Placement Document
Not for circulation
Private and confidential
Serial Number________

GANESHA ECOSPHERE LIMITED

Ganesha Ecosphere Limited ("**Issuer**" or our "**Company**") was originally incorporated as "*Ganesh Polytex Limited"* in Kanpur, Uttar Pradesh on October 30, 1987 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Our Company received the certificate for commencement of its business on April 12, 1988. Subsequently the name of our Company was changed to "*Ganesha Ecosphere Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand ("**RoC**") consequent upon change of name of our Company on October 7, 2011. For further details, see "*General Information*" beginning on page 196.

Corporate Identity Number: L51109UP1987PLC009090
Registered Office: Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India
Corporate Office: 113/216-B, First Floor, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India, **Telephone No.**: +91 512-2555505-06
Email: secretarial@ganeshaecosphere.com**; Website:** www.ganeshaecosphere.com
Company Secretary and Compliance Officer: Bharat Kumar Sajnani

Issue of up to 35,17,587 equity shares of face value of ₹10 each of our Company (the "**Equity Shares**") at a price of ₹995.00 per Equity Share, including a premium of ₹985.00 per Equity Share (the "**Issue Price**"), aggregating to ₹ 34,999.99 lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" beginning on page 26.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on National Stock Exchange of India Limited (the "**NSE**") and BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on February 1, 2024 were ₹ 1,099.05 and ₹ 1,103.70 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each dated January 30, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THE PRELIMINARY PLACEMENT WAS AND THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 36 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other listing or regulatory authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue has only been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "***Issue Procedure***" beginning on page 151. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "***Selling Restrictions***" beginning on page 166. Also see, "***Transfer Restrictions***" beginning on page 173 for information about transfer restrictions that apply to the Equity Shares sold in the Issue

This Placement Document is dated February 2, 2024.

BOOK RUNNING LEAD MANAGERS	
MOTILAL OSWAL INVESTMENT BANKING	ITI CAPITAL LIMITED
MOTILAL OSWAL INVESTMENT ADVISORS LIMITED	**ITI CAPITAL LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the Book Running Lead Managers *(as defined hereinafter)* have any obligation to update such information to a later date.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. Motilal Oswal Investment Advisors Limited and ITI Capital Limited (the "**Book Running Lead Managers**" or the "**BRLMs**") has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue of the Equity Shares or the distribution of this Placement Document. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has neither relied on the Book Running Lead Managers nor its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

Distribution of this Placement Document to any person other than the Eligible QIBs, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the Company and the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Placement Document and the Issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Lead Managers that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares issued in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Transfer Restrictions*" beginning on page 173. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described under "*Selling Restrictions*" beginning on page 166.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission (the "SEC"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 3, 166 and 173 respectively.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" beginning on page 36.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document.

The information on our Company's website at www.ganeshaecosphere.com, the websites of any of its Subsidiaries or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Managers, their respective associates or affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 166 and 173 respectively. Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 166 and 173, respectively and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in the Preliminary Placement Document and this Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, each as amended and have not been prohibited by SEBI, or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Placement Document, you have a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or (ii) a multilateral or bilateral development financial institution. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Equity Shares Allotted), in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, or other provisions of the Companies Act, 2013, and you consent to such disclosure being made by us. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively;

8. You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that the Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use

by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

10. Neither the Company, nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

11. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

13. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

14. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including the "*Risk Factors*" beginning on page 36;

15. You are outside the United States, and you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

16. You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act,

17. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries, the Equity Shares and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and this Placement Document,, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitations, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company its Directors, Promoters and affiliates, or any other party, (v) relied upon your own investigation and resources in deciding to invest in the Issue and (vi) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares;

18. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

19. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

20. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

21. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

22. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

24. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

25. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any

of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

26. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

27. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

28. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

29. You acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

30. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

31. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

32. The contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

33. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

34. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

35. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the

SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

36. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

37. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and its respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

38. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and such representations, warranties, acknowledgements and undertakings are irrevocable;

39. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Kanpur, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

40. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and

41. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended "**SEBI FPI Regulations**" and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs, can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs or to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled "*Issue Procedure*" beginning on page 151. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes and offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.
The Stock Exchanges do not in any manner:

(a) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

(b) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(c) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs and references to the "Issuer", "the Company", "our Company" refers to Ganesha Ecosphere Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Placement Document, references to 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. In this Placement Document, references to "lakhs" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12-month period ending March 31 of that particular year (as the case may be).

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Placement Document, the following financial statements:

a. the audited consolidated financial statements of our Company as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, 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 years ended March 31, 2023, March 31, 2022 and March 31, 2021 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India. ("**Audited Consolidated Financial Statements**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports. The Audited Consolidated Financial Statements have been incorporated in this Placement Document;

b. Further, in this Placement Document, we have also included the statement of unaudited consolidated financial results of our Company, as at and for the six months ended September 30, 2023 and September 30, 2022, comprising of the consolidated balance sheet as at September 30, 2023 and September 30, 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 six months ended September 30, 2023 and September 30, 2022 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India (the "**Unaudited Consolidated Financial Results**"). The Unaudited Consolidated Financial Results should be read along with the review report issued by the Statutory Auditor. The Unaudited Consolidated Financial Results have been incorporated in this Placement Document.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**") and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited. Also see, "*Risk Factors –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*" beginning on page 57.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 75. All numerical and financial information as set out and presented in this Placement Document, except for the information in the section "*Industry Overview*", for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ lakhs. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

Non-GAAP financial measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, EBITDA Margin, Profit After Tax Margin, Average Return on Capital Employed, Adjusted Average Return on Capital Employed, Average Return on Equity, production volume, sales volume and capacity utilization have been included in this Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" beginning on page 195.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "*Industry Overview"* beginning on page 94.

The industry, market and economic data included in this Placement Document has been derived from the report titled *"India Plastic Waste Recycling Market: Industry Trends, Share, Size, Growth, Forecast and Opportunity 2024-2029"* dated January, 2024 by IMARC Services Private Limited (the "**IMARC Report**"). **IMARC** is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or our Promoters.

This data in the IMARC Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors –Certain sections of this Placement Document contain information from the IMARC Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks"* beginning on page 49.

Disclaimer of the IMARC Report

The IMARC Report is subject to the following disclaimer:

All contents and data of the IMARC Report, including forecasts, data analysis and opinion have been based on information and sources believed to be accurate and reliable at the time of publishing. IMARC makes no representation of warranty of any kind as to the accuracy or completeness of any Information provided. IMARC accepts no liability whatsoever for any loss or damage resulting from opinion, errors or inaccuracies if any found in the IMARC Report. IMARC and IMARC Group are registered trademarks of IMARC Services Private Limited. All other trademarks used in this publication are registered trademarks of their respective companies.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "expected to", "intend", "is/are likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "will continue", "would", "will likely result", or any other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. The forward-looking statements also include statements as to our Company's planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Volatility in the supply and pricing of our raw material or absence of agreements/arrangements with suppliers and failure of suppliers to meet their obligations;
- Availability of comparable products, as well as intense competition from existing players and new entrants;
- Any changes in the Plastic Waste Management Rules, 2016/ Plastic Waste (Amendment) Rules, 2022 or delay in the implementation of the Guidelines on Extended Producer Responsibility for Plastic Packaging as amended, from time to time;
- Our business is capital-intensive and may require additional debt or equity financing;
- Dependence on one or more customers and if one or more of such customers choose not to source their requirements from us;
- Any disruption in production at, or shutdown of, or underutilization of our manufacturing facilities

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 36, 94, 123 and 75, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the Book Running Lead Managers nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with the SEBI and Stock Exchange requirements, our Company and the Book Running Lead Managers will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Majority of our Directors and our Key Managerial Personnel and Senior Management are residing in India and all the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the websites of RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period End(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Months ended:				
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.23	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.67	82.78	83.13	82.28

Source: www.rbi.org.in and www.fbil.org.in, as applicable.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:
1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled *"Taxation"*, *"Industry Overview"*, *"Financial Information" and "Legal Proceedings"* beginning on pages 182, 94, 195, and 189, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", or "GEL"	Ganesha Ecosphere Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India
"We", "Our", "Us" or "Ganesha Group"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 137
Audited Consolidated Financial Statements	Collectively, the Fiscal 2021 Audited Consolidated Financial Statements, the Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements
Auditors or Statutory Auditors	The statutory auditors of our Company namely, Narendra Singhania & Co., Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" beginning on page 137
Capital Raising Committee	The Capital Raising Committee constituted for the purposes of the Issue by our Board, on November 9, 2017
Chairman	The Chairman and Non-Executive - Non Independent Director of our Company being Shyam Sunder Sharmma
Chief Financial Officer	The chief financial officer of our Company being Gopal Agarwal
Company Secretary and Compliance Officer / Company Secretary/ Compliance Officer	The company secretary and compliance officer of our Company being Bharat Kumar Sajnani
Corporate Office	113/216-B, First Floor, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 137
Director(s)	The directors on the Board of our Company, unless otherwise specified
GESL ESOP 2021	Ganesha Ecosphere Employees' Stock Option Scheme, 2021
Equity Shares	The equity shares of face value of ₹10 each of our Company
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2021, 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 ended March 31, 2021 and notes to such

Term	Description
	consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 22, 2021 issued thereon by our Statutory Auditors
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2022, 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 ended March 31, 2022 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 21, 2022 issued thereon by our Statutory Auditors
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2023, comprising of the consolidated balance sheet as at March 31, 2023, 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 ended March 31, 2023 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 25, 2023 issued thereon by our Statutory Auditors
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Key Managerial Personnel	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" beginning on page 137
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company being Sharad Sharma
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 137
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified
Promoters	The promoters of our Company, namely Shyam Sunder Sharmma, Vishnu Dutt Khandelwal, Sharad Sharma, Rajesh Sharma and Seema Sharma
Promoter Group	The individuals, HUF and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India
Risk Management & Strategic Planning Committee	The Risk Management & Strategic Planning Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 137
Senior Management	Members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in the section titled "*Board of Directors and Senior Management – Members of Senior Management*" beginning on page 137
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management – Committees of our Board of Directors*" beginning on page 137
Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Placement Document, namely:

Term	Description
	a) Ganesha Ecopet Private Limited b) Ganesha Ecotech Private Limited; and c) Ganesha Overseas Private Limited, Nepal The term "Subsidiary/Subsidiaries" shall be construed accordingly.
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, and its Subsidiaries as at and for the six months ended September 30, 2023 (including comparative as at and for the six months ended September 30, 2022) prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations together with the review report dated November 4, 2023 issued thereon by our Statutory Auditors
Whole-time Director	The whole-time director(s) of our Company, namely, Vishnu Dutt Khandelwal, Sharad Sharma and Rajesh Sharma

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Issue and allotment of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Motilal Oswal Investment Advisors Limited and ITI Capital Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about February 2, 2024
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that were eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 151, 166 and 173, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*Ganesha Ecosphere*

