diluted (face value of ₹10 per equity share)		28.39	19.94
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.**Chartered Accountants****Firm Reg. No. 009781N****Narendra Singhania****Partner****Membership No.: 087931**

Place: Kanpur

Date: May 21, 2022

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

Managing Director

DIN: 00383178

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Shyam Sunder Sharmma

Chairman

DIN: 00530921

Gopal Agarwal

Chief Financial Officer

FCA: 075080

Consolidated cash flow statement for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities:			
Profit before tax as per statement of profit and loss		8,266.41	5,795.19
Adjustments for:			
Depreciation and amortization expense		2,840.13	2,716.18
Loss on sale/ discard of property, plant and equipment (net)		3.29	18.53
Allowance for doubtful trade receivables and advances		(22.61)	(12.75)
Bad debts/ advances (recovered)/ written off		(4.94)	42.51
Liabilities no longer required written back		(26.65)	(73.64)
(Gain)/ loss on foreign currency fluctuations and translations (net)		(153.06)	50.36
Interest expense		886.80	718.86
Interest income		(353.24)	(210.83)
Profit on sale of investments		(147.91)	(161.80)
Fair value gain on financial assets		(106.44)	(510.71)
Amortization of Government grants		(44.90)	(52.79)
Operating profit before working capital changes		11,136.88	8,319.11
Movements in working capital:			
Increase in trade receivables		(1,040.76)	(831.89)
Increase in other receivables and prepayments		(2,687.25)	(1,218.80)
Increase in inventories		(2,181.51)	(2,771.02)
Increase in trade payables		2,888.66	161.28
Increase in other payables		606.44	371.37
Increase in provisions		109.04	59.88
Cash generated from operations		8,831.50	4,089.93
Direct taxes paid (net of refunds)		(2,349.76)	(1,350.06)
Net cash flow generated from operating activities (A)		6,481.74	2,739.87
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(27,655.44)	(5,922.43)
Purchase of intangible assets		(7.77)	(5.22)
Purchase of bonds		(4,305.23)	-
Proceeds from bonds		4,305.23	-
Proceeds from sale of property, plant and equipment		345.33	125.41
Loan to body corporate		21.00	(21.00)
Fixed deposits made		(3,139.43)	(2,004.83)
Fixed deposits matured		4,239.93	2,552.18
Interest received		162.60	246.02
Purchase of investments		(6,125.51)	(4,401.02)
Proceeds from sale of investments		6,705.49	4,482.87
Net cash flow used in investing activities (B)		(25,453.80)	(4,948.02)

Consolidated cash flow statement for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities			
Purchase of treasury shares		(93.86)	-
Proceeds from non-current borrowings (other than related parties)		36,002.89	944.79
Repayment of non-current borrowings (other than related parties)		(15,428.73)	(2,888.42)
Proceeds from current borrowings (net) (other than related parties)		1,082.77	5,616.51
Proceeds from/ (repayment of) related parties as borrowings (net)		514.00	(182.50)
Dividend paid to equity shareholders		(436.59)	(436.59)
Interest paid		(888.88)	(731.12)
Net cash flow used in financing activities (C)		20,751.60	2,322.67
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		1,779.54	114.52
Cash and cash equivalents at the beginning of the year		242.19	127.67
Cash on acquisition of subsidiary		188.58	-
Cash and cash equivalents at the end of the year	8.3	2,210.31	242.19
Notes:			
The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.			
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: Kanpur
Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated statement of changes in equity for the year ended March 31, 2022

A. Equity share capital

(₹ in Lakh)

As at April 1, 2020	2,182.94
Changes in equity share capital during the year	-
As at March 31, 2021	2,182.94
Changes in equity share capital during the year	-
As at March 31, 2022	2,182.94

B. Other equity

(₹ in Lakh)

Particulars	Reserves and surplus						Total
	Capital redemption reserve	Capital reserve	Securities premium	Treasury Shares (refer note 43.0)	General reserve	Retained earnings	
Balance as at April 1, 2020	450.00	225.28	13,952.72	-	264.13	30,673.24	45,565.37
Profit for the year	-	-	-	-	-	4,352.14	4,352.14
Other comprehensive income for the year	-	-	-	-	-	32.04	32.04
Total comprehensive income for the year	-	-	-	-	-	4,384.18	4,384.18
Dividend paid	-	-	-	-	-	(436.59)	(436.59)
Other	-	-	-	-	-	(0.03)	(0.03)
Balance as at March 31, 2021	450.00	225.28	13,952.72	-	264.13	34,620.80	49,512.93
Profit for the year	-	-	-	-	-	6,196.93	6,196.93
Other comprehensive income for the year	-	-	-	-	-	3.05	3.05
Total comprehensive income for the year	-	-	-	-	-	6,199.98	6,199.98
Dividend paid	-	-	-	-	-	(436.59)	(436.59)
Shares purchased during the year	-	-	-	(93.86)	-	-	(93.86)
Other	-	-	-	-	-	(4.25)	(4.25)
Balance as at March 31, 2022	450.00	225.28	13,952.72	(93.86)	264.13	40,379.94	55,178.21

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Narendra Singhania & Co.

Chartered Accountants

Firm Reg. No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma

Managing Director

DIN: 00383178

Shyam Sunder Sharmma

Chairman

DIN: 00530921

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Gopal Agarwal

Chief Financial Officer

FCA: 075080

Notes to the Consolidated financial statements for the year ended March 31, 2022

1.0 Corporate information

Ganesha Ecosphere Limited ("the holding/ the parent company") is a public limited company, incorporated and domiciled in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The address of the registered office of holding company is Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.). The holding company is a leading PET Waste Recycling Group in India and is engaged in the manufacturing of Recycled Polyester Staple Fibre (RPSF), Spun Yarn and Dyed Texturised Yarn. Subsidiary companies are yet to start the operations.

The consolidated financial statements as at March 31, 2022 relate to:

Holding company - Ganesha Ecosphere Limited

- Subsidiaries –
- a) Ganesha Ecopet Private Limited – incorporated on November 19, 2019
 - b) Ganesha Ecotech Private Limited – incorporated on November 17, 2020
 - c) Ganesha Overseas Private Limited, Nepal – acquired on July 15, 2021
- (the holding company holds 100% shareholding of these subsidiaries)

Entity controlled by the holding company- Ganesha Employees' Welfare Trust.

(Above entities are collectively referred to as 'The Group').

2.0 Significant Accounting Policies

a) Basis of preparation

(i) Compliance with Indian Accounting Standards

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the consolidated financial statements.

(ii) Historical cost convention

The consolidated financial statements have been prepared on an accrual basis under historical cost convention, except certain financial assets and liabilities (including derivative financial instruments, investment in mutual funds and assets held for sale) that are measured at fair values at the end of each reporting period.

(iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

b) Principles of consolidation

- (i) Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its power and involvement with the investee and has the ability to affect those returns through its power over the investee.
- (ii) The financial statements of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the holding company.

Notes to the Consolidated financial statements for the year ended March 31, 2022

- (iii) The financial statements of the holding company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (v) The carrying amount of the parent's investment in subsidiaries is off set (eliminated against the parent's portion of equity in subsidiaries).

c) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

d) Foreign currency translation

(i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee ('₹'), which is Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss. Exchange differences, in respect of foreign currency borrowings taken for acquiring qualifying assets included in property, plant and equipment, to the extent it is an adjustment to interest cost, has been capitalized. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition of qualifying assets are adjusted in the carrying cost of such assets.

e) Revenue recognition

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

The specific criterion for each of the Group 's activities has been stated below:

(i) Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Group expects to receive in exchange for those products. The Group does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

(ii) Job work receipts

Revenue from job work is recognized at the time of dispatch of material.

Notes to the Consolidated financial statements for the year ended March 31, 2022

(iii) Export incentives

Export incentives under various schemes are accounted in the year of export.

(iv) Recycling certification income

Income is recognized in the year in which the certificate is issued.

(v) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

(vi) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognized as a separate asset, but only when the ultimate recovery is reasonably certain.

f) Government grants

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and are netted off from the related expense. However, where the grant pertains to expenses already incurred in earlier years, it is disclosed in other income.

Export Promotion Capital Goods ('EPCG') scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

In case of interest free/ concessional loan provided by Government, the loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial fair value of the loan and the proceeds received. The loan or assistance is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes

(i) 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 substantially enacted, at the reporting date.

(ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Notes to the Consolidated financial statements for the year ended March 31, 2022

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

h) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered as highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Asset 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) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Written Down Value Method ('WDV') except in respect of buildings and plant & equipment of Kanpur Unit and Temra (Bilaspur) Unit of holding company (excluding Rooftop Solar Panels in both the units, which are depreciated on WDV) where depreciation is provided on Straight Line Method ('SLM').

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and the Group believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Notes to the Consolidated financial statements for the year ended March 31, 2022

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets	Useful life
Buildings	30 – 60 years
Roads (capitalised under buildings)	10 years
Continuous process plant (plant & equipment)	18 years
Rooftop solar panels (part of plant & equipment)	10 years
Other plant & equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment (including computers, computers equipment and servers)	3-10 years
Vehicles	8-10 years

Residual value of tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. 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.

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.

j) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Intangible assets which are not ready for their intended use are disclosed as intangible assets under development and are stated at the amount expended up to the date of the balance sheet.

The Group amortizes computer software and technical know-how using the straight line method over the period of 5 years.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the statement of profit and loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Lease

The Group 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 period of time in exchange for a consideration.

Notes to the Consolidated financial statements for the year ended March 31, 2022

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (that do not contain purchase option) and leases of low value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation/ amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated/ amortized on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as estimated by the management. Leasehold land has been amortized over the lease term of 90 years.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate is implicit in the lease not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Lease payments on short-term leases and lease of low-value assets are recognized as expense on a straight-line basis over the lease term.

n) Inventories

(i) Measurement of Inventory

Inventories of raw material, stores & spares, work-in-progress, finished goods and stock-in-trade (including goods-in-transit) are stated at cost or net realizable value, whichever is lower. Waste & scrap is valued at net realizable value.

(ii) Cost of Inventories

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase of inventories comprise the purchase price, import duties and other non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of inventory items. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting material into finished goods.

Cost of inventories is ascertained on the 'weighted average' basis except stock-in-trade, where cost is ascertained on first-in-first-out (FIFO) basis.

Notes to the Consolidated financial statements for the year ended March 31, 2022

(iii) Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products. Estimates of net realizable value of finished goods and stock-in-trade are based on the most reliable evidence, available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of the inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Amount of write down of the inventories below cost is recognized as an expense as and when the event occurs.

o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the statement of profit and loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

p) Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the consolidated statement of profit and loss.

Notes to the Consolidated financial statements for the year ended March 31, 2022

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, family pension fund and employee's state insurance

(a) Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the consolidated statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated balance sheet.

(b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

s) 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.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All financial assets are recognized 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed to statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

Notes to the Consolidated financial statements for the year ended March 31, 2022

Subsequent measurement

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at FVTOCI (debt instrument)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Group has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. The Group makes such election on an instrument -by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Notes to the Consolidated financial statements for the year ended March 31, 2022

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Gains and losses on these financial assets are never recycled to statement of profit and loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at FVTPL (equity instruments)

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

In case of equity instruments which are held for trading are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized 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 group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

Notes to the Consolidated financial statements for the year ended March 31, 2022

For trade receivables, the Group follows “simplified approach for recognition of impairment loss. The application of simplified approach does not require the Group to track changes in credit risk”.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

(b) 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. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 ‘Financial instruments’.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability 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 recognized in the statement of profit and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Notes to the Consolidated financial statements for the year ended March 31, 2022

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Group and weighted average number of equity shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

u) Treasury shares

The Parent Company has created an employees benefit trust (trust) for providing share-based payment to employees of the Group. The Parent Company uses Trust as a vehicle for distributing shares to employees under the 'Ganesha Ecosphere Employees' Stock Option Scheme – 2021'. The Trust buys the equity shares of Parent Company from secondary market, for issuance to the employees on exercise of the granted stock options. The parent Company provides interest free loan for such purchase of equity shares. Financial statements of Trust is included in the consolidated financial statements of the Group and shares held by Trust on reporting date are treated as treasury shares. The treasury shares are recognized at cost and deducted from other equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of treasury shares.

v) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the said rules applicable from April 1, 2022 as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments specify that the excess of net sale proceeds of items produced while the Company is preparing the asset for its intended use over its cost of testing, if any, shall not be recognized in the profit or loss but shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated financial statements for the year ended March 31, 2022

3.1 Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross block							
As at April 1, 2020	2,502.32	8,722.71	35,418.62	123.50	346.91	320.98	47,435.04
Additions	1,328.35	-	2,166.37	1.29	114.15	48.19	3,658.35
Disposals	-	-	(201.36)	(1.71)	(50.87)	(14.43)	(268.37)
As at March 31, 2021	3,830.67	8,722.71	37,383.63	123.08	410.19	354.74	50,825.02
Additions	669.51	858.30	1,213.24	4.04	57.83	135.55	2,938.47
Disposals (refer note 41.0)	-	(215.00)	(1,956.81)	(0.50)	(23.80)	(34.09)	(2,230.20)
As at March 31, 2022	4,500.18	9,366.01	36,640.06	126.62	444.22	456.20	51,533.29
Accumulated depreciation							
As at April 1, 2020	-	2,683.78	14,133.85	87.97	284.76	213.28	17,403.64
Charge for the year	-	321.78	2,263.58	8.97	42.90	36.00	2,673.23
Disposals	-	-	(69.60)	(1.62)	(48.34)	(13.20)	(132.76)
As at March 31, 2021	-	3,005.56	16,327.83	95.32	279.32	236.08	19,944.11
Charge for the year	-	325.95	2,372.94	7.57	66.40	57.40	2,830.26
Disposals	-	(51.81)	(931.98)	(0.48)	(19.68)	(30.71)	(1,034.66)
As at March 31, 2022	-	3,279.70	17,768.79	102.41	326.04	262.77	21,739.71
Net block							
As at March 31, 2021	3,830.67	5,717.15	21,055.80	27.76	130.87	118.66	30,880.91
As at March 31, 2022	4,500.18	6,086.31	18,871.27	24.21	118.18	193.43	29,793.58

3.2 Capital work-in-progress (CWIP)

(₹ in Lakh)

CWIP ageing schedule	Amount of CWIP for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021					
Projects in progress	1,677.31	68.91	-	-	1,746.22
As at March 31, 2022					
Projects in progress	26,256.28	1,271.58	119.57	-	27,647.43

3.3 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2020	126.59
Additions	-
Disposals	-
As at March 31, 2021	126.59
Additions	-
Disposals	-
As at March 31, 2022	126.59

Notes to the Consolidated financial statements for the year ended March 31, 2022

3.3 Right of use assets (ROU) (contd.)

(₹ in Lakh)

Accumulated amortization	
As at April 1, 2020	1.62
Charge for the year	1.61
Disposals	-
As at March 31, 2021	3.23
Charge for the year	1.61
Disposals	-
As at March 31, 2022	4.84
Net block as at March 31, 2021	123.36
Net block as at March 31, 2022	121.75

3.4 All property, plant and equipment as well as ROU assets are charged as security for the term loan and working capital loan facilities from banks, to secure their respective dues (refer notes 13.1 and 27).