Term	Description
	Limited-QIP-Escrow Account" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated January 30, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	Floor price of ₹995.06 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount on the Floor Price in accordance with the approval of our Board dated November 24, 2023 and the Shareholders dated January 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. The net price after discount on the Floor Price is ₹ 995.00 per Equity Share.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of 35,17,587 Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	February 2, 2024, the date after which our Company (or Book Running Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Application Amount
Issue Opening Date	January 30, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) commenced the acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 995.00
Issue Size	Aggregate size of the Issue, ₹ 34,999.99 lakhs
Monitoring Agency	ICRA Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated January 16, 2024, entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated January 30, 2024 by and among our Company and the Book Running Lead Managers
Placement Document	This placement document dated February 2, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	The Preliminary Placement Document along with the Application Form dated January 30, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	January 30, 2024, which is the date of the meeting in which our Capital Raising Committee decides to open the Issue
U.S. Securities	United States Securities Act of 1933, as amended

Term	Description
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America, its territories and possessions, any State of the United States, and the District of Columbia
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Business, technical and industry related terms

Term	Description
Adjusted Average RoCE	Adjusted Average Return on Capital Employed is defined as Earnings Before Interest and Tax ("**EBIT**"), which is calculated as Profit for the period/year plus total tax expense plus finance cost less other income, divided by average Capital Employed, where Capital Employed is Total Debt plus Net Worth. Average Capital Employed is calculated as average of Capital Employed as of the first day of the relevant period and as of the last day of the relevant period.
Average Net Worth	Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.
Average RoCE	Average Return on Capital Employed defined as Earnings Before Interest and Tax (EBIT), which is calculated as Profit for the period/year plus total tax expense plus finance cost, divided by average Capital Employed, where Capital Employed is total debt plus Net Worth. Average Capital Employed is calculated as average of Capital Employed as of the first day of the relevant period and as of the last day of the relevant period.
Average RoE	Average ROE is calculated as profit after tax divided by average Net Worth.
BSCIC	BSCIC Certifications Private Limited
B2B	Bottle to Bottle
CAGR	Compound annual growth rate
Debt to Equity Ratio	Debt to Equity Ratio is calculated as total debt divided by Net Worth as on the last day of the relevant period. Total debt is calculated as non-current borrowings plus current borrowing
DTEX	Decitex
EPR	Extended Producer's Responsibility
EBIT	Profit the period/year plus total tax expense plus finance cost
EBITDA	EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less other income
EBITDA Margin	EBITDA margin is calculated as EBITDA divided by revenue from operations
F&B	Food & Beverages
Gross Margin	Gross margin is calculated as revenue from operations less cost of materials consumed, purchases in stock in trade and changes in inventories of finished goods and traded goods divided by revenue from operations.
GRS	Global Recycled Standard
HDPE	High Density Polyethylene
IMARC Report	Report titled *"India Plastic Waste Recycling Market: Industry Trends, Share, Size, Growth, Forecast and Opportunity 2024-2029"* dated January, 2024 by IMARC Services Private Limited
IT	Information Technology
LDPE	Low Density Polyethylene
MTPA	Metric Tonnes Per Annum
Net Worth	Net Worth is the aggregate value of equity share capital and other equity as appearing in the balance sheet of the relevant period.
Net Working Capital Days	Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days
PWM Rules, 2016	Plastic Waste Management Rules, 2016
PWM (Amendment) Rules, 2022	Plastic Waste Management (Amendment) Rules, 2022

Term	Description
Profit After Tax Margin	Profit After Tax Margin is calculated as profit after tax divided by Total Income
PET	Polyethylene Terephthalate
PFY	Polyester Filament Yarn
POY	Partially Oriented Yarn
PSF	Polyester Staple Fibre
PVC	Polyvinyl Chloride
RPFY	Recycled Polyester Filament Yarn
PPSF	Polypropylene Staple Fibre
rPET" or "RPET" or "Rpet"	Recycled Polyethylene Terephthalate
RPSF	Recycled Polyester Staple Fibre

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the rules made thereunder, as applicable
Companies Act, 2013	The Companies Act, 2013, along with the rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EU	European Union
FBIL	Financial Benchmarks India Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family

Term	Description
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of Understanding
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Uttar Pradesh at Kanpur
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

OVERVIEW

We are the largest PET waste recycling player in India with an installed capacity of 156,440 MTPA *(Source: IMARC Report)* engaged in the manufacturing of Recycled Polyester Staple Fibre ("**RPSF**"), Dyed Texturised Yarn, Recycled Spun Yarn and recently ventured into manufacturing of rPET Chips, rPET Filament Yarn/ Textile grade Chips and Polypropylene Staple Fibre ("**PPSF**"). Our products find applications in the manufacturing of textiles (t-shirts, body warmers, dress material etc.), functional textiles (non-woven air filter fabric, geo textiles, carpets, car upholstery etc.), filtration and fillings (for pillows, duvets, toys etc.) and F&B packaging. Our business is supported by our manufacturing facilities and a robust PET waste collection network of approximately 250 suppliers across India and Nepal as on December 31, 2023.

Recently, we have launched our own brand "**GoRewise**" which aims to close the plastic recycling loop by manufacturing quality products from recycled PET bottles. We offer variety of products under **GoRewise** such as RPSF, rPET Chips Bottle Grade used for both food grade and non-food grade packaging, rPET Chips - Textile/Sheet Grade to manufacture Recycled Polyester Film/ Sheet and Recycled Polyester Filament Yarns.

We commenced our commercial production in the Fiscal 1990 at our manufacturing unit in Kanpur, which mainly involved dyeing of polyester filament yarn and production of dyed and fancy/ double yarn. In Fiscal 1995, we diversified into manufacturing of recycled polyester staple fibre ("**RPSF**"). Over the years, we increased our installed capacity to 109,200 MTPA of RPSF with the latest capacity addition at our Warangal facility. We also have installed capacity of 7,200 MTPA of Recycled Spun Yarn and 3,000 MTPA of Dyed Texturised Yarn. Additionally, we have installed capacity of 14,000 MTPA of rPET Chips, 12,240 MTPA capacity of rPET Filament Yarn/ Filament-grade Chips, 10,800 MTPA capacity of PPSF in our latest Warangal Facility. We also have a washed PET flakes facility in Nepal with an installed capacity of 12,000 MTPA. We operate through six manufacturing units at Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Bilaspur (Uttar Pradesh), Warangal (Telangana) and Ramgram (Nepal) having an installed capacity of 156,440 MTPA (excluding installed capacity of washed PET flakes).

As of September 30, 2023 and period ending March 31, 2023, March 31, 2022 and March 31, 2021, RPSF has been the biggest contributor to our revenue and have comprised 74.78%, 77.84%, 77.85% and 77.74% respectively of our revenue from operations on consolidated basis.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Placement Document, some of our manufacturing facilities have accreditations such as ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 quality certifications from BSCIC with respect to (i) quality management system; (ii) environmental management system; and (iii) occupational health and safety management system. We have received the Hohenstein Institute's (Germany) authorisation to use the 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. Our Company also has Ocean Bound Plastic certification. We also have a no objection/ positive opinion from USFDA and European Food Safety Association (EFSA) for our rPET Chips meant for food grade applications.

We are led by experienced Promoters with significant experience in the RPSF industry. Our Promoter and Chairman, Shyam Sunder Sharmma, started our Company in 1987. He is textile technocrat having management experience of over 59 years including 25 years with various Birla Group Companies. Further, our Promoter and Directors, Vishnu Dutt Khandelwal, Sharad Sharma and Rajesh Sharma have vast experience in the RPSF and synthetic yarn industry and under their leadership we have been able to expand our operations and have established a significant presence in India. We also have qualified and experienced Key Managerial Personnel and Senior Management Personnel that have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of December 31, 2023, our permanent employee base comprises of 2,723 personnel across our operations. In addition to our regular employees, we also engage technical consultants from time to time to seek advice on process control and ways of improving the quality of our products.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

(₹ in lakhs, except as otherwise stated)

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
Revenue from operations	75,113.56	1,02,144.36	1,17,963.14	53,256.90
EBITDA	8,449.64	11,391.20	12,767.59	5,082.58

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
EBITDA Margin %	11.25%	11.15%	10.82%	9.54%
PAT	4,352.14	6,196.93	6,945.98	624.62
Profit After Tax Margin %	5.72%	6.03%	5.82%	1.16%
Adjusted Average RoCE	9.57%	10.90%	9.50%	NA
Average RoCE	11.14%	11.78%	10.79%	NA
Average RoE	8.75%	11.36%	11.47%	NA
Production volume (MT)*	1,01,451	1,11,250	1,15,136	56,811
Sales volume (MT)*	98,893	1,06,806	1,09,835	54,321
Capacity Utilization %*	84.60%	100.26%	108.21%	106.79%

Standalone Performance

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 36, 64, 164, 151 and 179, respectively.

Issuer	Ganesha Ecosphere Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to 35,17,587 Equity Shares aggregating to ₹ 34,999.99 lakhs. A minimum of 10% of the Issue Size i.e. at least 3,51,759 Equity Shares, was made available for Allocation to Mutual Funds only and the balance 31,65,828 Equity Shares was made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	November 24, 2023
Date of Shareholders' Resolution	January 13, 2024
Floor Price	₹ 995.06 per Equity Share The Floor Price for the Issue has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Company offered a discount of ₹ 0.06 per Equity Share, being equivalent to a discount of 0.01% on the Floor Price which is not more than 5% on the Floor Price in accordance with the approval of our Board Resolution dated November 24, 2023 and the Shareholders accorded through their special resolution passed on January 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ 995.00 per Equity Share of our Company (including a premium of ₹ 985.00 per Equity Share)
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form have been delivered and who are eligible to bid and participate in the Issue. For further details, see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions*" beginning on pages 151 and 173, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form was delivered shall be determined by the Company in consultation with the BRLMs, at its sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	2,18,29,397 Equity Shares of face value of ₹10 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	2,18,29,397 Equity Shares of face value of ₹10 each, being fully paid-up
Equity Shares issued and outstanding immediately after the Issue	2,53,46,984 Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" beginning on page 151
Listing and Trading	Our Company has received in-principle approvals, each dated January 30, 2024 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant.

	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-in	See "*Placement – Lock-up*" beginning on page 164 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, see "*Transfer Restrictions*" beginning on page 173
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹ 34,999.99 lakhs. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹856.75 lakhs, shall be approximately ₹34,143.24 lakhs. For additional information on the use of the net proceeds from the Issue, see *"Use of Proceeds"* beginning on page 64.
Risk Factors	See "*Risk Factors*" beginning on page 36 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" beginning on pages 179 and 74, respectively
Taxation	See "*Taxation*" beginning on page 182
Closing Date	The Allotment is expected to be made on or about February 2, 2024
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, see "*Description of the Equity Shares*" and "*Dividends*" beginning on pages 179 and 74, respectively
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" beginning on page 179.
Security Codes for the Equity Shares	ISIN: INE845D01014 BSE scrip code: 514167 NSE symbol: GANECOS

SUMMARY OF FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Unaudited Consolidated Financial Results and our Audited Consolidated Financial Statements and presented in "Financial Information" beginning on page 195. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", beginning on pages 75 and 195, respectively, for further details.

SUMMARY OF THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Summary of unaudited consolidated balance sheet for the six months' period ended September 30, 2023 and September 30, 2022

(₹ in lakhs)

Particulars	As at September 30, 2023	As at September 30, 2022
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	63,505.44	29,363.29
Capital work-in-progress	15,353.00	39,435.92
Intangible assets	23.95	72.54
Rights-of-Use Assets	119.33	120.94
Goodwill	13.46	13.46
Financial assets		
i)Investments	592.62	-
ii)Loans	2.46	5.33
iii)Others	552.77	778.87
Other non-current assets	4,505.33	4,195.80
Deferred tax Assets (Net)	-	52.99
Total Non-Current Assets (A)	**85,615.72**	**74,039.14**
CURRENT ASSETS		
Inventories	29,285.25	23,100.63
Financial asset		
i) Investments	4,940.88	5,907.76
ii) Trade receivables	12,438.20	11,536.68
iii) Cash and cash equivalents	3,349.82	442.39
iv) Bank balances other than cash and cash equivalents	430.27	167.73
v) Loans	3.07	6.69
vi) Others	302.07	252.50
Current Tax Assets (Net)	40.33	340.89
Other current assets	9,033.55	6,915.85
Assets held for sale/ disposal		39.95
Total Current Assets (B)	**59,823.44**	**48,711.07**
TOTAL ASSETS (A + B)	**1,45,439.16**	**1,22,750.21**
EQUITY AND LIABILITIES		
EQUTIY		
Equity Share Capital	2,182.94	2,182.94
Other Equity	61,837.95	58,357.78
Total Equity (A)	**64,020.89**	**60,540.72**
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
- Borrowings	35,654.44	27,543.37
Deferred Tax Liabilities (Net)	1,329.18	1,778.15
Government grants	1,860.37	1,624.92
Provisions	877.43	1,027.82
Total Non-current Liabilities (B)	**39,721.42**	**31,974.26**
CURRENT LIABILITIES		
Financial Liabilities		
- Borrowings	28,985.12	17,260.44

Particulars	As at September 30, 2023	As at September 30, 2022
- Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues to other than micro enterprises and small enterprises	5,562.36	7,288.71
- Other financial liabilities	4,577.70	4,786.41
- Government grants	92.95	53.68
Current tax liabilities (net)	186.92	-
Other current liabilities	2,092.26	845.99
Short-term provisions	199.54	-
Total Current Liabilities (C)	**41,696.85**	**30,235.23**
Total Liabilities (B+C)	**81,418.27**	**62,209.49**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**1,45,439.16**	**1,22,750.21**

Summary of unaudited consolidated statement of profit and loss for the six-month period ended September 30, 2023 and September 30, 2022

(₹ in lakhs)

Particulars	As at September 30, 2023	As at September 30, 2022
Income		
Revenue from operations	53,256.90	60,552.74
Other Income	617.17	272.20
Total Income (A)	**53,874.07**	**60,824.94**
Expenses		
Cost of materials consumed	34,066.49	37,591.39
Purchase of stock-in-trade	966.51	1,144.69
Changes in inventories of finished goods and traded goods, stock-in-trade and work-in-progress	(1,189.18)	2,179.33
Employee Benefit Expenses	3,600.85	3,095.08
Finance Cost	2,302.00	620.87
Depreciation and amortization expense	2,465.09	1,338.60
Power and fuel	5,485.78	5,037.62
Other Expenses	5,243.87	5,314.05
Total Expenses (B)	**52,941.41**	**56,321.63**
Profit before exceptional and extraordinary items and tax	**932.66**	**4,503.31**
Profit / (Loss) before tax (A-B)=C	**932.66**	**4,503.31**
Income taxes - Current tax	743.16	1,201.86
- Deferred tax Charge/ (Credit)	(435.12)	4.71
Total tax expense (D)	**308.04**	**1,206.57**
Profit / (Loss) for the year (C - D)=E	**624.62**	**3,296.74**
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
- Re-measurement gains/ (losses) on defined benefit plans	26.88	2.03
Income tax effect	(6.55)	(0.51)
Total comprehensive income for the year, net of tax	**644.95**	**3,298.26**
Earnings per share (nominal value of ₹ 10 each)		
Basic	2.87	15.10
Diluted	2.87	15.10

Summary of unaudited consolidated statement of cash flows for the six-month period ended September 30, 2023 and September 30, 2022

(₹ in lakhs)

Particulars	For the period ended September 30, 2023	For the period ended September 30, 2022
Net Cash from Operating Activities	414.42	1,982.69
Net Cash used in Investing activities	(8,612.33)	(12,157.94)
Net Cash from/(used) in Financing Activities	11,121.01	8,407.33
Net Increase in Cash and Cash Equivalents	2,923.10	(1,767.92)
Cash and cash equivalents as at the beginning of half year	426.72	2,210.31
Cash and cash equivalents as at the end of half year	**3,349.82**	**442.39**

SUMMARY OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summary of audited consolidated balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	51,160.86	29,793.58	30,880.91
Capital work-in-progress	23,506.66	27,647.43	1,746.22
Investment Property	947.36		
Rights-of-Use Assets	120.14	121.75	123.36
Goodwill	13.46	13.46	-
Intangible assets	50.05	96.76	139.59
Financial assets			
i)Investments in equity	592.62		-
ii)Loans	3.49	5.13	24.72
iii)Others	776.09	835.29	309.13
Other non-current assets	2,506.45	4,711.36	2,343.10
Total Non-Current Assets (B)	**79,677.18**	**63,224.76**	**35,567.03**
Inventories	28,023.09	19,646.70	17,251.95
Financial asset			
i) Investment	4,858.95	6,887.51	7,213.14
ii) Trade receivables	11,475.89	11,615.13	10,555.13
iii) Cash and cash equivalents	426.72	2,210.31	242.19
iv) Bank balances other than cash and cash equivalents	195.54	92.86	1,273.92
v) Loans	5.13	6.51	2.05
vi) Others	199.75	273.11	781.97
Current Tax Assets (Net)	373.61	601.47	511.14
Other current assets	7,041.20	4,785.49	1,299.89
Assets held for sale/disposal	-	126.15	27.25
Total Current Assets (B)	**52,599.88**	**46,245.24**	**39,158.63**
TOTAL ASSETS (A + B)	**1,32,277.06**	**1,09,470.00**	**74,725.66**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	2,182.94	2,182.94	2,182.94
Other Equity	61,605.46	55,178.21	49,512.93
Total Equity (A)	**63,788.40**	**57,361.15**	**51,695.87**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	31,175.57	23,648.62	3,212.17
Government Grants	1,663.84	1,548.55	400.21
Deferred Tax Liabilities (Net)	1,757.77	1,719.94	1,913.08
Provisions	647.50	704.96	611.15
Total Non-current Liabilities (B)	**35,244.68**	**27,622.07**	**6,136.61**
CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	19,370.78	12,133.39	8,809.20
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	199.74	301.54	61.79
- Total outstanding dues to other than micro enterprises and small enterprises	7,158.46	6,110.83	3,459.64
- Other financial liabilities	5,299.63	5,012.43	3,404.45
Government Grants	93.46	52.69	44.57
Other Current liabilities	722.83	596.08	844.88
Short-term provisions	399.08	279.82	268.65
Total Current Liabilities (C)	**33,243.98**	**24,486.78**	**16,893.18**
Total Liabilities (B+C)	**68,488.66**	**52,108.85**	**23,029.79**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**1,32,277.06**	**1,09,470.00**	**74,725.66**

Summary of audited consolidated statement of profit and loss for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	1,17,963.14	1,02,144.36	75,113.56
Other Income	1,338.73	691.46	943.01
Total Income (A)	**1,19,301.87**	**1,02,835.82**	**76,056.57**
Expenses			
Cost of materials consumed	74,670.08	65,501.77	46,035.61
Changes in inventories of Finished goods and traded goods	-2,842.99	-1,881.60	-359.37
Purchases of stock-in-trade	6,039.42	2,101.42	1,876.54
Employee benefit expenses	6,720.20	5,788.47	4,800.95
Finance cost	1,693.78	976.12	881.28
Depreciation and amortization expense	2,915.08	2,840.13	2,716.18
Other expenses	20,608.84	19,243.10	14,310.19
Total Expenses (B)	**1,09,804.41**	**94,569.41**	**70,261.38**
Profit before exceptional and extraordinary items and tax	**9,497.46**	**8,266.41**	**5,795.19**
Exceptional Items			
Profit before extraordinary items and tax	9,497.46	8,266.41	5,795.19
Extraordinary Items			
Profit / (Loss) before tax (A-B)=C	**9,497.46**	**8,266.41**	**5,795.19**
Tax Expenses			
Income taxes - Current tax	2,525.73	2,263.57	1,253.26
Deferred tax Charge/ (Credit)	25.75	-194.09	189.79
Total tax expense (D)	**2,551.48**	**2,069.48**	**1,443.05**
Profit / (Loss) for the year (C - D) =E	**6,945.98**	**6,196.93**	**4,352.14**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent			
- Re-measurement gains/ (losses) on defined ben	47.95	4.07	42.82
- Less income tax relating to the above	-12.09	-1.02	-10.78
Total other comprehensive income for the year, net of tax (F)	**35.86**	**3.05**	**32.04**
Total comprehensive income for the year, net of tax (E+F)	**6,981.84**	**6,199.98**	**4,384.18**
Total comprehensive income for the year, net	**6,981.84**	**6,199.98**	**4,384.18**
Earnings per share (nominal value of ₹ 10 each)			
Basic	31.82	28.39	19.94
Diluted	31.82	28.39	19.94

Summary of audited consolidated cash flow statement for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Cash from Operating Activities	2,024.90	**6,481.74**	**2,739.87**
Net Cash used in Investing activities	**(16,636.58)**	**(25,453.80)**	**(4,948.02)**
Net Cash from/(used) in Financing Activities	**12,828.09**	**20,751.60**	**2,322.67**
Net Increase in Cash and Cash Equivalents	**(1,783.59)**	**1,779.54**	**114.52**
Cash and cash equivalents as on April 01	2,210.31	242.19	127.67
Cash on acquisition of subsidiary	-	188.58	-
Cash and cash equivalents as on March 31	**426.72**	**2,210.31**	**242.19**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the six months ended September 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 as per the requirements under Indian Accounting Standard (*"**Ind AS 24**"*) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "*Financial Information*", beginning on page 195.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information contained in this Placement Document, including the risks and uncertainties described below, before making an investment decision in the Equity Shares.

The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions at the date of this Placement Document. However, they are not the only risks and uncertainties relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations and "Financial Information" beginning on pages 123, 94, 75 and 195, respectively, as well as the other financial and statistical information contained in this Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" beginning on page 13.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, references in this section to "we", "us", "our" or "our Company" (including in the context of any financial or operational information) are to Ganesha Ecosphere Limited on a consolidated basis.

Unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results for the six months period ended September 30, 2023, included in this Placement Document. For further information, see "Financial Information" beginning on page 195.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "India Plastic Waste Recycling Market: Industry Trends, Share, Size, Growth, Forecast and Opportunity 2024-2029" dated January 2024 prepared by IMARC. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in India in connection with the Issue.