3.5 Refer note 30.1 for contractual commitment for the acquisition of property, plant and equipment.

3.6 There is no impairment loss during the year ending March 31, 2022 and March 31, 2021.

3.7 All the title deeds of the immovable properties are held in the name of the Group.

3.8 There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

3.9 There is no project which has temporarily been suspended.

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Intangible assets under development	Total
Gross block				
As at April 1, 2020	14.63	305.71	-	320.34
Additions	-	5.21	-	5.21
Disposals	-	-	-	-
As at March 31, 2021	14.63	310.92	-	325.55
Additions	-	8.42	-	8.42
Disposals	-	-	-	-
As at March 31, 2022	14.63	319.34	-	333.97
Accumulated amortization				
As at April 1, 2020	14.63	120.06	-	134.69
Amortization for the year	-	51.27	-	51.27
Disposals	-	-	-	-
As at March 31, 2021	14.63	171.33	-	185.96
Amortization for the year	-	51.25	-	51.25
Disposals	-	-	-	-
As at March 31, 2022	14.63	222.58	-	237.21
Net block				
As at March 31, 2021	-	139.59	-	139.59
As at March 31, 2022	-	96.76	-	96.76

Net book value

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
4.1 Intangible assets	96.76	139.59

4.2 There is no impairment loss during the year ending March 31, 2022 and March 31, 2021.

4.3 There is no intangible asset under development and hence, related disclosures are not applicable.

Notes to the Consolidated financial statements for the year ended March 31, 2022

5.0 Non-current financial assets

5.1 Loans

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Loans to others		
Loan to a body corporate (given for meeting business requirement)	-	21.00
Loans to employees	5.13	3.72
Total	5.13	24.72
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	5.13	24.72
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	5.13	24.72
Less: Allowance for doubtful loans	-	-
Total	5.13	24.72

Refer note 36.0 for information about credit risk and market risk of loans.

5.2 Others

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits with remaining maturity of more than twelve months*	384.76	309.13
Security deposits	450.53	378.40
Total	835.29	687.53

*held as lien by banks against letter of credits, bank guarantees & other credit facilities amounting to ₹367.59 Lakh (March 31, 2021: ₹308.28 Lakh).

6.0 Other non-current assets

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	3,795.19	1,785.51
Prepaid expenses	72.30	134.40
Balance with Government Authorities	843.87	44.79
Total	4,711.36	1,964.70

Notes to the Consolidated financial statements for the year ended March 31, 2022

7.0 Inventories

(at lower of cost and net realisable value)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	9,762.65	8,516.46
Work-in-progress	1,020.07	791.24
Finished goods	5,156.07	5,331.21
Finished goods (in-transit)	1,383.93	598.57
Stock-in-trade	578.51	310.25
Stock-in-trade (in-transit)	8.40	-
Stores and spares	1,737.07	1,704.22
Total	19,646.70	17,251.95

Cost of inventories amounting to ₹94.34 Lakh (March 31, 2021: ₹286.38 Lakh) in respect of write-downs of inventory to net realisable value has been expensed out in the statement of profit and loss.

8.0 Current financial assets

8.1 Investments

(carried at fair value through profit and loss)

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
a) Investment in mutual funds (unquoted):				
SBI Banking & PSU Fund (units of ₹1,000 each)	-	-	60,653.476	1,549.10
Axis Dynamic Bond Fund (units of ₹10 each)	-	-	22,15,143.608	549.60
DSP Banking & PSU Debt Fund (units of ₹10 each)	-	-	68,95,850.711	1,322.89
ICICI Pru Long Short Fund Series I - Class B42 (units of ₹100 each)	9,99,950.002	1,012.74	-	-
L&T Triple Ace Bond Fund (units of ₹10 each)	-	-	18,69,535.585	1,114.97
SBI Equity Hybrid Fund Growth (units of ₹10 each)	2,70,140	593.93	2,70,140.493	500.23
Axis Banking & PSU Debt Fund (units of ₹100 each)	-	-	10,892.881	224.33
Sub-total		1,606.67		5,261.12
b) Investment in bonds & debentures (unquoted):				
9.56% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	88.000	931.64	-	-
10.5% Indsind Bank Series III-2019 NCD Perpetual (units of ₹10,00,000 each)	35.000	350.00	35.000	350.00
9.15% PNB Perpetual Bond (units of ₹10,00,000 each)	25.000	238.61	25.000	238.61
7.74% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	40.000	401.71	40.000	401.71
9.5% UBI Series XX Perpetual Bond (units of ₹10,00,000 each)	30.000	308.57	30.000	308.57
IIFL Secured Redeemable Non-convertible Debenture Series D8 (units of ₹10,00,000 each)	-	-	150.000	150.00
8.50% BOB Series XIII Perpetual Bond (units of ₹10,00,000 each)	-	-	50.000	503.13
8.50% SBI Series II Perpetual Bond (units of ₹10,00,000 each)	22.000	229.72	-	-

Notes to the Consolidated financial statements for the year ended March 31, 2022

8.0 Current financial assets (contd.)

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
8.85% HDFC Bank Series I Perpetual Bond (units of ₹10,00,000 each)	100.000	1,003.89	-	-
9.55% Canara Bank Perpetual Bond (units of ₹10,00,000 each)	50.000	522.35	-	-
8.50% Canara Bank Series III Perpetual Bond (units of ₹10,00,000 each)	50.000	510.35	-	-
9.04% Bank of India Series VI Perpetual Bond (units of ₹10,00,000 each)	50.000	509.55	-	-
8.30% Canara Bank Series II Perpetual Bond (units of ₹10,00,000 each)	27.000	274.45	-	-
Sub-total		5,280.84		1,952.02
Total		6,887.51		7,213.14

Refer note 35.0 and 36.0 for information about fair value measurement, credit risk and market risk of investments.

8.2 Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	11,673.54	10,725.51
Less: Allowance for doubtful trade receivables	(58.41)	(170.38)
Total	11,615.13	10,555.13
Break-up:		
Receivables considered good - secured	1,323.30	1,050.43
Receivables considered good - unsecured	10,291.83	9,504.70
Receivables which have significant increase in credit risk	-	-
Receivables considered doubtful - unsecured	58.41	170.38
	11,673.54	10,725.51
Less: Allowance for doubtful trade receivables	(58.41)	(170.38)
Total	11,615.13	10,555.13

Notes:

- 1) Trade receivable represents the amount of consideration, in exchange for goods or services transferred to the customers, that is unconditional. There are no contract assets and contract liabilities.
- 2) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director of the Group is a partner, a director or a member.
- 3) No trade receivables are due from any other related party.
- 4) Refer note 35.0 & 36.0 for information about fair value measurement, credit risk and market risk of trade receivables.
- 5) Refer note 39.0 for ageing schedule of trade receivables.

Notes to the Consolidated financial statements for the year ended March 31, 2022

8.0 Current financial assets (contd.)

8.3 Cash and cash equivalents

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- On current accounts	384.02	210.18
- Deposits with original maturity of less than three months	1,812.50	11.08
Cheques on hand	-	14.01
Cash on hand	13.79	6.92
Total	2,210.31	242.19

8.4 Bank balances other than cash and cash equivalents

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend (Earmarked)	59.40	64.32
Deposits with original maturity of more than three months*	33.46	1,209.60
Total	92.86	1,273.92

*held under lien with banks against letter of credits and with power distribution boards amounting to ₹31.58 Lakh (March 31, 2021: ₹100.32 Lakh).

8.5 Loans

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Loans to employees	6.51	2.05
Total	6.51	2.05
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	6.51	2.05
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	6.51	2.05
Less: Allowance for doubtful loans	-	-
Total	6.51	2.05

Note: Refer note 36.0 for information about credit risk and market risk of loans.

8.6 Other financial assets

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest receivable on fixed deposits and others	257.81	111.18
Security deposits	14.31	17.11
Mark to market of derivative financial instruments	0.99	-
Advance recoverable from suppliers	-	701.70
Total	273.11	829.99

Notes to the Consolidated financial statements for the year ended March 31, 2022

9.0 Other current assets

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to suppliers	772.89	785.32
Advances to employees and others	28.67	19.00
Prepaid expenses	269.55	281.18
Balances with Government authorities	423.00	166.37
Insurance claim receivable (refer note 41.0)	3,099.85	-
Export incentives receivable	191.53	-
Sub-total	4,785.49	1,251.87
Unsecured, considered doubtful		
Advances to suppliers	24.53	32.90
Less: Allowance for doubtful advances	(24.53)	(32.90)
Sub-total	-	-
Total	4,785.49	1,251.87

10.0 Current tax assets (net)

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Income-tax	601.47	511.14
Total	601.47	511.14

11.0 Assets held for sale/ disposal

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Discarded fixed assets held for sale/ disposal	47.76	27.25
Discarded inventory held for disposal	78.39	-
Total	126.15	27.25

12.1 Share capital

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
3,40,00,000 (March 31, 2021: 3,40,00,000) equity shares of ₹10 each	3,400.00	3,400.00
21,50,000 (March 31, 2021: 21,50,000) preference shares of ₹100 each	2,150.00	2,150.00
Total	5,550.00	5,550.00
Issued, subscribed and fully paid up		
21,82,93,397 (March 31, 2021: 21,82,93,397) equity shares of ₹10 each	2,182.94	2,182.94
Total	2,182.94	2,182.94

Notes to the Consolidated financial statements for the year ended March 31, 2022

12.1 Share capital (contd.)

Notes:

i) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022 (Nos.)	As at March 31, 2021 (Nos.)
Equity shares		
As at the beginning of the year	2,18,29,397	2,18,29,397
Add: Shares issued during the year	-	-
As at the end of the year	2,18,29,397	2,18,29,397

ii) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Group has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group, after distribution of all preferential amounts, in proportion to their shareholding.

iii) Shares in the Company held by each shareholder holding more than five per cent:

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10/- each fully paid up				
GPL Finance Limited	22,13,809	10.14	22,13,811	10.14
Shyam Sunder Sharma	19,38,927	8.88	19,38,927	8.88
SBI Mutual Fund	15,16,934	6.95	15,94,857	7.31
DSP Equity Fund	14,95,952	6.85	13,26,100	6.07
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02
MCAP India Fund Limited	9,94,704	4.56	22,56,619	10.34

iv) Shares held by the promoters at the end of the year:

Name of the Promoters	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Shyam Sunder Sharma	19,38,927	8.88	0.00	19,38,927	8.88	0.00
Rajesh Sharma	10,95,529	5.02	0.00	10,95,529	5.02	0.00
Sharad Sharma	8,75,583	4.01	0.00	8,75,583	4.01	0.00
Vishnu Dutt Khandelwal	7,20,200	3.30	0.00	7,20,200	3.30	0.00
Vimal Sharma	4,91,738	2.25	0.00	4,91,738	2.25	3.18
Seema Sharma	3,03,560	1.39	0.00	3,03,560	1.39	12.76
Ratna Sharma	2,67,871	1.23	0.24	2,67,238	1.22	3.65
Shyam Sunder Sharma HUF	1,07,000	0.49	0.00	1,07,000	0.49	0.00
Sandeep Khandelwal	2,04,501	0.94	0.36	2,03,771	0.93	92.15

Notes to the Consolidated financial statements for the year ended March 31, 2022

12.1 Share capital (contd.)

Name of the Promoters	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Yash Sharma	1,32,445	0.61	0.00	1,32,445	0.61	32.45
Sharad Sharma HUF	94,731	0.43	0.00	94,731	0.43	0.00
Nirmal Khandelwal	46,875	0.21	0.00	46,875	0.21	0.00
Vishnu Dutt Khandelwal HUF	41,940	0.19	0.36	41,790	0.19	11.44
Rajesh Sharma HUF	23,250	0.11	0.00	23,250	0.11	0.00
Ashwani Sharma*	-	0.00	0.00	633	0.00	0.00
Harsh Sharma	1,17,498	0.54	16.92	1,00,498	0.46	100.00
Hemant Sharma	77,568	0.36	1.97	76,068	0.35	100.00
Charu Khandelwal	21,449	0.10	8.99	19,679	0.09	100.00
Naveen Sharma	10,002	0.05	100.00	-	-	-
Kunjika Kaushal	6,237	0.03	100.00	-	-	-
GPL Finance Limited	22,13,809	10.14	0.00	22,13,811	10.14	0.00
Sandeep Yarns Pvt Ltd	4,46,300	2.04	0.00	4,46,300	2.04	0.00
Total	92,37,013	42.31		91,99,626	42.14	

*633 Equity Shares of the Company held by Late Ashwani Sharma have been transmitted in the name of Mrs. Ratna Sharma.

- v) The Group has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during the period of five years immediately preceding the reporting date.

12.2 Other equity

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	13,952.72
Treasury Shares	(93.86)	-
General reserve	264.13	264.13
Retained earnings	40,379.94	34,620.80
Total	55,178.21	49,512.93
(a) Capital redemption reserve		
Opening balance	450.00	450.00
Adjustment during the year	-	-
Closing balance	450.00	450.00
(b) Capital reserve		
Opening balance	225.28	225.28
Adjustment during the year	-	-
Closing balance	225.28	225.28

Notes to the Consolidated financial statements for the year ended March 31, 2022

12.2 Other equity (contd.)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Securities premium		
Opening balance	13,952.72	13,952.72
Adjustment during the year	-	-
Closing balance	13,952.72	13,952.72
(d) Treasury Shares		
Opening balance	-	-
Shares purchased during the year	(93.86)	-
Closing balance	(93.86)	-
(e) General reserve		
Opening balance	264.13	264.13
Adjustment during the year	-	-
Closing balance	264.13	264.13
(f) Retained earnings		
Opening balance	34,620.80	30,673.24
Adjustment during the year:		
Net profit for the year	6,196.93	4,352.14
Other comprehensive income (net) for the year	3.05	32.04
Dividend paid	(436.59)	(436.59)
Other	(4.25)	(0.03)
Closing balance	40,379.94	34,620.80
Total (a to f)	55,178.21	49,512.93

Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve was created for redemption of preference share capital and it is a non-distributable reserve.

Capital reserve

Capital reserve represent capital subsidy received and amount received on forfeiture of shares of the holding company. Capital reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used to transfer profits from retained earnings for general purposes. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the Consolidated financial statements for the year ended March 31, 2022

13.0 Borrowings

(₹ in Lakh)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Non-current borrowings				
Term loans:				
- from banks (secured)	21,436.98	3,047.27	667.92	682.67
- from State Government (secured) (refer footnote (iv) below)	247.56	164.90	-	-
Foreign currency loan from bank (secured)	1,964.08	-	434.50	0.01
Loan from body corporate (unsecured)	-	-	625.00	-
Total	23,648.62	3,212.17	1,727.42	682.68
Current borrowings				
Working capital loans from banks				
- Rupee loans (secured)	9,329.97	8,247.20		
Current maturities of long-term borrowings	1,727.42	682.68		
Loans repayable on demand (unsecured):				
- from directors	892.00	425.00		
- from directors' relatives	63.00	63.00		
- from other related parties	121.00	74.00		
Total	12,133.39	9,491.88		

Notes:

- Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.
- The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.
- Refer note 36.0 for liquidity risk.
- Loans discounted to their present value using the average interest rate on borrowings and the differential loan amount has been disclosed as government grant.

v) Net debt reconciliation:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current and non-current borrowings	35,782.01	12,704.05
Less: Cash and cash equivalents	(2,210.31)	(242.19)
Interest payable	128.26	35.01
Net debt	33,699.96	12,496.87

(₹ in Lakh)

Particulars	Current and non-current borrowings	Cash and cash equivalents	Interest payable	Total
Net debt as at April 1, 2020	9,175.52	(127.67)	61.84	9,109.69
Cash flows	3,490.38	(114.52)	-	3,375.86
Other non-cash movements:				
- foreign exchange adjustments	23.58	-	-	23.58
- fair value adjustments	14.57	-	(14.57)	-

Notes to the Consolidated financial statements for the year ended March 31, 2022

v) Net debt reconciliation (contd.)

(₹ in Lakh)

Particulars	Current and non-current borrowings	Cash and cash equivalents	Interest payable	Total
Interest expense	-	-	718.86	718.86
Interest paid	-	-	(731.12)	(731.12)
Net debt as at March 31, 2021	12,704.05	(242.19)	35.01	12,496.87
Cash flows	23,108.44	(1,968.12)	-	21,140.32
Other non-cash movements:				
- foreign exchange adjustments	(1.42)	-	-	(1.42)
- fair value adjustments	(29.06)	-	(16.02)	(45.08)
Interest expense	-	-	1,904.86	1,904.86
Interest paid	-	-	(1,795.59)	(1,795.59)
Net debt as at March 31, 2022	35,782.01	(2,210.31)	128.26	33,699.96

13.1 Nature of security and terms of repayment for non-current borrowings:

	Nature of security	Terms of repayment
1	Term loan having balance outstanding amounting to ₹611.16 Lakh (including foreign currency loan balance outstanding of ₹599.64 Lakh) (March 31, 2021: ₹700.00 Lakh including foreign currency loan outstanding ₹ Nil), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of holding company. The loan is further secured by way of extension of pari passu second charge on current assets of holding company and fixed deposit receipt of ₹211.00 Lakh.	Repayable in 22 quarterly installments starting from March, 2022 and last installment falling due in June 2027. Rate of interest 7.95% p.a. (Foreign currency loan: 2.39% p.a.) as at the year end (March 31, 2022: 7.40%).
2	Term loan having balance outstanding amounting to ₹1,867.12 Lakh (including foreign currency loan balance outstanding of ₹1,798.93 Lakh) (March 31, 2021: ₹2,154.11 Lakh including foreign currency loan outstanding ₹ Nil), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of holding company. The loan is further secured by way of extension of pari passu second charge on current assets of holding company and fixed deposit receipt of ₹211.00 Lakh.	Repayable in 17 quarterly installments starting from April 2022 and last installment falling due in April 2026. Rate of interest 7.95% p.a. (Foreign currency loan: 2.39% p.a.) as at the year end (March 31, 2021: 8.10% p.a.).
3	Term loan having balance outstanding amounting to ₹746.44 Lakh (March 31, 2021: ₹875.83 Lakh), is secured by way of exclusive charge on assets of holding company financed from loan.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due in March, 2024. Average rate of interest 6.78% p.a. as at the year end (March 31, 2021: 6.30% p.a.).
4	Loan from U.P. Government, balance outstanding amounting to ₹111.72 Lakh (March 31, 2021: ₹ Nil), is secured by way of bank guarantee of equivalent amount.	Repayable in March, 2029. The loan is interest free.
5	Loan from U.P. Government, balance outstanding amounting to ₹23.04 Lakh (March 31, 2021: ₹23.04 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in 2 installments during August 2023 and December 2023. The loan is interest free.

Notes to the Consolidated financial statements for the year ended March 31, 2022

	Nature of security	Terms of repayment
6	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakh (March 31, 2021: ₹29.42 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in January 2025. The loan is interest free.
7	Loan from U.P. Government, balance outstanding amounting to ₹194.90 Lakh (March 31, 2021: ₹194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
8	Term loans from Banks, balance outstanding amounting to ₹20,497.50 Lakh (March 31, 2021: ₹ Nil), are secured by way of first charge, on pari passu basis, on entire tangible and intangible assets (present and future), including equitable mortgage of immovable properties, of the Group's Warangal projects. The loans are further secured by way of corporate guarantee of holding company and personal guarantees of two directors of the Group.	Term loans are repayable in 39 quarterly installments starting from December, 2022 and last installment falling due in June, 2032. Rate of interest ranging from 7.00-8.25% p. a. (March 31, 2021: N.A.)
9	Term loan from Bank, balance outstanding amounting to ₹781.26 Lakh (March 31, 2021: ₹ Nil), are secured by way of first charge on entire tangible and intangible assets (present and future), including equitable mortgage of immovable property, of the Group's Nepal project. The loan is further secured by way of corporate guarantee of holding company.	Term loans are repayable in 24 quarterly installments starting from October, 2022 and last installment falling due in July, 2028. Rate of interest 10.62% p. a. (March 31, 2021: N.A.)
10	Unsecured loan from body corporate, balance outstanding amounting to ₹625.00 Lakh (March 31, 2021: ₹ Nil)	Repayable in May, 2022. Rate of interest 5.58% p.a. (March 31, 2021: N.A.)

Nature of security and terms of repayment for current borrowings:

	Nature of security	Terms of repayment
1	Working capital loans from banks, balance outstanding amounting to ₹9,329.97 Lakh (March 31, 2021: ₹8,247.20 Lakh) are secured by hypothecation of current assets of holding company (both present and future), ranking pari passu inter-se. These loans are further secured by way of extension of pari-passu second charge on property, plant and equipment of holding company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Group and others.	Repayable on demand. Rate of interest is ranging from 5.35% to 8.25% p.a. over the tenure of the loans. (March 31, 2021: Rate of interest ranging from 6.00% to 9.00% p.a.)
2	Unsecured loans from directors and other related parties amounting to ₹1,076.00 Lakh (March 31, 2021: ₹562.00 Lakh).	Repayable on demand. Rate of interest 5.50% p.a. as at the year end (March 31, 2021: 7.00% p.a.).

13.2 The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

Notes to the Consolidated financial statements for the year ended March 31, 2022

14.0 Government grants

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	444.77	483.87
Received during the year*	1,201.37	13.70
Released to the statement of profit and loss	(44.90)	(52.79)
At the end of the year	1,601.24	444.78
14.1 Current	52.69	44.57
14.2 Non-current	1,548.55	400.21

* There are unfulfilled export commitments of ₹23,340.00 Lakh (Previous year NIL) as at the balance sheet date related to government grant received under the EPCG Scheme.

15.1 Trade payables

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	301.54	61.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,110.83	3,459.64
Total	6,412.37	3,521.43

Note:

- Refer note 36.0 for information about liquidity risk and market risk of trade payables.
- Refer note 40.0 for ageing schedule of trade payables.

c). Dues to micro and small enterprises

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	301.54	61.79
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period 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	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

Notes to the Consolidated financial statements for the year ended March 31, 2022

15.2 Other current financial liabilities

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital expenditure	1,280.38	57.28
Interest accrued	128.26	35.01
Unclaimed dividends*	59.41	64.32
Mark to market of derivative financial instruments	-	150.65
Other payables	3,544.38	2,414.51
Total	5,012.43	2,721.77

* During the year, the Group has transferred ₹10.56 Lakh (March 31, 2021: ₹10.48 Lakh) to Investor Education and Protection Fund towards unclaimed dividend and there are no overdue amounts as at the balance sheet date.

16.0 Other current liabilities

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	92.09	67.32
Statutory dues payables	503.99	777.56
Total	596.08	844.88

17.0 Provisions

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits		
17.1 Non-current		
Leave obligations	98.41	76.88
Gratuity (refer note 29.1)	606.55	534.27
Total	704.96	611.15
17.2 Current		
Leave obligations	57.97	52.26
Gratuity (refer note 29.1)	221.85	216.39
Total	279.82	268.65

18.1 Deferred tax liabilities (net)

(₹ in Lakh)		
Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	(451.73)	(315.99)
Deferred tax liabilities	2,171.67	2,229.07
Deferred tax liabilities (net)	1,719.94	1,913.08

Notes to the Consolidated financial statements for the year ended March 31, 2022

18.1.a Movement of deferred tax liabilities (net)

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)		
As at the beginning of the year	1,913.08	1,712.51
Charge/ (credit) to statement of profit and loss*	(193.14)	200.57
Total	1,719.94	1,913.08

*Deferred tax on remeasurement of defined benefit obligation of ₹1.02 Lakh has been charged to other comprehensive income (March 31, 2021: ₹10.78 Lakh).

18.1.b Components of deferred tax (assets)/ liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax liability		
Property, plant and equipment	2,048.41	2,079.51
Others	123.26	149.56
Sub-total	2,171.67	2,229.07
Deferred tax asset		
Expenses allowed in the year of payment	(380.83)	(264.83)
Unabsorbed losses	(45.66)	-
Provision for doubtful trade receivables and advances	(20.88)	(51.16)
Others	(4.36)	-
Sub-total	(451.73)	(315.99)
Total	1,719.94	1,913.08

19.0 Revenue from operations

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Finished goods (including process waste)	98,457.40	72,212.99
Stock-in-trade	2,313.26	2,012.59
Sub-total	1,00,770.66	74,225.58
Other operating revenues		
Sale of waste and scrap	360.95	260.47
Job work receipts	8.44	7.34
Insurance claims received	74.42	38.29
Export incentives	461.95	184.87
Allowance for doubtful trade receivables written back (net)	35.21	23.06
Income from recycling certification	399.42	297.82
Liabilities no longer required written back	26.65	73.64
Others	6.66	2.49
Sub-total	1,373.70	887.98
Total	1,02,144.36	75,113.56

Notes to the Consolidated financial statements for the year ended March 31, 2022

19.0 Revenue from operations (contd.)

The Group offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued thereafter are reduced from gross sales and net sales is shown in the statement of profit and loss. Details of the revenue from contracts with customers as it appears in the invoices raised on them and credit notes issued thereafter are as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Revenue from contracts with Customers	1,00,882.05	74,332.28
Less:		
b. Performance and price discounts	59.39	43.12
c. Other discounts	52.00	63.58
Revenue from sale of products	Total	Total
	1,00,770.66	74,225.58

20.0 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	353.24	210.83
Government grants	44.90	52.79
Gain on foreign currency fluctuations and translations (net)	28.34	-
Profit on sale of investments	147.91	161.80
Fair value gain on financial assets	106.44	510.71
Miscellaneous income	10.63	6.88
Total	691.46	943.01

21.0 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year*		
Finished goods	6,540.00	5,929.78
Stock-in-trade	586.91	310.25
Work-in-progress	1,020.07	791.24
Sub-total	8,146.98	7,031.27
Inventories at the beginning of the year*		
Finished goods	5,929.78	6,000.31
Stock-in-trade	310.25	100.32
Work-in-progress	791.24	571.27
Sub-total	7,031.27	6,671.90
Inventories of trial run production		
Finished goods	(2.31)	-
Work-in-progress	(66.81)	-
Sub-total	(69.12)	-
Less: Loss of finished & process goods inventory due to fire.	835.01	-
Total	(1,881.60)	(359.37)

*including goods-in-transit.