RISKS ASSOCIATED WITH OUR BUSINESS

1. ***Volatility in the supply and pricing of our raw material may have an adverse effect on our business, financial condition and results of operations. Absence of agreements/arrangements with suppliers and failure of suppliers to meet their obligations, may have a material adverse effect on our business, results of operations and financial condition.***

   The primary raw material used in our manufacturing operations is PET bottle waste and scrap. Our consolidated cost of raw materials consumed, after including purchases of stock in trade and changes in inventories of finished goods and work in progress for the Fiscals 2023, 2022, 2021 and six-month period ended September 30, 2023 was ₹ 77,866.51 lakhs, ₹ 65,721.59 lakhs, ₹ 47,552.78 lakhs and ₹ 33,843.82 lakhs, respectively which represents 66.01%, 64.34%, 63.31% and 63.55% of our revenue from operations, respectively. As of December 31, 2023, we had a network of over 250 suppliers for sourcing of raw materials for our products from India and Nepal. We do not have long term agreements with any of our raw material suppliers and we acquire raw materials from such suppliers through purchase orders. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates. Any material shortage or interruption in the domestic or imported supply or deterioration in quality of the raw materials due to natural causes or other factors could result in increased costs that we may not be able to pass on to customers would adversely affect our business, results of operations and financial condition.

Prohibitions on plastic packaging, including a complete ban on all forms of PET bottle due to change in regulations by the Central or State Governments, may materially and adversely impact our business and growth. Our ability to anticipate changes in technology and to develop and introduce new or alternate source of raw materials on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or find out alternate source of raw materials other than PET bottle.

If we were to experience a significant or prolonged shortage of raw material from any of our suppliers or change in regulations by the Central or State Governments for use of all forms of PET, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules and to deliver such order to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw material in the future, as and when we need them and on commercially acceptable terms. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost- effective manner.

2. ***We face competition in our product line due to availability of comparable products, as well as intense competition from existing players and new entrants and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.***

Our Company's profitability is susceptible to volatility due to changes in Virgin Polyester Staple Fibre ("**VPSF**") prices, particularly in a declining price scenario. While RPSF realizations are driven by the movement in VPSF prices (which in turn are driven by crude oil and cotton prices), our Company's raw material ("**PET waste**") cost is driven by its own demand supply dynamics. Company's ability to lower its raw material procurement cost in a timely manner and on a consistent basis remain crucial for profitability of our operations. Further in our line of business, increase in raw material prices and other costs may not necessarily correlate with changes in prices for our products, either in the direction of the price change or in magnitude, therefore, impacting our profitability

Significant volatility in raw material costs tends to put pressure on product margins, as sales price increases generally tend to lag behind raw material cost increases. We sell our products in highly competitive markets, and competition in these markets is based primarily on demand and price. However, competition in our business can be based on, among other things, innovation, brand recognition, promotional activities, advertising, special events, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. As a result, to remain competitive, we must continuously strive to reduce our production, transportation and distribution costs and improve our operating efficiencies. In our businesses, we actively compete with companies producing the same or similar products. Due to the nature of our products, competition in these markets is based primarily on price and to a lesser extent on performance, quality and availability.

Competition from existing and new manufacturers could drive prices for our products lower. Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including pricing strategies by competitors of its new products, regulatory changes and changes in general economic, political and social conditions in the countries in which we do business. Our competitors may have greater resources than us and/or they may benefit from government-sponsored programs that subsidize their production costs or provide them with marketing or other advantages. We may also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. If we are unable to respond effectively to these competitive pressures, our competitors may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations.

We also expect competition to continue to be intense as our existing competitors expand their operations and introduce new products. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors and any such failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

3. ***Being excessively dependent on volume-based products, our Company may be exposed to profitability and margins risk.***

Our Company primarily manufactures RPSF which is a volume-based product, which generally sells at a discount to Virgin PSF. We are one of the few RPSF manufacturers in the industry to manufacture 1.0 to 70.0 denier RPSF in various colours/ shades customised around customer needs and preferences and plan to continue to make constant efforts towards development of new value- added products which shall be further supported by our ongoing expansion in order to reduce our dependency on high volume low margin products. Developing such products, however require significant capital expenditure and we have invested substantially in capacity expansion for manufacturing products that are margin accretive. Moving towards the strategy of increasing the margins on our products, our Company has launched its own RPSF brand "**GoRewise**" which is likely to have a positive impact in creation of its own brand and getting acceptability of its products with a larger user base along with giving us a higher margin in comparison to the traditional RPSF. There can, however be no assurance our Company shall not be exposed to such profitability and margins risk, which may in turn materially adversely affect our business, financial condition and results of operations.

Additionally, dumping of products by China and other countries could create pricing pressure on our products thereby impacting our profit margins and volume of production. Further slowdown in the US and European economy has led China to further dump its cheaply priced PSF and yarn into India and other geographies thereby impacting the pricing of our products in India and such geographies and increasing the competition leading to decreased profit margins. If proper mechanism for anti-dumping is not adapted by the Government of India, such dumping by China could impact our business financial condition and results of operations.

4. ***Significant portion of the recycled PET is being used to make Recycled Polyester Staple Fiber. Any changes in the Plastic Waste Management Rules, 2016/ Plastic Waste Management (Amendment) Rules, 2022 or delay in the implementation of the Guidelines on extended producer responsibility for Plastic Packaging as amended, from time to time, may have a significant impact on the business and hence the revenues and profitability of the Company.***

Currently, a significant portion of the recycled PET is being used in the country to make Recycled Polyester Staple Fiber (rPSF) which is being sold at a lower price as compared to that of the virgin PSF. With the implementation of the regulations of the Plastic Waste Management Rules, 2016 ("**PWM Rules 2016**")/ Plastic Waste (Amendment) Rules, 2022 ("**PWM (Amendment) Rules, 2022**"), as amended, we believe a major proportion of the recycled PET which is currently being used to manufacture rPSF may shift towards making bottle to bottle chips to meet the targets mentioned in the rules. This may result in a shortage of PET bottles waste and may result in increase in the prices of our raw material i.e. PET waste bottles and this may have an adverse impact on the profitability of our company.

Our Company recycles bottles under our rPET chips business segment and as per Extended Producer Responsibility for Plastic Packaging, category II companies as laid under schedule II of Plastic Waste Management (Amendment) Rules, 2022 are responsible to use a minimum of 30.00% of recycled content into plastic packaging of their products starting from Fiscal 2026. We believe this amendment is very crucial for our rPET chips business. Any change in the Plastic Waste Management (Amendment) Rules, 2022, wherein the extended producer responsibility of consuming a minimum of 30.00% of plastic waste is reduced or done away with and if the implementation of such rules is delayed, will hamper our prospective business opportunity, monies already invested and will significantly impact our business, revenues and profitability.

5. ***We do not have long term contracts with our customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

We have not executed long term contracts with our domestic or international customers. Our sales are based on purchase orders that are placed by our customers depending on their requirements, with typical delivery periods ranging from spot delivery to three months. Our sales team does volume forecast based on a number of economic and business factors, variables and assumption, some or all of which may change or may not be accurate. Additionally, certain customers have high and stringent standards for product quality as well as delivery schedules. Any failure to meet our customer's expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. In our RPSF business, quality certifications like GRS, Oekotex and BIS is significant customer requirement and any failure to renew such certifications may lead to loss of customers. Further, customers may return or reject order if we fail to comply with customer specifications which may adversely effect on our business, results of operations and financial condition. In our rPET chips business, many of our key customers have audited our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Customers may demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Cancellations by customers or reductions in their orders or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customer's paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. Instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

6. ***We are yet to place orders in relation to the capital expenditure for purchase of new plant and machinery at our manufacturing facility at Warangal. In the event of any delay in delivery of the orders, may result in time and cost over-runs and our business prospects and results of operations may be adversely affected.***

We intend to utilize portion of the Net Proceeds for purchase of new plant and machinery at our manufacturing facility at Warangal as set forth in the section "*Use of Proceeds*" beginning on page 64. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on plant and machinery and have not yet placed any orders for most of the machineries.

For details in respect of the foregoing, see "*Use of Proceeds*" beginning on page 64. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

Certain machineries will be imported and has a long lead time. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the plant and machinery or there is any adverse movement in exchange rate of foreign currency or in the event the vendors are not able to provide the machinery in a timely manner, or at all, we may encounter time and cost overruns. Our inability to procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

The operation of these new machines may require us to obtain various approvals, which are routine in nature including approvals such as consent to establish and fire-no objection certificate. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

7. ***Our business is capital-intensive and may require additional debt or equity financing. We cannot assure you that we will be able to raise such financing on acceptable terms, or at all.***

Our business is capital intensive requiring a significant amount of capital to (i) develop, market and distribute our products and services; (ii) develop, implement new technologies along with upgrading our information technology systems; (iii) expansion of new capacities to remain competitive. We estimate significant expenditure as part of our capital expenditure requirement in the Financial Years 2024 and 2025. We intend to use ₹ 8,353.15 lakhs out of the Net Proceeds towards funding capital expenditure, including towards expansion and development of one or more facilities of the Company or of its Subsidiaries for the manufacture of its products. The actual amount and timing of our future capital requirements may also differ from estimates because of reasons such as unforeseen delays or cost overruns in relation to developing, marketing and distributing our products and services, unanticipated expenses and responding to regulatory changes and engineering, design and technological changes, among other things. To the extent that our capital requirements exceed available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest expense and may require us to comply with additional restrictive covenants under our financing agreements. Further, additional equity financing could dilute our earnings per share and investor's interest in us which could adversely affect the trading price of the Equity Shares.

Our ability to obtain additional financing on acceptable terms, or at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions for companies engaged in our line of business and economic, political and other conditions in the markets where we operate. Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans or an inability to provide appropriate levels of service in all or a portion of our markets. As a result, if adequate capital is not available, there may be an adverse effect on our business, results of operations and financial condition.

8. Any significant dependence on one or more customers may have a significant impact on the business and hence the revenues and profitability of the Company.

Currently, we have one operational line having installed capacity of 14,000 MTPA for our product namely rPET chips which at present is majorly catering to the demand of one brand. We expect that in the future a limited number of customers will continue to contribute a significant percentage of our operating revenue from rPET chips. Consequently, if we are unable to expand our sales volumes to a diversified base of customers, maintain our relationship with our key customers, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected.

Our profitability also depends on the growth and performance in business of our key customers. We rely on the success of our customers and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our top customers could harm us as well, including, recession in the geographies in which our key customers operate their businesses, our key customers' inability to effectively manage their operations or changes in laws and policies affecting our customers to operate profitably.

9. **Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of raw material, which could have a material adverse impact on our profitability.**

We monitor our inventory levels based on our projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make raw material procurement decisions well in advance of sales for our products. An inaccurate forecast of demand for any product can result in the unavailability/surplus of raw material or overproduction of finished goods. This unavailability of raw material in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of raw material, which may increase costs, negatively impact cash flow, erode margins substantially and ultimately create write-offs of inventory.