Notes to the Consolidated financial statements for the year ended March 31, 2022

22.0 Employee benefits expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	5,307.58	4,361.97
Contribution to provident and other funds (refer note 29.2)	246.19	209.53
Gratuity expense (refer note 29.1)	126.61	137.48
Staff welfare expenses	108.09	91.97
Total	5,788.47	4,800.95

23.0 Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing expenses:		
Consumption of stores and spares	2,369.52	2,010.48
Power and fuel	8,486.28	6,861.02
Processing charges	796.98	445.78
Repairs and maintenance:		
- Plant and machinery	451.72	325.29
- Buildings	104.03	65.15
Sub-total	12,208.53	9,707.72
Administrative expenses		
Rent (refer note 31.0)	110.72	116.89
Rates and taxes	9.68	59.44
Insurance	164.37	136.74
Repairs and maintenance - others	93.15	79.13
CSR expenditure	158.60	162.80
Travelling and conveyance	132.13	107.73
Communication costs	40.94	37.19
Printing and stationery	38.91	34.65
Legal and professional fee	102.22	60.07
Cost auditors' remuneration	1.10	1.00
Directors' sitting fee	1.85	2.50
Payment to auditor (refer details below)	17.08	13.98
Money lost in cyber fraud escrow bank account (refer note 33.0)	213.78	-
Bad debts/ advances written off	-	42.51
Allowances for doubtful trade receivables and advances	12.60	10.31
Loss on sale/ discard of property, plant and equipment (net)	3.29	18.53
Miscellaneous expenses	125.10	112.61
Vehicle running and maintenance	89.73	63.12
Commission to non-executive directors	55.50	56.89
Security service charges	152.70	140.10
Loss on foreign currency fluctuations and translations (net)	-	15.60
Sub-total	1,523.45	1,271.79

Notes to the Consolidated financial statements for the year ended March 31, 2022

23.0 Other expenses (contd.)

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Selling expenses		
Freight and forwarding charges	5,055.68	2,980.96
Other selling and distribution expenses	455.44	349.72
Sub-total	5,511.12	3,330.68
Total	19,243.10	14,310.19
Break up of payment to auditor:		
As auditor:		
- Audit fee	12.56	9.50
- Tax audit fee	1.00	1.00
- Limited review fee	3.24	3.08
In other capacity		
- Other services (certification fee)	0.20	0.10
- Reimbursement of expenses	0.08	0.30
Total	17.08	13.98

24.0 Depreciation and amortization expense

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	2,830.26	2,673.23
Amortization of intangible assets	51.25	51.27
Amortization of ROU assets	1.61	1.61
Less: Transfer to capital work-in-progress	(42.99)	(9.93)
Total	2,840.13	2,716.18

25.0 Finance costs

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest	886.80	718.86
Exchange differences regarded as an adjustment to borrowing cost	-	56.38
Other borrowing costs (including bank charges)	89.32	106.04
Total	976.12	881.28

Notes to the Consolidated financial statements for the year ended March 31, 2022

26.0 Tax expense

26.1 The major components of income-tax expense are as under:

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Profit and loss section		
Current tax		
In respect of current year	2,270.08	1,256.96
In respect of earlier years	(6.51)	(3.70)
Sub-total	2,263.57	1,253.26
Deferred tax		
Relating to origination and reversal of temporary differences	(194.09)	189.79
Sub-total	(194.09)	189.79
Income tax expense reported in the statement of profit and loss	Total	Total
	2,069.48	1,443.05
B) Other comprehensive income ('OCI') section		
Deferred tax related to items recognized in OCI during the year:		
Re-measurement gain on defined benefit obligation	(1.02)	(10.78)
Income-tax charged to OCI	Total	Total
	(1.02)	(10.78)

26.2 Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

(₹ in Lakh)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before income-tax	8,266.41	5,795.19
Tax rate using the holding company's tax rate	25.168%	25.168%
Current tax expense on profit before tax at the enacted income-tax rate	2,080.49	1,458.53
Adjustments in respect of current income-tax of earlier years	(6.51)	(3.70)
Permanent disallowances	40.36	41.56
Impact of tax due to loss in components	65.00	8.13
Impact on tax for elimination adjustments in components	138.19	33.78
Recognition of net deferred tax assets	(49.61)	-
Remeasurement of net deferred tax liabilities	(226.90)	(93.33)
Others	28.46	(1.92)
Total income-tax expense	2,069.48	1,443.05

Consequent to reconciliation items shown above, the effective tax rate is 25.035% (March 31, 2021: 24.901%).

Notes to the Consolidated financial statements for the year ended March 31, 2022

27.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

			(₹ in Lakh)
Particulars	As at March 31, 2022	As at March 31, 2021	
First charge			
Non-current assets			
Property, plant and equipment	29,288.37	28,255.22	
Capital work-in-progress	27,383.39	1,070.61	
Right of use assets	121.75	123.36	
Intangible assets	4.99	-	
Non-current financial assets	839.79	333.85	
Other non-current assets	3,102.94	673.56	
Total non-current assets pledged as security	60,741.23	30,456.60	
Second charge			
Current assets			
Financial assets			
Investments	6,887.51	7,213.14	
Trade receivables	11,615.13	10,555.13	
Cash and cash equivalents	2,210.13	210.30	
Bank balances	33.46	109.60	
Others	279.62	81.10	
Non financial assets			
Inventories	18,908.65	17,251.95	
Current tax assets	601.47	510.65	
Others	4,911.64	1,327.65	
Total current assets pledged as security	45,447.61	37,259.52	
Total assets pledged as security	1,06,188.84	67,716.12	

28.0 Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earning per share has been computed as under:		
Profit for the year (₹ in Lakh)	6,196.93	4,352.14
Weighted average number of equity shares outstanding (Numbers)	2,18,29,397	2,18,29,397
Earnings per share (₹) - Basic (face value of ₹10 per share)	28.39	19.94
Earnings per share (₹) - Diluted (face value of ₹10 per share)	28.39	19.94

Notes to the Consolidated financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans

29.1 Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

Movement in the present value of the defined benefit obligation for gratuity are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	750.66	694.46
Current service cost	101.05	92.48
Interest expense	38.34	45.19
Benefits paid	(59.21)	(38.80)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(64.59)
Actuarial (gains) / losses arising from changes in financial assumptions	(13.27)	22.38
Actuarial (gains) / losses arising from experience adjustments	10.83	(0.46)
Closing defined benefit obligation	828.40	750.66

Net liability recognized in balance sheet:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	828.40	750.66
Fair value of plan assets	-	-
Funded status (deficit)	(828.40)	(750.66)
Net liability recognized in balance sheet	828.40	750.66
Break-up of defined benefit obligation		
Current liability	221.85	216.39
Non-current liability	606.55	534.27
Total	828.40	750.66

Net defined benefit expense recognized in employee benefit expenses in the statement of profit and loss:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	88.54	92.34
Net interest cost	38.07	45.14
Total	126.61	137.48

Net defined benefit expense recognized in capital work-in-progress:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	12.51	0.14
Net interest cost	0.27	0.05
Total	12.78	0.19

Notes to the Consolidated financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans (contd.)

Remeasurement (gain)/ loss recognized in other comprehensive income:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(64.59)
Actuarial (gains) / losses arising from changes in financial assumptions	(12.85)	22.38
Actuarial (gains) / losses arising from experience adjustments	8.78	(0.61)
Total	(4.07)	(42.82)

Remeasurement (gain)/ loss recognized in capital work-in-progress:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gains) / losses arising from changes in financial assumptions	(0.42)	-
Actuarial (gains) / losses arising from experience adjustments	2.05	(0.15)
Total	1.63	(0.15)

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	5.65% to 6.70%	5.1% to 6.4%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	30.00%	15% to 30%
Withdrawal rate (above 58 years)	10% to 15%	10.00%
Mortality	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table	Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate table

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is as under:

Particulars	Year	Change in assumption	(₹ in Lakh)	
			Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2022	1.00%	(23.68)	25.25
	March 31, 2021	1.00%	(15.08)	15.84
Salary escalation rate	March 31, 2022	1.00%	23.17	(22.39)
	March 31, 2021	1.00%	15.32	(14.95)
Mortality rate	March 31, 2022	1.00%	Negligible	Negligible
	March 31, 2021	1.00%		

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

Notes to the Consolidated financial statements for the year ended March 31, 2022

29.0 Gratuity and other post-employment benefit plans (contd.)

Maturity profile of demand of defined benefit obligation is as under:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Within 1 year	221.85	216.39
1 - 2 Year	163.36	146.21
2 - 3 Year	125.28	110.21
3 - 4 Year	95.52	83.97
4 - 5 Year	64.17	64.10
Above 5 years	158.22	129.78
Total	828.40	750.66

Fair value and changes in fair value of plan assets during the year ended March 31, 2022:

Gratuity obligations are not funded.

As per the policy of the Group, no gratuity is payable to the executive directors of the Group.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

29.2 Defined contribution plans

The Group also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized to statement of profit and loss during the year towards contribution to defined contribution plans is ₹246.19 Lakh (March 31, 2021: ₹209.53 Lakh) and expenses recognized to capital work-in-progress during the year is ₹1.73 Lakh (March 31, 2021: ₹0.26 Lakh).

29.3 Leave obligation

The Group provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

30.0 Commitments and contingencies (to the extent not provided for)

30.1 Commitments

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	11,608.43	6,997.76
b) Undertakings given by the Group to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India	23,340.00	-
Total	34,948.43	6,997.76

Notes to the Consolidated financial statements for the year ended March 31, 2022

30.0 Commitments and contingencies (to the extent not provided for) (contd.)

30.2 Contingent liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
a) Matters with tax authorities		
- Income-tax matters	35.92	35.92
- VAT matters	2.61	7.65
b) Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board ('UPCB') on Rudrapur unit of holding company in pursuance of a general order of Hon'ble National Green Tribunal ('NGT') dated November 14, 2019 ('Order'). The operation of the said Order has been stayed by the Hon'ble Supreme Court vide its order dated March 18, 2020. The management believes that this demand has erroneously been raised on the holding company by UPB and not sustainable.	100.00	100.00
c) Bills discounted under letters of credit and outstanding	234.48	97.40
d) Claims against the Group not acknowledged as debt (interest thereon not ascertainable at present)	49.23	43.90
Total	422.24	284.87

31.0 Leases

The Group has certain operating leases primarily consisting of leases for office premises, guest houses and warehouses having different lease terms. Such leases are generally with the option of renewal against increased rent and premature termination clause. Rental expense recorded for short-term leases and low value asset leases is ₹114.90 Lakh for the year ended March 31, 2022 (March 31, 2021: ₹116.89 Lakh).

The Group has taken certain land on long term lease for factory purposes (disclosed under "Right of use assets"). Since entire lease payments have been prepaid, the Group does not have any future lease liability towards the same.

For details pertaining to the carrying value of right of use asset and amortization charged thereon during the year, refer note 3.3 of the financial statements.

The Group does not have any lease liability and thus there are no liquidity risks.

32.0 Segment information

32.1 Primary segment (by business segment):

Ind AS 108 establishes standards for the way that the Group report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Group's operations comprises of only one segment i.e. sale of polyester staple fibre and polyester yarn which are mainly having similar risks and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment (synthetic textile). In view of the same, separate primary segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

32.2 Secondary segment (by geographical demarcation):

Considering the nature of the business in which the Group operates, the Group deals with various customers in multiple geographies. The details of segment revenue based on geographical demarcation is as under:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of products		
- India	87,799.62	68,172.43
- Outside India	12,971.04	6,053.15
Total	1,00,770.66	74,225.58

Notes to the Consolidated financial statements for the year ended March 31, 2022

33.0 During the year, one of the subsidiary company has suffered a Cyber fraud of ₹245.67 Lakh in escrow account with HDFC Bank Ltd. by way of unauthorised electronic transfers through forged letters/ mails. The subsidiary lodged the police complaint and some of the accused were arrested and police recovered ₹31.89 Lakh from them. Though the police investigation is still continuing, chances of recovery seems dismal and therefore, the subsidiary has provided for the balance amount of ₹213.78 Lakh as loss in the books of accounts. The subsidiary has also lodged the legal case against the Bank for recovery of money lost in cyber fraud.

34.0 Related party disclosures

Name of related parties and nature of relationship:

34.1 A. Key management personnel

Shri Shyam Sunder Sharmma	Non-Executive Chairman
Shri Vishnu Dutt Khandelwal	Executive Vice Chairman
Shri Sharad Sharma	Managing Director
Shri Rajesh Sharma	Joint Managing Director
Shri Gopal Singh Shekhawat	Director (Administration) (till December 24, 2020)
Shri Surendra Kumar Kabra	Independent Director
Shri Pradeep Kumar Goenka	Independent Director
Shri Vishwa Nath Chandak	Independent Director
Shri Anoop Gupta	Independent Director (till September 22, 2020)
Shri Abhilash Lal	Independent Director
Smt. Seema Sharma	Non-Executive Director (till September 22, 2020)
Smt. Shobha Chaturvedi	Independent Director
Shri Gopal Agarwal	Chief Financial Officer
Shri Bharat Kumar Sajani	Company Secretary & Compliance Officer

B. Relatives of key management personnel

Smt. Vimal Sharma	Wife of Shri Shyam Sunder Sharmma
Smt. Nirmal Khandelwal	Wife of Shri Vishnu Dutt Khandelwal
Shri Sandeep Khandelwal	Son of Shri Vishnu Dutt Khandelwal
Shri Yash Sharma	Son of Shri Sharad Sharma
Shri Ashwani Sharma (till April 03, 2020)	Son of Shri Rajesh Sharma
Shyam Sunder Sharmma HUF	Shri Shyam Sunder Sharmma is Karta
Vishnu Dutt Khandelwal HUF	Shri Vishnu Dutt Khandelwal is Karta
Sharad Sharma HUF	Shri Sharad Sharma is Karta
Rajesh Sharma HUF	Shri Rajesh Sharma is Karta

C. Entities controlled by key management personnel or their relatives

Sandeep Yarns Private Limited
GPL Finance Limited

Notes to the Consolidated financial statements for the year ended March 31, 2022

34.0 Related party disclosures (contd.)

34.2 Summary of transactions during the year

(₹ in Lakh)

Particulars	Year ended	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives
Managerial remuneration	March 31, 2022	406.12	-	-
	March 31, 2021	297.02	-	-
Commission and sitting fee	March 31, 2022	57.35	-	-
	March 31, 2021	59.39	-	-
Salary and allowances	March 31, 2022	48.72	39.44	-
	March 31, 2021	36.47	17.51	-
Interest paid	March 31, 2022	54.17	3.78	5.87
	March 31, 2021	34.54	5.88	3.72
Unsecured loan accepted	March 31, 2022	877.00	-	47.00
	March 31, 2021	274.00	-	52.00
Unsecured loan repaid	March 31, 2022	410.00	-	-
	March 31, 2021	327.00	173.50	8.00
Amount outstanding at balance sheet date				
Unsecured loan payable	March 31, 2022	892.00	63.00	121.00
	March 31, 2021	425.00	63.00	74.00
Amounts payable	March 31, 2022	402.97	1.87	1.48
	March 31, 2021	294.67	4.34	1.28

34.3 The Group has not given/ provided any guarantee/ collaterals for and on behalf of the aforementioned related parties.