Our inventory has increased over the last three fiscal years. The following table set forth our inventory for the periods indicated:

Particulars	**As At March 31, 2023**	**As At March 31, 2022**	**As At March 31, 2021**
Inventories (₹ in lakhs)	28,023.09	19,646.70	17,251.95
Inventory days	112 days	102 days	122 days

Average Inventory days = Average Inventory divided by Cost of Materials Consumed, Purchases of stock-in-trade and Changes in inventories of finished goods, stock-in-trade and work-in-progress multiplied by 365.Average Inventory is calculated as average of the inventory as on the first day and the last day of the relevant period

If our decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Volatility in prices of our finished products could lead to losses, for instance, our Company had incurred an inventory loss of finished goods to the tune of ₹ 500 lakhs during first quarter of Financial Year 2024 due to fall in prices of our finished products.

10. Any disruption in production at, or shutdown of, or underutilization of our manufacturing facilities could adversely affect our business, results of operations and financial condition.

We manufacture our products from our manufacturing facilities which cater to our domestic and export demand. Any disruptions due to natural or manmade disasters, workforce disruptions, delay in receipt of or non-receipt of regulatory approvals, fire, failure of machinery, or any significant social, political or economic disturbances, would significantly impact our ability to manufacture certain products. Disruptions in our manufacturing activities could delay production or require us to shut down our manufacturing facility. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our facilities to cease, or limit, production until the disputes concerning such approvals are resolved. For instance, 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 and two Fibre production lines that were contributing 12,000 tons of PSF on yearly basis were destroyed completely. We had lodged a claim to the insurance company against damage due to fire of ₹ 3,009.85 lakhs which was settled by the insurance company at ₹ 2,500.21 lakhs during May, 2023 and we have provided for the short recovery of insurance claim of ₹ 509.64 lakhs. Additionally, during October 2021, Rudrapur town faced a heavy rainfall which resulted into flooding including the area, where our Rudrapur Unit is situated due to which working of Rudrapur Unit was disrupted for few days.

Any failure of such systems or any adverse incident during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. Therefore, our inability to effectively respond to any such event in the future, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle, inability to comply with our customers' requirements and loss of revenue from operations to us and our customers.

Further, our operations require a significant amount and continuous supply of electricity, fuel and coal and any shortage or non-availability may adversely affect our operations. Although we have not faced any significant power outages in the recent past, we cannot assure you that there will be no significant power outages in the future. Any failure on our part to obtain alternate sources of electricity or fuel, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, financial condition, results of operations and prospects.

11. ***We rely on third party transportation and logistics providers for the supply of our raw materials and the distribution of our products. Any deficiency or interruption in their services could adversely affect our business and reputation.***

We depend heavily on road transport to deliver our products from our facilities to our customers. For export sale, we rely on sea borne freight, rail and road transport. We rely on third parties to provide such services. We do not have long term contracts with such parties which may affect our ability to deliver our products from our facilities to our customers in a timely manner. Disruptions of transportation services because of weather-related problems, strikes, lock-outs, loss of products, inadequacies in road infrastructure and port facilities and other forms of damage or events including any geo-political issues could impair our ability to supply our products to our customers. There is no assurance that such disruptions will not again occur in the future. Any such disruptions could materially adversely affect our business, financial condition and results of operations. In addition, in case of a delayed shipment of our products to our customers, the customer may reject the shipment or demand significant pricing discounts. Non-conforming shipments could also give rise to order rejections, discounts or other claims.

Further, as a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our facilities which is subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials, stores, spares and other consumables. Transportation strikes in the future could have an adverse effect on supplies from our suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials could have a material and adverse effect on our business, financial condition and results of operations. Additionally, our third-party transportation providers may not carry enough insurance coverage and therefore, any losses that may arise during the transportation process may have to borne by our Company thereby adding to our expenses and having an adverse effect on our business, financial condition and results of operations.

12. ***We are exposed to the risk of failure of our obligations under the agreement with third parties thereby exposing us to the risk of liabilities and monetary loss under such agreements***

Our Subsidiary Ganesha Ecopet Private Limited has entered into an agreement with Manjushree Technopack Limited, a PET preform converter, for co-developing, co-marketing and supply of integrated end-to-end recycled plastic packaging solutions under our brand "**GoRewise**". Any failure to meet obligations under such agreement could expose us to risk of liabilities and monetary loss under such agreements and further impact our business reputation in the market and our future business prospects with such third parties.

We cannot assure you that agreements with third parties for our business development will fructify in the future. To enter into third party agreements, involve a considerable resources and time and failure of such agreements will an adverse effect on our business, financial condition and results of operations. In addition, if one or more of these third parties become insolvent or otherwise unable to pay their financial obligations under such agreements, this could have an impact on our business.

13. ***We have entered into binding term sheet for dilution of our stakes in our Indian wholly owned subsidiaries. We cannot assure you that such dilution will have desired result.***

We have entered into binding term sheet with Manjushree Technopack Limited ("**MTL**") for the sale of 1% of stake, in each of our Indian wholly owned subsidiaries namely, Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited which also has certain rights available to MTL like tag along rights, dilution protection etc., information regarding this was disclosed on the stock exchanges vide our intimation dated September 29, 2023. We cannot assure you that such transaction will be consummated in a timely manner or at all.

Further, we cannot assure you that our Company or its subsidiaries will not enter into further arrangements for dilution in future. Such dilutions may result into loss of control over such subsidiaries in all manners and thereby impacting our business, financial condition and results of operations.

14. ***Our reliance on certain industries for a significant portion of our sales could have an adverse effect on our business.***

Our Company caters to the various industries such as the textile sector, and packaging sector. Consequently, our revenues are dependent on the end user industries that use our products as an input. Factors affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, financial condition and results of operations. Such factors include, but are not limited to, the following:

a) change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade
b) sanctions imposed across the country or any such restrictions on the business or product or customer's final product;
c) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;
d) economic conditions of the markets in which our customers operate;
e) regulatory issues faced by these industries in India and internationally;
f) changes in customers' product mix resulting into discontinuance of use of our products
g) downturns or industry cycles that impact demand; and
h) Changes in technology or consumer tastes and requirements that alter demands for our products.

For any of the above reasons or for any other reason whatsoever, in the event sales to our customers were to substantially decrease, our business, financial condition and results of operations could be adversely affected. Thus, we are largely dependent on the textile and packaging industry for majority of our revenue. Any slowdown in growth of these industries may affect our growth.

15. ***We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may impact our results of operations.***

Due to the nature of, and the inherent risks in, the arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending unsecured credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. For six months period ended September 30, 2023, our trade receivables were ₹ 12,438.20 lakhs. There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

16. ***Changes in technology may render existing technologies obsolete and our inability to identify evolving industry trends and customer preferences and make capital investments in new technology may adversely affect our business, financial condition, results of operations or prospects.***

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customer's needs or that the technology developed by others will not render our products less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology or industry trends like eco-friendly substitutes of our products, may not be cost effective, which may adversely affect our profitability. For all of our products especially for rPET chips, which is a relatively new project being implemented in India, any changes in the technology for manufacturing of the same or availability of substitute product to which if we are unable able to respond in a timely manner or at all may have an adverse impact on the business and thus the revenues and profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

We cannot assure you that we will be able to successfully obtain or implement new technologies effectively or adapt our systems to emerging industry standards or retain existing clients by matching their emerging demands. If we are unable to adapt in a timely manner to changing market conditions, client requirements or technological changes, our business, financial performance and future prospects may be adversely affected.

If there is a shift from traditional PET packaging to alternative forms of packaging such as cans, glasses, tetra packs or other forms of plastics such as HDPE, LDPE etc. then the same would have a significant implication on our business and can impact various facets of our operations. As consumer preferences evolve, the market dynamics for PET bottles may be impacted significantly by way of lower demand, reduced pricing power and reducing volumes.

There can be no assurance that our Company shall not be exposed to such risk of changing customer preferences, which may in turn materially adversely affect our business, financial condition and results of operations.

17. ***If we are unable to introduce new products at competitive rate compared to VPSF and respond to changing customer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and financial condition.***

The success of our business depends upon our ability to anticipate and identify changes in customer preferences and offer products that customers require. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors to enable us to introduce new products and different variant of our existing products, based on customer preferences and demand and to increase our margins. Although, we seek to identify such trends and introduce new products, we cannot assure you that our products would gain customer acceptance or that we will be able to successfully compete in such new product segments. Before we can introduce a new product, we must successfully execute a number of steps, including successful research and development, arranging the necessary raw materials/inputs, training of our people, effective marketing strategies for our target customers, while scaling our vendor, production and infrastructure networks to increase or change the nature of our production capacity. We also depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive.

The development and commercialization process of a new product would require us to spend considerable time and money. Our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process (including delays due to regulatory intervention) or failure of a product to be successful at any stage could adversely affect our business. For example, there is no guarantee that our newly introduced brand "**GoRewise**" will meet the expectation of being successful and accepted in the market. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations results and financial condition.

18. ***Our operations are concentrated in the states of Uttarakhand and Uttar Pradesh and any adverse developments affecting these states could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Out of the six manufacturing facilities, four of our manufacturing facilities are geographically concentrated in Uttarakhand and Uttar Pradesh i.e. at Kanpur, Temra and Bilaspur in Uttar Pradesh and Rudrapur in Uttarakhand. Considering our business operations are concentrated in the states of Uttarakhand and Uttar Pradesh, consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in the states of Uttarakhand and Uttar Pradesh, or changes in the policies of the state or local governments of these states or the Government of India, could require us to incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

19. ***A shortage or non-availability of electricity, fuel or water and associated price fluctuations may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability may adversely affect our operations. We spent ₹ 5,485.78 lakhs during the six months period ending September 30, 2023 on power and fuel. We currently source our water requirements from bore wells and depend on state electricity boards for our energy requirements. Although we have diesel generators to meet exigencies at all of our facilities, we cannot assure you that our facilities will be operational during power failures. There can be no assurance that our Company shall be in a position to successfully avoid and/or proficiently manage any disruption(s) in our manufacturing operations at any or all of our facilities in a timely manner or at all due to any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and at an acceptable cost and any such failure may have an adverse effect on our business, results of operations and financial condition.

Further, we intend to use certain part of the Net Proceeds towards capital expenditure which will increase the need for such utilities, in case we are unable to arrange such utilities in a timely manner or at all, it will have an adverse impact on the schedule of implementation of the capital expenditure.

20. ***We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.***

We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. Some of our manufacturing plants are accredited with ISO 9001: 2015, ISO 14001: 2015 and ISO 45001:2018, Oeko-Tex Standard 100, Global Recycling Standard 4.0 and Ocean Bound Plastic Recycling Subprogram certifications and we have prescribed stringent quality checks and we continue to work to minimise in-process rejections by leveraging quality tests across all facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors including human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer’s quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition.