34.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.

35.0 Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

- The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.
- The Group has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.
- Loans, investments and other non-current financial assets are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. The fair value of loans, investments and other non-current financial assets has been considered as equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
- Fair values of cash and cash equivalents, trade receivables, bank balances, current investments, current loans, other current financial assets, trade payables, current borrowings and other financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

Notes to the Consolidated financial statements for the year ended March 31, 2022

35.0 Financial instruments (contd.)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets

(₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial assets designated at fair value through profit and loss (FVTPL)						
Current investments	D	Level 2	6,887.51	6,887.51	7,213.14	7,213.14
2. Financial assets designated at fair value through other comprehensive income (FVTOCI)			-	-	-	-
3. Financial assets designated at amortized cost						
a) Trade receivables	D	Level 3	11,615.13	11,615.13	10,555.13	10,555.13
b) Cash and cash equivalents	D	Level 3	2,210.31	2,210.31	242.19	242.19
c) Other bank balances	D	Level 3	92.86	92.86	1,273.92	1,273.92
d) Loans	C, D	Level 3	11.64	11.64	26.77	26.77
e) Other financial assets	C, D	Level 3	1,108.40	1,108.40	1,517.52	1,517.52
Total			21,925.85	21,925.85	20,828.67	20,828.67

Financial liabilities

(₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial liabilities designated at fair value through profit and loss						
Mark to market of derivative financial instruments	A	Level 2	-	-	150.65	150.65
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	35,782.01	35,782.01	12,704.05	12,704.05
b) Trade payables	D	Level 3	6,412.37	6,412.37	3,521.43	3,521.43
c) Other financial liabilities	D	Level 3	5,012.43	5,012.43	2,571.12	2,571.12
Total			47,206.81	47,206.81	18,947.25	18,947.25

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

Notes to the Consolidated financial statements for the year ended March 31, 2022

36.0 Financial risk management

The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's senior management oversees the management of these risks.

The Company has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Group through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, loans given and other financial assets.

The allowance for lifetime expected credit loss on trade receivables is as under:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Allowance for expected credit loss		
Opening balance	170.38	185.49
Impairment loss recognized (net of reversals)	(111.97)	(15.11)
Closing balance	58.41	170.38

Loans given and other financial assets are considered to be of good quality and there is no significant credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

a) Financing arrangements

The Group believes that it has sufficient working capital to meet its current requirements. Accordingly, no liquidity risk is perceived. Further, the Group is having cash credit facilities from banks of ₹12,500.00 Lakh (March 31, 2021: ₹12,500.00 Lakh), repayable on demand which carry floating rate of interest.

Notes to the Consolidated financial statements for the year ended March 31, 2022

36.0 Financial risk management (contd.)

b) Contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2022	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	1,727.42	1,456.87	4,288.03	17,903.72	25,376.04
Current borrowings	10,405.97	-	-	-	10,405.97
Trade payables	6,412.37	-	-	-	6,412.37
Other financial liabilities	5,012.43	-	-	-	5,012.43
Total	23,558.19	1,456.87	4,288.03	17,903.72	47,206.81

As at March 31, 2021	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	682.68	682.67	1,988.60	540.90	3,894.85
Current borrowings	8,809.20	-	-	-	8,809.20
Trade payables	3,521.43	-	-	-	3,521.43
Other financial liabilities	2,721.77	-	-	-	2,721.77
Total	15,735.08	682.67	1,988.60	540.90	18,947.25

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) Foreign currency risk

The Group is exposed to foreign currency risk through operating and financing activities in foreign currency. The Group uses derivative financial instruments, such as foreign currency sale and purchase forward contracts and currency and interest rate swap contracts, to reduce foreign currency risk exposure and follows its risk management policies.

Derivative financial instruments outstanding as at the reporting date

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Nominal value of forward contracts		
Forward contracts to sell USD	1,259.19	148.92
Forward contracts to buy USD	2,440.24	-
b) Currency cum interest rate swap (INR/ EURO)	0.00	1,767.99
	3,699.44	1,916.91

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Notes to the Consolidated financial statements for the year ended March 31, 2022

36.0 Financial risk management (contd.)

The currency profile of financial assets and financial liabilities (unhedged foreign currency exposure) as at the balance sheet date is as under:

(₹ in Lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	808.74	584.17	1,392.91	729.24	357.05	1,086.29
Financial liabilities						
Trade and other payables	(135.47)	(32.85)	(168.32)	(235.44)	(3.42)	(238.86)
Borrowings	-	-	-	-	(1,767.99)	(1,767.99)
Net assets/ (liabilities)	673.27	551.32	1,224.59	493.80	(1,414.36)	(920.56)

Foreign currency risk sensitivity

1% increase and decrease in foreign exchanges rate will have the following impact on profit before tax:

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
USD	6.73	(6.73)	4.94	(4.94)
EURO	5.51	(5.51)	(14.14)	14.14
Increase / (decrease) in profit before tax	12.24	(12.24)	(9.20)	9.20

ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligation at floating interest rates.

Exposure to interest rate risk:

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	1,948.56	5.45%	726.90	5.72%
Variable rate borrowings	33,833.45	94.55%	11,977.15	94.28%
Total	35,782.01	100.00%	12,704.05	100.00%

Interest rate sensitivity on variable rate borrowings

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for whole of the year.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
50 basis points increase would decrease the profit before tax by	(169.17)	(59.89)
50 basis points decrease would Increase the profit before tax by	169.17	59.89

Notes to the Consolidated financial statements for the year ended March 31, 2022

37.0 Capital risk management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor's, creditor's and market's confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.

The gearing ratio at the end of the reporting period is as under:

Particulars	(₹ in Lakh)	
	As at March 31, 2022	As at March 31, 2021
Current and non-current borrowings	35,782.01	12,704.05
Debt (A)	35,782.01	12,704.05
Total equity (B)	57,361.15	51,695.87
Equity and debt (C =A+B)	93,143.16	64,399.92
Gearing ratio (A/C)	38.42%	19.73%

38.0 Additional information on the entities forming part of consolidated financial statements as required under Schedule III of the Companies Act, 2013

As at and for the year ended March 31, 2022

Name of the entity in the Group	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakh)	As % of consolidated profit or loss	Amount (₹ in Lakh)	As % of consolidated other comprehensive income	Amount (₹ in Lakh)	As % of consolidated total comprehensive income	Amount (₹ in Lakh)
Holding Company								
Ganesha Ecosphere Limited	101.82%	58,403.71	112.23%	6,954.65	100.00%	3.05	112.22%	6,957.70
Indian Subsidiaries								
Ganesha Ecopet Private Limited	1.69%	971.36	-0.06%	(3.42)	0.00%	0.00	-0.06%	(3.42)
Ganesha Ecotech Private Limited	5.12%	2,936.25	-3.15%	(195.04)	0.00%	0.00	-3.15%	(195.04)
Foreign Subsidiary								
Ganesha Overseas Private Limited	2.56%	1,467.87	-0.16%	(10.18)	0.00%	0.00	-0.16%	(10.18)
Total eliminations/ adjustments	-11.19%	(6,418.04)	-8.86%	(549.08)	0.00%	0.00	-8.86%	(549.08)
Total	100.00%	57,361.15	100.00%	6,196.93	100.00%	3.05	100.00%	6,199.98

Notes to the Consolidated financial statements for the year ended March 31, 2022

38.0 Additional information on the entities forming part of consolidated financial statements as required under Schedule III of the Companies Act, 2013 (contd.)

As at and for the year ended March 31, 2021

Name of the entity in the Group	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakh)	As % of consolidated profit or loss	Amount (₹ in Lakh)	As % of consolidated other comprehensive income	Amount (₹ in Lakh)	As % of consolidated total comprehensive income	Amount (₹ in Lakh)
Holding Company								
Ganesha Ecosphere Limited	100.36%	51,882.60	103.83%	4,518.64	100.00%	32.04	103.80%	4,550.68
Indian Subsidiaries								
Ganesha Ecopet Private Limited	1.89%	974.78	-0.33%	(14.47)	0.00%	0.00	-0.33%	(14.47)
Ganesha Ecotech Private Limited	2.87%	1,482.18	-0.41%	(17.82)	0.00%	0.00	-0.41%	(17.82)
Total eliminations/ adjustments	-5.11%	(2,643.69)	-3.08%	(134.21)	0.00%	0.00	-3.06%	(134.21)
Total	100.00%	51,695.87	100.00%	4,352.14	100.00%	32.04	100.00%	4,384.18

39.0 Trade receivables ageing schedule

a. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	11,545.08	50.84	18.76	0.45	-	11,615.13
- considered doubtful	-	1.32	0.78	21.82	34.49	58.41
	11,545.08	52.16	19.54	22.27	34.49	11,673.54
Less: Allowance for doubtful debts						58.41
Total						11,615.13

b. As at March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	10,502.50	21.25	31.13	0.25	-	10,555.13
- considered doubtful	3.28	-	81.78	8.18	77.14	170.38
	10,505.78	21.25	112.91	8.43	77.14	10,725.51
Less: Allowance for doubtful debts						170.38
Total						10,555.13

Notes to the Consolidated financial statements for the year ended March 31, 2022

40.0 Trade payables ageing schedule

a. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	301.54	-	-	-	301.54
ii) Other than MSME	6,108.60	0.98	1.25	-	6,110.83
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-
Total	6,410.14	0.98	1.25	-	6,412.37

b. As at March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	61.79	-	-	-	61.79
ii) Other than MSME	3,457.17	1.52	0.95	-	3,459.64
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-
Total	3,518.96	1.52	0.95	-	3,521.43

41.0 A major fire broke out in Holding Company's polyester staple fibre manufacturing unit at Raipur (Rania), District Kanpur Dehat on June 04, 2021, which resulted into substantial damages to the building, plant and machinery and inventories. Based on initial evaluation, Group has recognized a loss of ₹3,358.48 Lakh during June, 2021 quarter and also recognized deferred tax asset of ₹845.26 Lakh in respect of this loss. The net impact of ₹2,513.22 Lakh was disclosed as exceptional item in the financial results for the quarter ended June 30, 2021. The amount of loss was re-assessed at ₹3,009.85 Lakh as on March 31, 2022 and provision for loss was reduced accordingly.

The assets, damaged by fire, are fully insured and process of assessment of claim settlement is still underway and yet to be finalized by insurance company. Based on the valid insurance policy, discussions with insurance surveyors and loss assessors and management's own evaluation, there is reasonable certainty in settling the insurance claim at least equal to the extent of loss earlier provided for in the books of accounts. Accordingly, the Group has reversed the provision for loss of ₹3,009.85 Lakh at the end of the year and corresponding amount has been accounted for as insurance claim receivable under current assets. Any deficit/ surplus in the amount of insurance claim shall be recorded as expense/ income upon final settlement of claim.

42.0 COVID 19 assessment

The Group has considered possible effects that may result from the ongoing COVID 19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Group has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Group's financial statements may differ from that estimated as at the date of approval of the financial statements.

Notes to the Consolidated financial statements for the year ended March 31, 2022

43.0 Ganesha Ecosphere Employees' Stock Option Scheme - 2021

The Board of Directors and the Shareholders of the parent company have approved a Scheme called as "Ganesha Ecosphere Employees' Stock Option Scheme - 2021" (Scheme) on January 25, 2021 and February 26, 2021 respectively. This Scheme is effective from February 26, 2021. Pursuant to the Scheme, the parent company has constituted "Ganesha Employees' Welfare Trust" (Trust) to acquire, hold and allocate/ transfer equity shares of the parent company to eligible employees from time to time on the terms and conditions specified under the Scheme. The said Trust had purchased, during the year, 19,335 equity shares (Previous year: Nil) of the parent company from the secondary open market at cost of ₹485.42 per share. However, no offer was made to eligible employees under the scheme till March 31, 2022. The financial statements of the trust have been included in the consolidated financial statements of the Group in accordance with the requirements of Ind AS and cost of such treasury shares has been presented as a deduction in other equity.

44.0 Events occurring after the balance sheet date

The Board of Directors of the Holding Company have recommended dividend of ₹2.00 per fully paid up equity share of ₹10 each, aggregating to ₹436.59 Lakh for the financial year 2021-22 (March 31, 2021: ₹2.00 per fully paid up equity share of ₹10 each, aggregating ₹436.59 Lakh). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and the actual dividend amount will be dependent on the share capital outstanding as on the relevant record date/ book closure.