We face the risk of legal proceedings and product liability claims being brought by various entities, including customers, distributors and government agencies for various reasons including for defective products sold or services rendered. In our rPET chips business, many of our key customers have audited our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Similarly, we have a positive opinion/no objection from EFSA and USFDA for our rPET Chips in food grade applications. We face the risk of non-renewal or withdrawal of such positive opinions/no objections from the respective authorities in case we are not able to fulfil their quality standards and other parameters. In case we experience a product recall or are a party to a product liability case, we may incur considerable expense in litigation. We cannot assure you that we will not experience product recalls or product liability losses in the future. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

21. ***Our operating expenses include fixed costs that are not dependent upon our volume of business. As a result, any decline in our operating performance may be magnified because we may be unable to reduce expenses proportionately or at all in response to a potential shortfall in volume of business.***

Our operating expenses include various fixed costs, which are as such, not dependent on our volume of business. Any significant reduction in capacity utilization rates could adversely affect margins for these products and have a material adverse effect on our business, prospects, results of operations and financial condition. Further, any shortfall in order bookings or fall in demand may cause significant variation in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in order bookings may thereby be magnified because a portion of our earnings are committed

22. ***We depend on certain key customers, and our business and financial conditions may be adversely affected if we are unable to retain these customers.***

Our business depends on our relationships with a number of key customers. The revenue concentration from our top five customers during six months ended September 30, 2023, Fiscal Year 2023, 2022 and 2021 was 10.78%, 12.69%, 11.42% and 10.58% of our revenue from operations, respectively. There can be no assurance that we will be able to retain these customers. If one or more of these key customers are unable or unwilling to continue their business relationships with us, our business may be affected and our financial condition and results of operations may be adversely affected. Additionally, any deterioration in our relationship with any of them could also have a significant adverse impact on our business, financial condition and results of operations. Some of our products are in the nature of commodity products facing highly competitive conditions and are extremely price sensitive. Therefore, any major fluctuations in prices of our products can adversely affect our competitiveness and lead to loss of customers to competitors.

23. ***Our export markets may impose varying duties on yarn, thread or fabrics or enter into free trade agreements with countries other than India. Any increase in such duties or the entry into free trade agreements with countries other than India may materially adversely affect our business, financial condition and results of operations***

We generated ₹4,550.34 lakhs, ₹12,075.08 lakhs, ₹12,971.04 lakhs and ₹6,053.15 lakhs as revenues from exports in Six months ended September 30, 2023, Fiscal Year 2023, Fiscal Year 2022 and Fiscal 2021, respectively, which represented 8.54%,10.24%, 12.70% and 8.06% of our revenue from operations for the respective periods. There can be no assurance that the duties imposed by such countries will not increase. Any change or increase in such duties or imposition of any new duty or cess may adversely affect our business, financial condition and results of operations.

Additionally, export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of any existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition and results of operations. Further, changes in import policies or slowdown of economy in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations. India is also a party to, and is currently negotiating, free trade agreements with several countries to whom we regularly export our products. Any revocation or alteration of these bi-lateral agreements may also adversely affect our ability to export, and consequently, our business, financial condition and results of operation.

24. ***Our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, market credit risk, operational risk, regulatory and compliance risk, exchange risk, business and continuity risk and legal risk. We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations, and we have continued to enhance these systems. However, in case of any inherent limitations in the design and implementation of our risk management system, including internal controls, risk identification and evaluation, effectiveness of risk control and information communication, our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks. Risk management is an ongoing process and embedded in the operating framework of our Company. Our Board members are regularly informed about the potential risks, their assessment and minimization procedures who frame a plan for elimination/ minimization of the risk and further laying out the steps for implementing and monitoring of the risk management plan.

The effectiveness of our risk management is limited by the quality and timely availability of the data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour and information that is accessible regarding financial markets, customers or other relevant matters that are publicly available. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated.

Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. In addition, some of our transactions expose us to the risk of misappropriation or unauthorized transactions by our employees and fraud by our employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and industry standards and practices on a cost-effective and timely basis.

The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

25. ***Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology ("**IT**") solutions and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations, procurement, dispatch, accounting and other business functions. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. For instance, one of Subsidiary Ganesha Ecotech Private Limited was subject of cyber fraud in August, 2021 and against which it had recorded a loss of ₹ 213.78 lakhs in its books of accounts. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

ERP system and other hardware and software require constant updation and upgradation and any failure or disruption in our part to get the same updated and upgraded in timely manner, may adversely affect our business, financial condition, results of operations and prospects.

26. ***Our growth and success largely depends on the knowledge and experience of our Promoters, Directors and Senior Management Personnel including Key Managerial Personnel. Loss of such persons, or our inability to attract and retain Senior Management Personnel or Key Managerial Personnel in the future, could adversely affect our business, growth prospects, results of operations and cash flows.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. For further information on the experience of our key management personnel, see "*Board of Directors and Senior Management*" beginning on page 137. There can be no assurance that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

27. ***We require various licences and approvals for undertaking our business and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.***

Our operations are subject to government regulations and we are required to obtain and maintain a number of statutory and regulatory permits, approvals and consents under central, state and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities.

The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

28. ***Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.***

As of September 30, 2023, our aggregate outstanding indebtedness was ₹ 64,639.56 lakhs comprising of long-term borrowings, short-term borrowings, secured and unsecured facilities. Our credit facilities contain certain restrictive and financial covenants that may require the prior written approval of and intimation to lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to *inter alia*, impose penalty/default interest, enforce the security and accelerate the repayment of facility and declare all amounts payable by us in respect of the facility to be due and payable immediately or otherwise payable on demand. While we had applied to all the relevant lenders for consent to undertake the Issue, and have obtained consents from all of our lenders, there can be no assurance that we will continue to be in compliance with all covenants in our loan agreements and any such breach of conditions and covenants in our loan agreement may result in an event of default in terms of loan agreements which may have an adverse impact on our financial condition, business or operations.

29. ***We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.***

As of September 30, 2023, our current borrowings repayable on demand amounted to ₹ 28,985.12 lakhs. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or default or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

30. ***Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our business, financial condition and our results of operations.***

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our debt has been rated by CARE and ICRA. CARE has assigned a credit rating of CARE A (Single A); Stable, and our short-term debt has been assigned credit rating of CARE A1 (A One). ICRA, through its letter dated June 30, 2023 has assigned our long term – Fund based/Working capital limit and long term – Fund Based/Term Loans with a credit rating of [ICRA]A; our Short-term – Fund Based Limits and Short-term - Non-fund Based Limits with [ICRA]A1. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements including recall of credit facilities in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares

31. ***Any reduction or termination of incentives and benefits available to the manufacturing facility of our subsidiaries Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited at Warangal would adversely impact our liabilities and could have an adverse effect on our business, results of operations and financial condition.***

Our Subsidiaries Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited are eligible for 15% concessional tax rate (excluding surcharge and cess) under section 115BAB of Income Tax Act 1961 and such lower tax rate was extended in the budget of Fiscal 2023 for companies commencing commercial operations up to March 31 2024. Change of regulation and withdrawal of such benefit under the Income Tax Act 1961 will have an adverse effect on our business, results of operations and financial condition.

Our above subsidiaries are also granted certain area based incentives from Government of Telangana like interest subsidy, power subsidy, State GST reimbursement etc., which are available subject to fulfilment of certain conditions, and for a certain fixed timeframe, which we may not fulfil within stipulated time or may not comply at all. Any such adverse development may adversely affect our business operations and future financial performance.

32. ***We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation.***

Our success depends on our ability to protect our intellectual property. As of December 31, 2023, we have been granted 7 trademarks and none are either objected or opposed, refused or accepted and, advertised marked for examination in the process of filing the counter statement or ready for show cause hearing. Our inability to obtain, renew or maintain these registrations may adversely affect our competitive business position. There can be no assurance that any application for registration or renewal, when filed, shall result in registration or renewal of the trademark in a timely manner or at all or that third parties would not infringe upon our trademark or any order restraining or prohibiting us from using the trademark, shall not adversely affect the business prospects, reputation and goodwill of our Company.

The measures we take to protect our intellectual property, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Third parties, including our competitors, may claim that our products infringe their proprietary rights. Such infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Such claims and any resulting legal proceeding may subject us to additional financial burden; divert our management's attention and resources away from our core business; and if decided against our favour, may restrict us from utilising that intellectual property and require us to undertake significant inventory and product write-offs, recall our products already sold and/or refund the amounts received from selling those products. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

33. ***We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

In the ordinary course of our business, we have entered into transactions with related parties including reimbursement of expenses and remuneration to key managerial personnel and senior management. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms if such transactions had been entered into with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. While all related party transactions that we enter into, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the Listing Regulations and the policy on related party transactions adopted by our Board, there can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest. For further details regarding our related party transactions, see the section "*Related Party Transactions"* as disclosed beginning on page 35

34. ***If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.***

We propose to expand our business by adopting a series of strategies. For further details, see "*Our Business – Our Strategy*" in the chapter titled "Our Business" beginning on page 123. Our growth depends on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

Additionally, expansion into new geographic regions, including new regions in India and international markets shall subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

35. ***Certain sections of this Placement Document contain information from the IMARC Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.***

Certain sections of this Placement Document include information based on, or derived from, the IMARC Report or extracts of the IMARC Report commissioned by our Company exclusively for the purpose of this Issue and prepared by IMARC, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with this Issue. All such information in this Placement Document indicates the IMARC Report as its source. Accordingly, any information in this Placement Document derived from, or based on, the IMARC Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the IMARC Report is not a recommendation to invest / disinvest in any company covered in the IMARC Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in this Issue pursuant to reliance on the information in this Placement Document based on, or derived from, the IMARC Report. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from, the IMARC Report before making any investment decision regarding this Issue. See "Industry Overview" beginning on page 94. For the disclaimers associated with the IMARC Report, see "*Presentation of Financial and Other Dat*a" beginning on page 10 and "*Industry and Market Data*" beginning on page 12.

36. We are exposed to foreign exchange fluctuations and other exchange control risks.

We have exposure to foreign exchange related risks in to our business on account of business with international clients for imports of raw materials, stores & spares and capital equipment. Exports amounted to ₹4,550.34 lakhs, ₹12,075.08 lakhs, ₹12,971.04 lakhs and ₹6,053.15 lakhs during six months ended September 30, 2023, financial years ended 2023, 2022 and 2021, respectively. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences including mark to margin gains/ losses in accordance with accounting standards. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. Any fluctuations in foreign currency could result in variations in margins for our Company.

The raw material sourcing of our Company is primarily being done domestically, however the Company does import of some of the raw materials, stores and spares and capital equipment. While we selectively hedge the exchange risk through forward contracts and natural hedging to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks effectively and in case we are unable to effectively manage such risks, the same may materially and adversely affect our business, financial condition and results of operations.

37. We are subject to stringent labour laws or other industry standards and any strike, labour unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees or trade unions could adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on December 31, 2023 we have 2,723 permanent employees. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force or trade unions such as strikes, labour unrests, work stoppages or increased wage demands. While we strike to maintain good relations with our work force, any such events in the future could adversely affect the operations of our business.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractor's default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

38. We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended and Plastic Waste Management Rules 2016 as amended, in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax, labour and municipal authorities in India.