45.0 Other statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- (ii) The Group does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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 Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group 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 Group 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 to or on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any transactions which is 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).
- (viii) The Group is regular in paying its dues and has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Notes to the Consolidated financial statements for the year ended March 31, 2022

45.0 Other statutory information (contd.)

- (ix) The Group is in compliance with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restrictions on number of Layers) rules, 2017.
- (x) The Group has not entered into any scheme of arrangement, during the year, which has any impact on financial results or position of the Group.
- (xi) The Group has not revalued any of its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (xii) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (xiii) The Group has used the borrowings from banks for the purpose for which it was taken except some amount of term loan, pending utilization towards the project, temporarily held in banks' fixed deposits and current accounts.

46.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For Narendra Singhania & Co.

Chartered Accountants

Firm Reg. No. 009781N

Narendra Singhania

Partner

Membership No.: 087931

Place: Kanpur

Date: May 21, 2022

For and on behalf of the Board of Directors

Sharad Sharma

Managing Director

DIN: 00383178

Shyam Sunder Sharmma

Chairman

DIN: 00530921

Bharat Kumar Sajnani

Company Secretary

FCS: 7344

Gopal Agarwal

Chief Financial Officer

FCA: 075080



GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail : secretarial@ganeshaecosphere.com, Website : www.ganeshaecosphere.com

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

NOTICE

NOTICE is hereby given that the **THIRTY-THIRD ANNUAL GENERAL MEETING** of the Members of **GANESHA ECOSPHERE LIMITED** will be held on **Friday, the 30th day of September, 2022 at 9:30 A.M.** at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon.
2. To declare Dividend on Equity Shares for financial year ended on March 31, 2022.
3. To appoint a Director in place of Shri Sharad Sharma (DIN: 00383178), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To re-appoint M/s. Narendra Singhania & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors, M/s.

Narendra Singhania & Co., Chartered Accountants (ICAI Firm Registration No. 009781N), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (five) consecutive years to hold office from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of 38th Annual General Meeting and that the Auditors be paid such remuneration as may be fixed by the Board of Directors of the Company on the recommendations of the Audit Committee.”

SPECIAL BUSINESS:

5. **To ratify the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending March 31, 2023 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R. M. Bansal & Co., Cost Accountants, having Firm Registration No. 000022, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Yarn' for the financial year ending March 31, 2023 amounting to ₹60,000/- (Rupees Sixty Thousand only), plus taxes as applicable and re-imbursement of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

6. To ratify the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2023 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rakesh Misra & Co., Cost Accountants, having Firm Registration No. 000249, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Recycled Polyester Staple Fibre' for the financial year ending March 31, 2023 amounting to ₹60,000/- (Rupees Sixty Thousand only), plus taxes as applicable and re-imbursement of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

7. To approve payment of remuneration to the Directors of the Company (other than Managing or Whole Time Director) and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and Regulation 17(6)(a) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals or sanctions as may be necessary, consent of the Members of the Company be and is hereby accorded for payment of remuneration to the Directors of the Company (other than Managing or Whole Time Director) in addition to the fees payable to them for attending the meetings of the Board or Committee thereof, by way of commission upto one percent (1%) of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of the Act and that such remuneration shall be paid to all the Directors for the time being in office (other than a Managing or Whole Time Director) or some or any of them, in such manner and proportion as the Board may decide or equally amongst all such Directors and such payment shall be made in respect of the profits of the Company for each year during the period of five years commencing from April 1, 2022."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution."

8. To re-appoint Shri Vishnu Dutt Khandelwal (DIN: 00383507) as Whole Time Director designated as Executive Vice- Chairman of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and subject to such approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Vishnu Dutt Khandelwal (DIN: 00383507), aged 73 years, as Whole Time Director designated as Executive Vice- Chairman of the Company, for a period of 5 (five) years with effect from June 19, 2023, subject to retirement by rotation, on the following terms and conditions as recommended by the Nomination and Remuneration Committee:-

(A) SALARY:

Salary of ₹3,00,000/- per month; up to a maximum of ₹5,00,000/- per month.

The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee within the said maximum amount and will be effective from 1st April each year.

(B) PERQUISITES:

- I. The Executive Vice- Chairman shall be entitled to the perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for utilisation of gas, electricity, water, reimbursement of medical expenses, leave travel concession for self and family, club fees, premium towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors from time to time, subject however that the aggregate monetary value of the perquisites in any case shall

not exceed ₹12,00,000/- per annum without restriction to any sub limit on individual perquisite.

Explanation: -

“Family” here means the spouse and dependent children of the Executive Vice- Chairman.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose, mobile and basic telephone at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the reimbursement of medical expenses as stated in Para I above, in case of medical expenses of exceptional nature incurred on the treatment of the Executive Vice-Chairman, the Company will bear total expenses actually incurred on medical treatment including hospitalization and travelling, subject to the necessary approvals, if any.

Leave & encashment/ accumulation of un-availed leave shall be as per the rules of the Company.

- II. The Executive Vice- Chairman shall be entitled to reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

(C) ADDITIONAL REMUNERATION:

In addition to the Salary & Perquisites, as specified supra, the Executive Vice -Chairman shall be entitled to receive additional remuneration based upon the quarterly financial performance of the Company, subject to the condition that the total remuneration payable to him shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Executive Vice -Chairman.”

“RESOLVED FURTHER THAT the annual remuneration payable to Shri Vishnu Dutt Khandelwal, Executive Vice-Chairman and a Promoter Director of the Company, may exceed the limits prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations subject however that the total remuneration payable to him, in any financial year during the currency of his term, shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.”

“RESOLVED FURTHER THAT where in any financial year during the currency of term of Executive Vice -Chairman, the Company has no profits or its profits are inadequate, the Company shall pay to Executive Vice- Chairman, remuneration by way of Salary and Perquisites as specified above subject however to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Vishnu Dutt Khandelwal from time to time, during the tenure of his appointment as Executive Vice- Chairman of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.”

9. To re-appoint Shri Rajesh Sharma (DIN: 02228607) as Joint Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any

statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and subject to such approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Rajesh Sharma (DIN: 02228607) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from June 19, 2023, subject to retirement by rotation, on the following terms and conditions as recommended by the Nomination and Remuneration Committee:-

(A) SALARY:

Salary of ₹3,00,000/- per month; up to a maximum of ₹5,00,000/- per month.

The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee within the said maximum amount and will be effective from 1st April each year.

(B) PERQUISITES:

- I. The Joint Managing Director shall be entitled to the perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for utilisation of gas, electricity, water, reimbursement of medical expenses, leave travel concession for self and family, club fees, premium towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors from time to time, subject however that the aggregate monetary value of the perquisites in any case shall not exceed ₹12,00,000/- per annum without restriction to any sub limit on individual perquisite.

Explanation:-

"Family" here means the spouse and dependent children of the Joint Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose, mobile and basic telephone at residence (including payment for local calls and long distance official calls), shall not be included in

the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the reimbursement of medical expenses as stated in Para I above, in case of medical expenses of exceptional nature incurred on the treatment of the Joint Managing Director, the Company will bear total expenses actually incurred on medical treatment including hospitalization and travelling, subject to the necessary approvals, if any.

Leave & encashment/ accumulation of un-availed leave shall be as per the rules of the Company.

- II. The Joint Managing Director shall be entitled to reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

(C) ADDITIONAL REMUNERATION:

In addition to the Salary & Perquisites, as specified supra, the Joint Managing Director shall be entitled to receive additional remuneration based upon the quarterly financial performance of the Company, subject to the condition that the total remuneration payable to him shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Joint Managing Director."

"RESOLVED FURTHER THAT the annual remuneration payable to Shri Rajesh Sharma, Promoter and Joint Managing Director of the Company, may exceed the limits prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations subject however that the total remuneration payable to him, in any financial year during the currency of his term, shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

"RESOLVED FURTHER THAT where in any financial year during the currency of term of Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Joint Managing Director, remuneration by way of Salary and Perquisites as specified above subject however to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013."

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Rajesh Sharma from time to time, during the tenure of his appointment as Joint Managing Director of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.”

10. To approve alteration of the Objects Clause in the Memorandum of Association of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and such other Rules and Regulations as may be applicable and subject to the necessary approvals, sanctions or consents as may be required in this regard from appropriate authorities and subject to such terms and conditions as may be imposed by any such authority, the consent of the Members of the Company be and is hereby accorded for alteration in ‘Clause iii-Objects Clause’ of the Memorandum of Association of the Company as under:

1. That the heading of Clause iii containing the words **“The objects for which the Company is established are as under: (A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION ARE:-”** be deleted and substituted by the words **“(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-”**.
2. That the Clause iii (A) of the Objects Clause of the Memorandum of Association of the Company be and is hereby extended by addition of the following sub-clause (6) immediately after the existing sub-clause (5):

“6. To manufacture, produce, process, recycle, buy, supply, sell, import, export or to act as stockists, commission agents, jobbers, dealers, brokers & agents or otherwise deal in all types of plastic products, virgin or recycled, whether primary, intermediate or in final form.”

3. That the heading of Clause iii (B) containing the words **“THE OBJECT INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE SAID MAIN OBJECTS ARE”** be deleted and substituted by the new heading **“MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE”**.
4. That wherever required, the references to various sections/ provisions of the Companies Act, 1956 be replaced with the corresponding sections/ provisions of the Companies Act, 2013 in Clause iii (B) of the Memorandum of Association of the Company.
5. That existing Clause iii (C) **“OTHER OBJECTS FOR WHICH COMPANY IS ESTABLISHED”**, consisting of sub-clauses (1) to (35), of the Memorandum of Association of the Company be deleted.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to take all necessary steps and to accept any modification(s) / condition(s) as may be stipulated by the Registrar of Companies or any other authority while granting approval and / or registering the altered objects and to do all acts, deeds and things as may be necessary for giving effect to the above resolution and to settle all questions and matters connected therewith or incidental thereto.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake and commence all or any of the businesses as specified in newly introduced sub-clause (6) of the Objects Clause iii(A) of the Memorandum of Association of the Company upon the same becoming effective as and when deemed fit and considered most appropriate by the Board of Directors of the Company and all the acts and deeds of the Board of Directors in connection with the above be and are hereby confirmed, approved and ratified.”

Date: August 4, 2022

By Order of the Board

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat- 209304

(Bharat Kumar Sajnani)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members are requested to send scanned copy (PDF/JPG Format) of a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on its behalf at the Meeting. The said resolution be sent to the Company at **secretarial@ganeshaecosphere.com** with a copy marked to **admin@skylinerta.com** and to the Scrutinizer at **sk_gupta1@rediffmail.com**.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item Nos. 5 to 10 and a disclosure (forming part of the said statements) pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') in respect of Item No. 4 are annexed hereto.
6. The Register of Members and Share Transfer books of the Company shall remain closed from **Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)**.
7. Electronic copy of the Annual Report for the FY 2021-22 and Notice of the 33rd AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any Member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of 33rd AGM of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in permitted mode, in compliance with the relaxations provided under relevant MCA and SEBI Circulars. In case any member is desirous of obtaining hard copy of the Annual Report and Notice, he/she may send a request mentioning Folio No./ DP ID and Client ID to the Company's email id **secretarial@ganeshaecosphere.com**.
8. The Notice of AGM along with Annual Report 2021-22, is available on the website of the Company at **www.ganeshaecosphere.com**, on the website of Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com**, respectively and on the website of NSDL at **www.evoting.nsdl.com**. The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Administrative Office for inspection during business hours.
9. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the **Company's Registrar and Share Transfer Agent (RTA), M/s. Skyline Financial Services Private Limited** at **admin@skylinerta.com**. In this regard, Members are requested to submit a duly signed request letter mentioning their name, folio no., address and email id along with a self-attested copy of PAN card.

Further, to support "Green Initiative", members are requested to provide their Email ID for service of documents through electronic mode in future.
10. Members holding shares in dematerialised mode are requested to register / update their email addresses with their Depository Participant(s).
11. The Dividend on Equity Shares, as recommended by Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if approved by the Members at the AGM, will be paid, subject to deduction of Income-Tax at source (TDS) wherever applicable, to those Members:
 - (a) whose names appear as 'Beneficial Owners' as at the end of the business hours on **September 23, 2022** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of Equity Shares held in dematerialised form; and
 - (b) whose names appear on the Company's Register of Members after giving effect to valid share transmission request(s), if any, in physical form, lodged with the Company / its RTA on or before the close of business hours on **September 23, 2022**, in respect of shares held in physical form.

12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholder at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their Residential Status, Category as per the Income-tax Act and PAN with Depositories (in case of shares held in demat mode) and with the Company/ RTA (in case of shares held in physical mode). Full details in this regard are available on the website of the Company at <https://ganeshaecosphere.com/latest-information>. The declarations/ documents required in this regard should be submitted by the Member by sending an email to the Company at **secretarial@ganeshaecosphere.com** or to its RTA at **admin@skylinerta.com** latest by **September 23, 2022**.
13. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with clarification issued vide Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, has mandated the furnishing of PAN, nomination, contact details, bank account details and specimen signatures, by all the holders of physical securities of the Company. Folios wherein any one of the above cited details are not available on or after **April 1, 2023**, shall be frozen by the Company's RTA. Therefore, the Members holding shares in physical form are hereby requested to kindly furnish the above details in the formats/ forms prescribed by SEBI which are available on the Company's website at **<https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence>** and on RTA's website at **www.skylinerta.com**
14. SEBI has introduced Form ISR – 1 for requests relating to registration of PAN, KYC details or any changes/ updation thereof. To avoid delay in receiving dividend, members holding shares in physical form, who have not yet updated their Bank details for receiving the dividends, are requested to notify in writing their bank account details/ or any changes thereof in above mentioned form along with requisite documents to **admin@skylinerta.com** by September 23, 2022. The format of Form ISR – 1 is available on the Company's website at **<https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence>** and on RTA's website at **www.skylinerta.com**.
15. Members holding shares in dematerialized form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion of their bank details. Accordingly, such Members are requested to update their Electronic Bank Mandate with their respective Depository Participant(s).
16. In case the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/ demand drafts to such Member by post.
17. Members holding Shares in identical order of names in more than one folio are requested to write to the Company's RTA, M/s. Skyline Financial Services Private Limited, enclosing the Share Certificates for consolidation of their holdings into one folio.
18. The Equity Shares of the Company are compulsorily tradable in demat form. The Equity Shares of the Company have been assigned **ISIN INE845D01014**.

As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in demat form. It is also mandated that transmission or transposition of securities of listed companies held in physical form shall be effected only in demat mode. In view of this as also to eliminate all risks associated with physical shares, members holding shares in physical form are urged to have their shares dematerialized. The procedure for dematerialisation of shares is available at our website: **<https://ganeshaecosphere.com/dematerialisation>**
19. Members are requested to note that, the dividends which are not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in **web-Form No. IEPF-5** available on **www.iepf.gov.in**. For details, please refer to our Corporate Governance Report forming part of Annual Report 2021-22.
20. Members holding Shares in electronic form are requested to provide their Client-Id and DP-Id numbers at the Meeting for easy identification.
21. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

22. The separate audited accounts of the subsidiary companies are placed on website of the Company at <https://ganeshaecosphere.com/subsidiary>. Any member desirous of obtaining a copy of the same may write to the Company. These documents shall be available for inspection at the Registered Office of the Company during business hours on all working days (that is, except Sundays and Public Holidays) upto the date of the Meeting.
23. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
24. Members desirous of obtaining any information/ clarification concerning the Accounts and operations of the Company may send their query so as to reach the Company at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
25. As per the provisions of Section 72 of the Companies Act, 2013 and circulars issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form and who have not yet registered their nomination are required to register the same by submitting **Form No. SH-13** with the Company or its RTA. The format of SH-13 can be downloaded from Company's website at <https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence>. The Members holding shares in demat mode are requested to submit their nomination mandate with their Depository Participant.
26. Non- Resident Indian Members are requested to inform immediately:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier, to Company's

Registrar & Share Transfer Agent, M/s. Skyline Financial Services Private Limited, in case of shares held in physical form and to respective Depository Participant, in case of shares held in Demat form.

27. VOTING THROUGH ELECTRONIC MEANS:

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, applicable Secretarial Standards, Regulation 44 of the SEBI Listing Regulations and MCA & SEBI Circulars, **the Company is providing its members the facility to exercise votes by electronic means (remote e-voting) in respect of any or all of the resolutions contained in this notice and the business may be transacted through remote e-voting services.** Necessary arrangements have been made by the Company with NSDL for providing facility of voting through remote e-Voting. Remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting :	From 10:00 A.M. on September 27, 2022
End of remote e-voting :	Up to 5:00 P.M. on September 29, 2022

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

The Cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is **Friday, September 23, 2022.**

Instructions relating to remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Access to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are given below:

A. Login method for e-Voting for Individual shareholders holding securities in demat mode:

In terms of SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DP. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Ganesha Ecosphere Limited or e-Voting service provider name i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - If your are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on Ganesha Ecosphere Limited or e-Voting service provider name i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL . Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration .
	4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat account. After successful authentication, user will be provided link for the respective e-voting service provider i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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.
	2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL depository website after successful authentication, wherein you can see e-Voting feature.
	3. Click on Ganesha Ecosphere Limited or e-Voting service provider name i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to Login through depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call Toll Free no.: 1800 1020 990 or 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call 022-23058738 or 022-23058542-43

B. Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow instructions mentioned below in point **"Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice"**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.
 - Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.
 - If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, read & agree to "Terms and Conditions" by selecting on the check box.
 - Now, click on the "Login" button.
 - Then the Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of **Ganesha Ecosphere Limited** to cast your vote during remote e-voting period.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on any resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to **secretarial@ganeshaecosphere.com**.
- b) In case shares are held in demat mode, please provide DPID- CLIENT ID (16 digit DPID + CLIENT ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to **secretarial@ganeshaecosphere.com**. If you are an Individual Shareholder holding shares in demat mode, you are requested to refer to the login method explained at Step 1 A) Login method for e-Voting for Individual Shareholders holding securities in demat mode.
- c) Alternatively, Shareholder/Members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.

General Guidelines for shareholders

1. Institutional shareholders/ Corporate Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **sk_gupta1@rediffmail.com** with a copy marked to Company at **secretarial@ganeshaecosphere.com** and to NSDL at **evoting@nsdl.co.in**. They can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

"Physical User Reset Password?" option available on **www.evoting.nsdl.com** to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: **1800 1020 990 or 1800 22 44 30** or send a request at **evoting@nsdl.co.in**.

OTHER INSTRUCTIONS:

1. The facility of voting through ballot paper shall also be made available at the Meeting. 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 through ballot paper.
2. 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. Once a vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
3. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on **September 23, 2022 (i.e. the "Cut-Off Date")**.
4. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the AGM. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.
5. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes members of the Company after **September 2, 2022 i.e. BENPOS date** considered for dispatch of the notice and holding shares as on the **cut-off date i.e. September 23, 2022**, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** / to Company at **secretarial@ganeshaecosphere.com** / its RTA at HYPERLINK "mailto:admin@skylinerta.com" **admin@skylinerta.com**. However, the members already registered with NSDL for remote e-voting can use their existing user ID and password for casting their vote. Members who have forgotten the User ID and Password can reset the password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com** or may call on Toll Free No. 1800 1020 990 and 1800 22 44 30.

6. In case of Individual Shareholders holding shares in demat mode who acquire shares of the Company after **September 2, 2022** i.e. BENPOS date and are holding shares as on the Cut-off Date i.e. **September 23, 2022** may follow steps mentioned in the Notice of the AGM under **“Step 1: Log-in to NSDL e-Voting system”**.
7. Mr. S. K. Gupta, Practising Company Secretary (Fellow Membership No. 2589 and Certificate of Practice No.-1920) has been appointed as the Scrutinizer and Ms. Divya Saxena (Fellow Membership No. 5639 and Certificate of Practice No.-5352) as the Alternate Scrutinizer, to scrutinize the remote e-voting and voting through ballot paper (Polling) at AGM, in a fair and transparent manner and the Scrutinizer and the Alternate Scrutinizer have given their consent for appointment.
8. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of “Ballot Paper/ Polling Paper” for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
9. The Scrutinizer shall after the conclusion of voting at the AGM, will scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman or any other person authorized by him, within 2 working days of conclusion of the meeting. The result declared along with the consolidated Scrutinizer’s Report will be placed on the website of the Company: **www.ganeshaecosphere.com** and on the website of NSDL at **www.evoting.nsdl.com**. The result will simultaneously be communicated to the stock exchanges.
10. As required under SEBI Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of director(s) seeking re-appointment under Item Nos. 3, 8 and 9 of this Notice are as below:

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

Name	Shri Sharad Sharma (DIN: 00383178)	Shri Vishnu Dutt Khandelwal (DIN: 00383507)	Shri Rajesh Sharma (DIN: 02228607)
Date of Birth	30th May, 1966	6th March, 1949	5th September, 1966
Date of first appointment on the Board	30th October, 1987	30th October, 1987	19th June, 2008
Qualification	B.Com.	M.Com.	B.Com.
Experience and Expertise in specific functional area	Having more than 35 years of experience in Marketing and Distribution. He has been associated with the Company since inception and is responsible for overall management and operations of the Company.	Having experience of over 49 years in trading of different types of Textile Yarns. Also has rich experience in the field of Marketing and Financial Management.	Having experience of over 32 years in plant administration and operations. He is associated with the Company since inception and is responsible for looking after the management and operations of the Company’s Rudrapur and Bilaspur units.
Terms & Conditions of re-appointment	As per Company’s Policy on Nomination, Remuneration and Board Diversity		
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report 2021-22)		
Other Directorships	➤ Ganesha Ecopet Private Limited	➤ Sandeep Yarns Private Limited	➤ Ganesha Ecopet Private Limited
	➤ Ganesha Ecotech Private Limited	➤ Ganesha Ecopet Private Limited	➤ Ganesha Ecotech Private Limited
		➤ Ganesha Ecotech Private Limited	
		➤ Ganesha Spinners Private Limited	
Chairman/ Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL	NIL

Name	Shri Sharad Sharma (DIN: 00383178)	Shri Vishnu Dutt Khandelwal (DIN: 00383507)	Shri Rajesh Sharma (DIN: 02228607)
Names of the listed entities from which he has resigned in past three years	NIL	NIL	NIL
Shareholding in Ganesha Ecosphere Limited	8,75,583 Equity Shares of ₹10/- each.	7,20,200 Equity Shares of ₹10/- each.	10,95,529 Equity Shares of ₹10/- each.
Relationship with other Directors and KMP of the Company	As mentioned in the Corporate Governance Report (forming part of Annual Report 2021-22)		
No. of Board Meetings attended during the financial year 2021-22	4	4	4
	For details please refer to the Corporate Governance Report, forming part of Annual Report 2021-22		

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND DISCLOSURE PURSUANT TO REGULATION 36 OF THE SEBI LISTING REGULATIONS

Item No. 4:

The Members of the Company at the 28th Annual General Meeting (AGM) held on September 25, 2017, had appointed M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi (having ICAI Firm Registration Number 009781N) as Statutory Auditors of the Company to hold office from the conclusion of 28th AGM till the conclusion of the 33rd AGM of the Company.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years and accordingly, M/s. Narendra Singhania & Co. are eligible for reappointment for an another term of five years.

Considering the satisfactory past performance, independence, experience & expertise of M/s. Narendra Singhania & Co. and based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on August 4, 2022 have recommended for approval of the Members the re-appointment of M/s. Narendra Singhania & Co., as Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from the conclusion of the 33rd AGM until the conclusion of the 38th AGM to be held in the year 2027.

M/s. Narendra Singhania & Co. is registered with the Institute of Chartered Accountants of India (ICAI) vide Registration

No. 009781N and is a peer reviewed audit firm. The Firm operates from its office in New Delhi and provides a bouquet of innovative and client oriented services with a dedicated team of strong and experienced professionals.

The Company has received a written consent from M/s. Narendra Singhania & Co. for their proposed re-appointment in the Company along with a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that their re-appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration proposed to be paid to M/s. Narendra Singhania & Co. for audit services for the financial year 2022-23 shall not exceed ₹25.00 Lakh (Rupees Twenty-five Lakh only) plus applicable taxes, travelling/ conveyance and out of pocket expenses, as may be incurred, in connection with the audit. The Board of Directors and the Audit Committee are authorised to vary the terms including revision to the fees commensurate with the efforts, in discussion with the Statutory Auditors. For the subsequent years, the remuneration will be determined by the Board of Directors from time to time based on the recommendations of the Audit Committee and in consultation with the Statutory Auditors. Besides the audit services, the Company may also obtain from the Statutory Auditors certifications under various statutory regulations and other permissible non-audit services as may be required from time to time, for which they will be remunerated separately on mutually

agreed terms.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 4 of this Notice for approval of the Members.

Item Nos. 5 & 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the cost auditors to conduct the audit of the cost records of the Company's products 'Yarn' and 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2023 as per the following details:

Name of the Cost Auditor	Product	Audit fees (₹)
M/s. R.M. Bansal & Co.	Yarn	₹60,000/- (Rupees Sixty Thousand only) plus taxes as applicable and re-imbursement of travel/conveyance and out-of-pocket expenses incurred in connection with the Audit.
M/s. Rakesh Misra & Co.	Recycled Polyester Staple Fibre	₹60,000/- (Rupees Sixty Thousand only) plus taxes as applicable and re-imbursement of travel/conveyance and out-of-pocket expenses incurred in connection with the Audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the Members is being sought for passing Ordinary Resolutions as set out at Item Nos. 5 & 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice.

Item No: 7

The Members at the 28th Annual General Meeting of the Company held on September 25, 2017 had approved the payment of remuneration to the Non-Executive Directors by way of commission upto 1% of the Net Profits of the Company for a period of 5 (five) years commencing from April 1, 2017, which has expired on March 31, 2022.

Considering the significant role of Non-Executive Directors and services rendered by them in the Company, the Board of Directors at their meeting held on August 4, 2022, subject to the approval of members, have approved payment of remuneration by way of commission upto 1% of the Net Profits of the Company to the Non-Executive Directors for further period of 5 (five) years commencing from April 1, 2022.

As required under Section 197 of the Companies Act, 2013 read with Schedule V to the said Act, Regulation 17(6)(a) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Special Resolution as set out in the accompanying Notice is intended to obtain the approval of the Members for making such payment.

The Board of Directors recommends the Special Resolution as set out at Item No. 7 of the accompanying notice for approval of the Members of the Company.

Except all the Non-Executive Directors and other Executive Directors of the Company being related to Shri Shyam Sunder Sharmma, no other Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

Item No: 8

The Members at the 29th Annual General Meeting of the Company held on September 15, 2018, approved the re-appointment of Shri Vishnu Dutt Khandelwal as Whole-time Director of the Company designated as Executive Vice Chairman for a period of five years with effect from June 19, 2018. Accordingly, the existing tenure of Shri Vishnu Dutt Khandelwal as Whole-time Director of the Company would expire on June 18, 2023. Considering the experience and valuable contribution made by Shri Vishnu Dutt Khandelwal, the Board of Directors of the Company at its meeting held on August 4, 2022 re-appointed Shri Vishnu Dutt Khandelwal as Whole-time Director designated as Executive Vice- Chairman of the Company, for a further period of 5 (five) years w.e.f. June 19, 2023, liable to retire by rotation, subject to the approval of the members. The terms and conditions of his re-appointment including remuneration are in accordance with the provisions of Schedule V to the Companies Act,

2013 and have been approved by the Board as per the recommendations of the Nomination and Remuneration Committee.

Shri Vishnu Dutt Khandelwal, aged 73 years, possesses a rich experience of over 49 years in textile yarn trading. He has been serving the Company since inception and was appointed as Executive Vice-Chairman of the Company in 2008. He is responsible for overseeing the marketing and business development of the Company and is fit enough to discharge his duties and managerial responsibilities.