We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the fines or otherwise and interrupt our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. The Uttarakhand Pollution Control Board ("**UKPCB**") vide Letter No.-UKPCB/HO/UEN.183-361.UO/-2/225 SC-37, dated March 12, 2020 ("**Order**"), had imposed an amount of ₹100 lakhs as environmental compensation for use of pet coke on Rudrapur unit of the Company. The Order was stayed and later on remanded back to NGT by Supreme Court. NGT has thereafter issued fresh guidelines for assessment of environment compensation in old cases in which demand has already been raised. UKPCB has to yet to make a fresh assessment after recalling the old demand of ₹100 lakhs. For further details see "*Legal Proceedings- Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation*" beginning on page 189.

While as of the date of this Placement Document, we are not subject to any other environmental legal proceedings, except the fine imposed by UKPCB, we cannot assure you that in future we will not be involved in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

Our Company, in the past, has faced instances of delay in filing annual performance report with respect to our overseas subsidiary with RBI under the provisions of the Foreign Exchange Management Act and applicable Rules. We cannot assure you that RBI or other regulatory authorities will not impose any penalty on us or will not take any penal action in relation to the delays in submitting annual performance report with RBI or the failure to obtain regulatory approvals under applicable regulations.

39. We are subject to export and import controls that could adversely impact our business.

We are subject to export and import control laws that limit which products we sell and where and to whom, and which could result in postponements or cancellations of product orders. In addition, various countries regulate the import of certain technologies and have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Further, currently there is a restriction on import of plastic scraps including pet bottle waste in India. In the event going forward, if the Government grants permission for import of pet bottle scraps, we may face competition and pricing pressure and therefore may have to reduce the prices of our products. This may have an adverse impact on the revenues and profitability of the Company.

40. Certain of our properties are on leased premises. If we are unable to occupy and use these premises or fail to extend the lease period on lease expiry on reasonable terms, it may have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.

Certain of our immovable properties like our administrative office, regional offices and godowns are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations. Some of our business operations are being conducted on premises leased from third parties. The tenure of the leases is generally agreed in the relevant lease agreements and in some cases are subject to renewal after the agreed period of time. The term of lease agreements for these properties ranges from 11 months to 36 months with restricted right to terminate the leases available with the lessors in majority of leases, subject to lock-in period and option of renewals in terms of the lease agreements available to our Company. While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our operations.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may also affect our operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent/permission for certain actions, including making structural alterations to the leased premises and using the premises for the implementation of any other project other than as specified in the lease agreements, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

41. ***Certain of our Directors and certain Key Management Personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Our Promoters due to their dual roles as equity holders and Directors of our Company, play a pivotal role in our operations, management and strategic direction. They receive remuneration and reimbursement of expenses for their services as Directors, and they also have a vested interest in our Company's performance due to their substantial equity ownership. For further information, see "*Board of Directors and Senior Management*" on page 137. Although our Promoters are obligated to act in the best interest of all shareholders in their capacity as Directors, their significant equity ownership might influence their decision-making process. While their actions will be motivated by our Company's overall success, we cannot provide assurance that all decisions made will equally benefit all shareholders, including minority shareholders. The Promoters' equity stake in our Company, means they have a strong interest in our Company's success. However, their perspectives and decisions, influenced by their ownership, might not always align with the views of all shareholders or meet all shareholders' expectations.

42. ***There are outstanding legal and tax proceedings involving our Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and future prospects.***

Our Company, Directors and Promoters are involved in certain legal proceedings (*as indicated in the table below*) at different levels of adjudication before various courts, tribunals and appellate authorities. We face a significant risk of litigation, regulatory investigations and similar actions in the ordinary course of our business, including the risk of lawsuits and other legal actions relating to suitability, claims payments and procedures, product design, distribution, disclosure, denial or delay of benefits and breaches of fiduciary or other duties. Any such action may include claims for substantial or unspecified compensatory and punitive damages, as well as civil, regulatory or criminal proceedings against our directors, officers or employees, and the probability and amount of liability, if any, may be significant or remain unknown for significant periods of time.

In the event of adverse rulings in these proceedings or consequent actions by regulatory and other statutory authorities, our Company, Subsidiaries, Directors or Promoters may need to make payments or provisions for future payments, be subject to other liabilities, harm our reputation or adversely affect our business, financial condition and results of operations. A summary of the proceedings involving our Company, Subsidiaries, Directors and Promoters as of the date of this Placement Document is provided below:

Nature of cases	No. of cases	Amount involved (₹ in Lakhs)
Litigation involving our Company		
Against our Company		
Civil cases	Nil	-
Criminal cases	1	-
Action taken by statutory and regulatory authorities	1	34.47
Taxation proceedings	13	787.71
By our Company		
Civil cases	Nil	-
Criminal cases	5	57.82
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Civil cases	Nil	-
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	Nil	-
*Taxation proceedings**	2	-
By our Subsidiary		
Civil cases	Nil	-
Criminal cases	1	245.67

Nature of cases	No. of cases	Amount involved (₹ in Lakhs)
Litigation involving our Directors		
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	Nil	-
Litigation involving our Promoters		
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	Nil	-
Significant and material orders passed by the regulators, courts and tribunals	1	100.00

**Assessment Proceedings under section 142(1) of the Income Tax Act, 1961*

For further details, see "*Legal Proceedings*" beginning on page 189 of this Placement Document. Any decision against us may have an adverse effect on our profitability and results of operations.

Responding to or defending these regulatory or legal proceedings, regardless of their ultimate outcome, is time consuming and expensive and can divert the time and effort of our senior management from our business. Moreover, our provisions for regulatory or legal proceedings may be inadequate. Given the uncertainties and complexity of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty.

A substantial liability arising from a lawsuit judgment or a significant regulatory action against us or a disruption in our business arising from adverse adjudications in proceedings against our directors, officers or employees could have a material adverse effect on our liquidity, business, financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant harm to our reputation, which could materially affect our prospects and future growth, including our ability to attract new customers, retain current customers and recruit and retain employees and agents.

43. ***We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities materialises.***

Our contingent liabilities as at March 31, 2023 were as follows:

#	Particulars	*Amount (₹ lakhs)*
a	Matters with tax authorities	
	- Income-tax matters	35.92
	- GST matters	188.96
	- VAT matters	2.61
b	Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board ('UPCB') on Company's Rudrapur Unit 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
c	Bills discounted under letters of credit and outstanding	81.35
d	Claims against the Company not acknowledged as debt (interest thereon not ascertainable at present)	52.96
	Total	**461.80**

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. For further details on our contingent liabilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent liabilities and commitments*" beginning on pages 75.

44. ***Our insurance coverage may not be sufficient to cover all risks or losses and failure to recover any damages or indemnity due to us under our contracts, could have a negative impact on our business, financial condition and results of operations.***

Our operations are subject to inherent risks, such as equipment defects, malfunctions and failures and natural disasters that can result in fires and explosions. However, we believe we have taken appropriate insurance coverage, for instance, industrial all risk policy, marine import export policy, workmen compensation policy, burglary standard policy, machinery breakdown policy, group mediclaim and personal accident policy, personal injury, amongst others

Our activities also involve the operation of heavy machinery and other operating hazards. These risks could expose us to substantial liability for personal injury, wrongful death, or property damage. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured the amount of the loss may exceed our coverage for the loss. Similarly, although we have obtained insurance for our employees as required by Indian laws and regulations, as well as for our properties, premises and assets, our insurance may not be adequate to cover all potential liabilities.

However, we cannot assure that our insurance arrangements will be sufficient to cover any material losses that may arise in connection with our business. If our losses exceed our insurance coverage or if we face claims in relation to risks against which we are not currently insured, our result of operations may be adversely affected. For instance, we had lodged a claim to the insurance company against damage due to fire at our manufacturing unit in Raipur (Rania), Kanpur, Dehat District, Uttar Pradesh, of ₹ 3,009.85 lakhs which was settled by the insurance company at ₹ 2,500.21 lakhs during May, 2023 and we have provided for the short recovery of insurance claim of ₹ 509.64 lakhs. In the absence of adequate insurance coverage by our clients or any delay in receipt of any damages or indemnity that may be due to us, we may incur liability and damages not covered by insurance. There is no assurance that such insurance will be generally available in the future or, if available, that premiums will be commercially viable. If we incur substantial liability and the damages are not covered by insurance or exceed policy limits, or we are unable to obtain liability insurance, our business, results of operations, financial condition and future viability as a going concern may be materially adversely affected.

45. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.***

We propose to use the Net Proceeds for the purposes described in "Use of Proceeds" beginning on page 64 of this Placement Document. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be monitored by ICRA, a Monitoring Agency in relation to the Issue. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, you will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

46. ***Any delays in the schedule of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations.***

We propose to utilize ₹ 8,353.15 lakhs of our Net Proceeds towards purchase of equipment to enhance our production facilities, see "*Use of Proceeds*" beginning on page 64. Further, the details of our proposed schedule of implementation and deployment of proceeds is as per "*Use of Proceeds - Proposed schedule of implementation and deployment of Net Proceeds*" beginning on page 64. We are subject to risks associated with delays in the schedule of implementation of our proposed object. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors. In the event we are unable to adhere to our proposed schedule of implementation of our objects, we may be subject to cost escalations which in-turn could have a material adverse impact on our business, financial condition and results of operations.

47. ***Non- exercise of the option to subscribe to Equity Shares against equity warrants within the prescribed tenure shall result in forfeiture of Warrants and could have an adverse effect on our growth plan.***

Our Board of Director vide its meeting dated January 18, 2024 allotted 14,49,000 fully convertible equity warrants at an exercise price of ₹1,035.00 (including a premium of ₹ 1,025.00) per underlying equity share of the face value of ₹ 10.00, each convertible into one Equity Share of face value of ₹ 10. The equity warrants are convertible into Equity Shares, in one or more tranches, within a period of 18 months from the date of allotment. Such convertible equity warrants which are not exercised within 18 months from the date of allotment will have to be forfeited in accordance with the SEBI ICDR Regulations. The market price of our Equity Shares may fluctuate widely depending upon many factors beyond Company's control. Accordingly, there can be no assurance that the market price of the Equity Shares traded on the Stock Exchanges will be not lower than the price at which the equity warrants is exercised. Further, non- exercise of the option to take Equity Shares against equity warrants held within 18 months from the date of payment shall result in forfeiture of equity warrants, which may result in allottee losing the consideration paid for equity warrants. Additionally, non-exercise of such equity warrants may lead to a shortfall in the proposed growth plan of the Company, which may have to be met out of internal accruals and may impact the business and profitability.

48. ***Our Company's ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements and required or planned capital expenditures and terms of its financing arrangements.***

Our ability to pay dividends in future will depend on the earnings, financial condition and capital requirements of our Company. Our business is capital intensive as we are required to innovate from time to time to increase margins, which may require us to invest all or part of the profits generated by our business operations. Further, we may not be able to distribute dividends in certain circumstances such as default in payment of interest and/or principal, amongst others, based on certain of our high cost financing arrangements. While our Company has paid dividends in the past, our Company may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations. Any inability to pay dividends in the future may adversely affect the trading price of the Equity Shares of our Company. For further details, please see "Dividends" beginning on page 74.