As per the provisions of Section 196 of the Companies Act, 2013, no company shall appoint or continue the employment of any person as Whole-time Director, who has attained the age of 70 years, unless his appointment is approved by a special resolution. Since Shri Vishnu Dutt Khandelwal has attained the age of 73 years, therefore, the approval of the Members is being sought by way of Special Resolution for his re-appointment as Executive Vice-Chairman of the Company, in terms of the aforesaid requirement.

Shri Vishnu Dutt Khandelwal has furnished the consents/declarations for his re-appointment as required under the Companies Act, 2013 read with the relevant rules made thereunder. He satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified from being appointed as Whole-time Director of the Company in terms of provisions of Section 196(3) read with Section 164 of the Act. He is also not debarred from holding the office of a Director by virtue of any order of SEBI or any other authority.

Shri Vishnu Dutt Khandelwal is a Promoter Director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may exceed threshold prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Thus, in order to comply with the requirements of above regulation, the approval of the Members is also being sought in this regard by way of Special Resolution set out at Item No. 8 of the Notice.

A brief resume of Shri Vishnu Dutt Khandelwal as required under the Companies Act, 2013, SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) is placed in the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Except Shri Vishnu Dutt Khandelwal himself, Shri Shyam Sunder Sharma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or

interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The resolution along with accompanying Explanatory Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Vishnu Dutt Khandelwal within the meaning of Section 190 of the Companies Act, 2013.

Item No: 9

The Members at the 29th Annual General Meeting of the Company held on September 15, 2018, approved the re-appointment of Shri Rajesh Sharma as Whole-time Director of the Company designated as Executive Director for a period of 5 (five) years with effect from June 19, 2018. Thereafter, he was elevated to the post of Joint Managing Director of the Company w.e.f. August 1, 2019 for his remaining tenure till June 18, 2023. Accordingly, the existing tenure of Shri Rajesh Sharma as Joint Managing Director of the Company would expire on June 18, 2023.

Considering his experience and valuable contribution in the Company's business, the Board of Directors of the Company at their meeting held on August 4, 2022 re-appointed Shri Rajesh Sharma as Joint Managing Director of the Company, for further period of 5 (five) years w.e.f. June 19, 2023, liable to retire by rotation, subject to the approval of the members. The terms and conditions of his re-appointment including remuneration are in accordance with the provisions of Schedule V to the Companies Act, 2013 and have been approved by the Board as per the recommendations of the Nomination and Remuneration Committee.

Mr. Rajesh Sharma, aged 56 years, is a commerce graduate and has rich experience spanning over 32 years in plant administration and operations. He is associated with the Company since inception and was appointed as an Executive Director in 2008. He is responsible for looking after the management and operations of the Company's Rudrapur and Bilaspur units.

Shri Rajesh Sharma has furnished the consents/declarations for his re-appointment as required under the Companies Act, 2013 read with the relevant rules made thereunder. He satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified from being appointed as Joint Managing Director in terms of provisions of Section 196(3) read with Section 164 of the Act. He is also not debarred from holding the office of a Director by virtue of any order of SEBI or any other authority.

Shri Rajesh Sharma is a Promoter Director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may

exceed threshold prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Thus, in order to comply with the requirements of above regulation, the approval of the Members is also being sought in this regard by way of Special Resolution set out at Item No. 9 of the Notice.

A brief resume of Shri Rajesh Sharma as required under the provisions of the Companies Act, 2013, SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) is placed in the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

Except Shri Rajesh Sharma himself, Shri Shyam Sunder Sharma, Shri Sharad Sharma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The resolution along with accompanying Explanatory Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Rajesh Sharma within the meaning of Section 190 of the Companies Act, 2013.

Item No. 10

In view of Government of India (vide its extraordinary Gazette No. CG-DL-E- 22092021-229867 dated Sept. 22, 2021) permitting the use of recycled plastics into food grade packaging which was banned until then, the Board of Directors at their meeting held on October 28, 2021 have approved the reinstatement of Kanpur PSF unit by installing an HDPE/PP Recycling Plant, subject to the approval of the shareholders and appropriate statutory authorities. By diversifying into this new line, it is believed that the Company's immense experience and know-how about PET recycling would help it to act as a front-runner in making-up a new market for recycled products which can be used in packaging material.

In order to enable the Company to undertake and commence the above business activities, it is considered appropriate to have explicit provisions in the Memorandum of Association of the Company which is sought to be effected by enlarging Clause iii (A) of the Objects Clause of the Memorandum of Association of the Company for which approval of Members

of the Company is being sought in terms of the provisions of Section 13 of the Companies Act, 2013 ('the Act') by way of Special Resolution.

Members are aware that the regulatory provisions have undergone comprehensive changes consequent to the Companies Act, 2013 being notified and the requirement with regard to contents of the Memorandum of Association of a Company was also changed. It is therefore considered prudent to make relevant modifications in the Objects Clause of Memorandum of Association of the Company to make it aligned with the provisions of the Act and the Rules framed thereunder read with Table A to Schedule I of the Act besides addition of the new sub-clause (6) in Clause iii (A) of Memorandum of Association of the Company.

A copy of the Memorandum of Association of the Company together with proposed changes is available for inspection by the Members at the Registered Office of the Company during business hours on all working days (that is, except Sundays and Public Holidays) upto the date of the Meeting and the same will also be available for inspection by Members at the Meeting. Members seeking to inspect such Memorandum of Association can visit the Company's website **www.ganeshaecosphere.com** or obtain a copy by sending an e-mail to **secretarial@ganeshaecosphere.com**.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

The proposed alteration in 'Objects Clause' is subject to registration by the Registrar of Companies, Uttar Pradesh in terms of the provisions of Section 13 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

Date: August 4, 2022

By Order of the Board

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat- 209304

(Bharat Kumar Sajnani)
Company Secretary

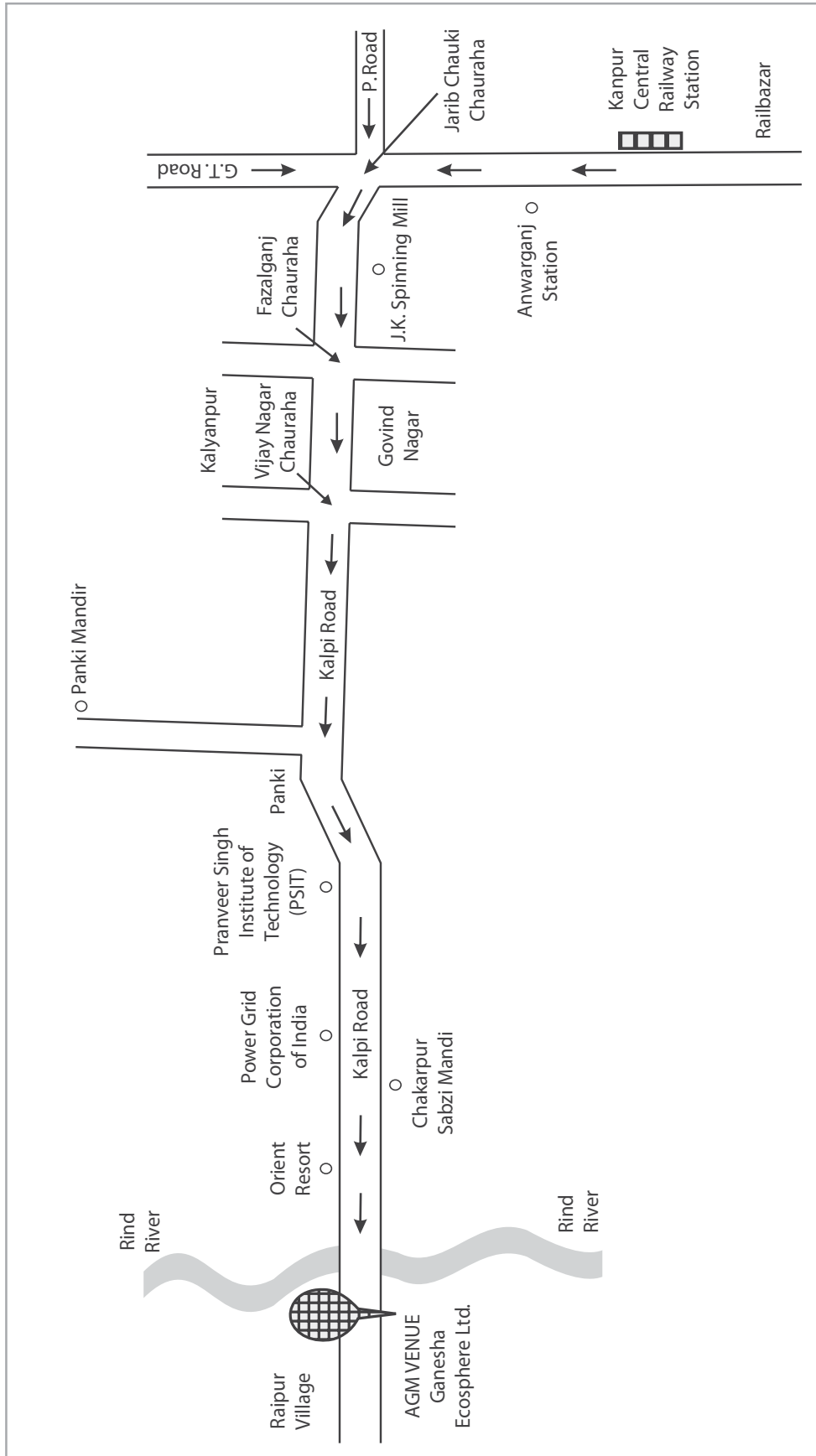


GANESHA ECOSPHERE LTD.

ROUTE MAP

Ganesha Ecosphere Ltd.

AGM Venue : Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat-209304 (U.P.)





GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail : secretarial@ganeshaecosphere.com, Website : www.ganeshaecosphere.com

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail Id:	
Folio No. / Client ID:	
DP ID*:	

I/We, being the member(s) of.....shares of above named Company, hereby appoint :

1. Name: Address:
E-mail Id: Signature:..... ,Or failing him
2. Name : Address:
E-mail Id: Signature: ,Or failing him
3. Name : Address:
E-mail Id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, 30th September, 2022 at 9:30 A.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, or at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	Resolutions	Vote	
		For	Against
1.	a) Adoption of Audited Standalone Financial Statements for the year ended March 31, 2022.		
	b) Adoption of Audited Consolidated Financial Statements for the year ended March 31, 2022.		
2.	Declaration of Dividend on Equity Shares for the year ended March 31, 2022.		
3.	Re-appointment of Shri Sharad Sharma (DIN: 00383178) as Director who retires by rotation.		
4.	Re-appointment of M/s. Narendra Singhania & Co., Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration		
5.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending March 31, 2023.		
6.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2023.		
7.	Payment of remuneration to the Directors of the Company (other than Managing or Whole Time Director).		
8.	Re-appointment of Shri Vishnu Dutt Khandelwal (DIN: 00383507) as Whole Time Director, designated as Executive Vice- Chairman of the Company.		
9.	Re-appointment of Shri Rajesh Sharma (DIN: 02228607) as Joint Managing Director of the Company.		
10.	Alteration of the Objects Clause in the Memorandum of Association of the Company.		

Signed this day of 2022

Signature of shareholder

Signature of Proxy holder(s)

* Applicable for members holding shares in electronic form.

Affix a
15 Paise
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A proxy need not be a member of the Company.
4. It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the 'for' or 'against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/ she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
6. In the case of joint holders, the signatures of anyone holder will be sufficient, but names of all the joint holders should be stated.



GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail : secretarial@ganeshaecosphere.com, Website : www.ganeshaecosphere.com

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slip on request.

NAME AND ADDRESS OF THE SHAREHOLDER(S)

.....

Folio No. DP ID No.*

Client ID No.* No. of Shares held:.....

I hereby record my presence at the 33rd Annual General Meeting of the Company on Friday, 30th September, 2022
at 9:30 A.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

.....

SIGNATURE OF THE SHAREHOLDER/PROXY**

* Applicable for members holding Shares in Electronic form.

** Strike out whichever is not applicable.

Notes

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Shyam Sunder Sharmma
Chairman

Shri Vishnu Dutt Khandelwal
Executive Vice Chairman

Shri Sharad Sharma
Managing Director & CEO

Shri Rajesh Sharma
Joint Managing Director

Shri Surendra Kumar Kabra
Independent Director

Shri Pradeep Kumar Goenka
Independent Director

Shri Vishwa Nath Chandak
Independent Director

Shri Abhilash Lal
Independent Director

Dr. Shobha Chaturvedi
Independent Director

Chief Financial Officer

Shri Gopal Agarwal

Company Secretary

Shri Bharat Kumar Sajnani

Auditors

M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi

Bankers

State Bank of India
Yes Bank Limited
Federal Bank Limited
Axis Bank Limited
Citi Bank N.A.

Administrative office

113/216-B, Swaroop Nagar, Kanpur-208002,
Uttar Pradesh

Email: gesl@ganeshaecosphere.com

Tel: +91-512-2555505-06

Fax:+91-512-2555293

Registered Office

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat,
Uttar Pradesh – 209304.

Email : gesl@ganeshaecosphere.com

Tel: +91-9198708383

Works

Kanpur Unit

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat,
Uttar Pradesh – 209304.

Rudrapur Unit

Plot No. 6, Sector -2, Integrated Industrial
Estate, Pantnagar, Uttarakhand - 263153.

Bilaspur Units

- a. Khata No. 96 and 97,
Arazi Village Kotha, Ali Nagar,
Pargana and Tehsil Bilaspur,
Distt. Rampur, Uttar Pradesh - 244923.
- b. Gata No. 112, Village Temra,
Tehsil Bilaspur, Distt. Rampur,
Uttar Pradesh- 244923.

Website: www.ganeshaecosphere.com



GANESHA ECOSPHERE LTD.

113/216-B, Swaroop Nagar,
Kanpur - 208 002, Uttar Pradesh