49. Our Promoters along with the Promoter Group will continue to retain significant shareholding in us after the Issue, which will allow them to exercise significant influence over us.

As on December 31, 2023, our Promoters along with the Promoter Group collectively holds 42.31% of our Company's issued and outstanding Equity Shares. Accordingly, our Promoters along with the Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the SEBI Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

EXTERNAL RISK FACTORS

50. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

51. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

52. ***If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. This may adversely impact our business, profitability and results of operations.

53. ***Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and is subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India may implement new laws or other regulations and policies that could affect the digital payment and financial service industry in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

Any change in Indian tax laws could adversely affect our operations. The government of India announced the union budget for Fiscal 2024 and the finance bill in the Lok Sabha on February 1, 2023. The finance bill has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act, 2023. The Finance Act, 2023 proposes various amendments to taxation laws in India. Any such and future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Further, the Government of India is expected to present the union budget / vote-on-account for Fiscal 2025 on February 1, 2024. There can be no assurance that the sector in general and our Company in particular will not be affected by any policy announcements / regulatory changes / changes in outlays.

Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, the Finance Act, 2020, had notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from dividend distribution tax ("**DDT**"), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020.We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

54. ***Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The Audited Financial Statements and the Consolidated Unaudited Financial Results included in this Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

55. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

56. ***Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.***

Our Company is a limited liability company incorporated under the laws of India. Majority of our Company's Directors, key management personnel and Senior Management are residents of India and our assets, except Ganesha Overseas Private Limited, our subsidiary situated in Nepal and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

57. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

58. ***Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.***

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

59. ***Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

We cannot assure you that we will not issue additional Equity Shares. Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

60. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

61. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The volatility of the Indian Rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

62. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

63. ***Listed companies in India are highly regulated and we are subject to continuous reporting requirements.***

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

64. ***The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Managers, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the manufacturing sector in PET recycling, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "*Dividends*" beginning on page 74. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

65. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

67. The right of the Equity Shareholders to receive payments pursuant to under the Equity Shares will be subject to tax and other liabilities upon insolvency of our Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of our Company's business (including workmen's dues, debts owed to secured creditors, wages and any unpaid dues owed to employees other than workmen, financial debts owed to unsecured creditors etc. in accordance with the mechanism as specified under Section 53 of the Insolvency and Bankruptcy Code, 2016). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against our Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in our Company may be significantly diluted or otherwise completely extinguished.

68. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

69. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

70. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

MARKET PRICE INFORMATION

As on the date of the Preliminary Placement Document, our Company's issued, subscribed and paid-up capital comprises 2,18,29,397 Equity Shares of face value of ₹10 each. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol GANECOS and BSE under the scrip code 514167.

On February 1, 2024, the closing price of the Equity Shares on NSE and BSE was ₹ 1,099.05 and ₹ 1,103.70 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2023	985.05	December 20, 2022	16,352	156.74	543.25	June 23, 2022	729	4.05	751.54
2022	762.65	March 21, 2022	17,499	129.66	460.0	December 21, 2021	1,835	8.69	554.79
2021	687.70	March 03, 2021	13,708	90.46	153.00	April 24, 2020	151	0.26	319.78

(Source: www.bseindia.com)

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices for the respective periods.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2023	970.95	December 19, 2022	1,13,765	1,092.84	543.00	June 23, 2022	16,945	93.89	751.74
2022	763.70	March 21, 2022	1,48,429	1,098.27	454.95	December 20, 2021	23,293	108.59	554.81
2021	688.50	March 03, 2021	1,40,956	935.82	153.25	April 01, 2020	4,987	8.34	315.51

(Source: www.nseindia.com)

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	**Number of Equity Shares Traded**		**Turnover (in ₹ lakhs)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	13,04,020	1,18,71,055	10,151.15	91,728.03
2022	28,45,850	1,45,13,036	17,318.76	87,137.60
2021	15,81,155	89,40,414	5,918.15	35,891.82

(Source: www.bseindia.com and www.nseindia.com)

(ii) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹) (lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ lakhs)**
January 2024	1,139.30	January 31, 2024	14,592	162.22	946.00	January 9, 2024	3,483	33.47	988.96	1,38,336	1,391.51
December 2023	1,040.60	December 18, 2023	10,700	109.48	941.95	December 07, 2023	2,483	23.96	989.26	76,206	756.95
November 2023	1024.00	November 24, 2023	12,099	121.80	813	November 03, 2023	12,946	107.36	905.00	87,274	788.67
October 2023	1000.45	October 03, 2023	3,238	31.63	866.95	October 31, 2023	3,270	28.90	939.39	57,722	541.64
September 2023	1139.00	September 22, 2023	4,498	43.45	940.00	September 28, 2023	2,107	20.01	1,013.84	1,23,923	1,276.41
August 2023	1128.85	August 08, 2023	8,72,481	9,218.77	951.95	August 04, 2023	24,995	243.33	1,041.67	10,24,832	10,796.23

(Source: www.bseindia.com)

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices.

2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE											
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ lakhs)**
January 2024	1,139.95	January 31, 2024	2,58,559	2,861.58	946.20	January 9, 2024	2,14,644	2,063.93	991.07	22,09,029	22,072.91
December 2023	1,045.00	December 18, 2023	1,69,048	1,727.63	941.65	December 07, 2023	26,030	251.09	989.06	9,47,490	9,443.14
November 2023	1,024.90	November 24, 2023	2,40,064	2,419.57	811.15	November 03, 2023	1,96,498	1,628.77	905.81	14,22,133	12,950.68
October 2023	999.05	October 03, 2023	36,015	350.79	867.00	October 31, 2023	70,998	625.58	939.55	8,03,321	7,524.95
September 2023	1,129.90	September 05, 2023	1,95,718	2,157.72	940.50	September 28, 2023	70,003	664.22	1,013.43	14,84,181	15,387.57
August 2023	1,128.70	August 08, 2023	4,27,535	4,593.09	961.00	August 04, 2023	2,42,073	2,371.44	1,041.74	17,90,273	18,747.16

(Source: www.nseindia.com)

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices.

2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iii) The following table sets forth the market price on the Stock Exchanges on November 28, 2023 that is, the first working day following the approval dated November 24, 2023 of our Board of Directors for the Issue:

Date	**BSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
November 28, 2023	1,017.55	1,020.00	988.25	993.45	1,803	18.09

(Source: www.bseindia.com)

Date	**NSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ lakhs)**
November 28, 2023	1,002.50	1,020.65	986.90	993.55	64,243	644.02

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ 34,999.99 lakhs*. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and estimated expenses relating to this Issue of approximately ₹856.75 lakhs, are ₹34,143.24 lakhs* ("**Net Proceeds**")

* *Subject to allotment of Equity Shares pursuant to the Issue*

Objects of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following objects:

(₹ in lakhs)

S. No.	Particulars	Amount
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and Subsidiaries	19,000.00
2.	Funding capital expenditure, including towards expansion and development of one or more facilities of the Company or of its Subsidiaries for the manufacture of Washed Pet Flakes, rPET chips, rPET Filament Yarn/ Textile grade Chips, PPSF and RPSF	8,353.15
3.	General corporate purposes	6,790.09
	Total	**34,143.24**(1)

(1) *Subject to allotment of Equity Shares pursuant to the Issue*

(collectively, referred to hereinafter as the "**Objects**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in this Placement Document.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below

(₹ in lakhs)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
			Fiscal 2024	Fiscal 2025
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and Subsidiaries	19,000.00	19,000.00	-
2.	Funding capital expenditure, including towards expansion and development of one or more facilities of the Company or of its Subsidiaries for the manufacture of Washed Pet Flakes, rPET chips, rPET Filament Yarn/ Textile grade Chips, PPSF and RPSF	8,353.15	3,720.80	4,632.35
3.	General corporate purposes(1)	6,790.09	2,790.09	4,000.00
4.	Total Net Proceeds	**34,143.24**(1)	**25,510.89**	**8,632.35**

(1) *Subject to allotment of Equity Shares pursuant to the Issue*

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds.

In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds*" beginning on page 54.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. **Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and Subsidiaries**

We have entered into various financing arrangements, including borrowings in the form of long-term loans, cash credit facilities and working capital demand loans, among others. As of September 30, 2023 we had total outstanding borrowings (i.e. the sum of our non-current and current borrowings) aggregating to ₹ 64,639.56 lakhs.

We propose to utilise an estimated amount of ₹ 19,000.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment, in full or in part, of certain outstanding unsecured and secured borrowings availed by our Company and its Subsidiaries. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. To the extent required, we have obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals. The repayment / pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio.

Details of utilization

The details of certain outstanding borrowings availed by our Company and its Subsidiaries, proposed for repayment or pre-payment, in full or in part, from the Net Proceeds are set forth below:

No	Name of the lender	Principal loan amount sanctioned (In ₹ lakhs)	Balance amount Outstanding as on December 31, 2023 (In ₹ lakhs)	Amount proposed to be repaid out of the Net Proceeds (In ₹ lakhs)	Tenor and Repayment Schedule	Interest Rate (% p.a.)	Purpose for which disbursed loan amount was sanctioned and utilized	Pre-payment penalty, if any
Ganesha Ecosphere Limited								
1	State Bank of India	6,500.00	5,444.67	5,200.00	Repayable on demand	7.81%	Working Capital	Nil
2	Federal Bank Limited	5,000.00	4,831.75	4,800.00	Repayable on demand	7.90%	Working Capital	Nil
3	Axis Bank Limited	3,250.00	3,142.54	3,000.00	Repayable on demand	8.10%	Working Capital	Nil
4	Bajaj Finance Limited	2,500.00	2,500.00	2,500.00	Repayable on demand	8.25%	Working Capital	Nil
5	Yes bank Limited	1,900.00	1,771.46	1,700.00	Repayable on demand	8.19%	Working Capital	Nil

No	Name of the lender	Principal loan amount sanctioned (In ₹ lakhs)	Balance amount Outstanding as on December 31, 2023 (In ₹ lakhs)	Amount proposed to be repaid out of the Net Proceeds (In ₹ lakhs)	Tenor and Repayment Schedule	Interest Rate (% p.a.)	Purpose for which disbursed loan amount was sanctioned and utilized	Pre-payment penalty, if any
Ganesha Ecotech Private Limited								
1	Axis Bank Limited	1,000.00	993.57	900.00	Repayable on demand	8.10%	Working Capital	Nil
2	Federal Bank Limited	2,000.00	963.42	900.00	Repayable on demand	8.00%	Working Capital	Nil
	Total	**22,150.00**	**19,647.41**	**19,000.00**				

Our Company has obtained a certificate dated January 30, 2024, issued by our Statutory Auditor, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.

2. Funding capital expenditure, including towards expansion and development of one or more facilities of the Company or of its Subsidiaries for the manufacture of Washed Pet Flakes, rPET chips, rPET Filament Yarn/ Textile grade Chips, PPSF and RPSF

We are in the process of strategic expansion of our manufacturing facilities including expansion and development of one or more facilities for the manufacture of one or more products like rPET Chips, rPET Filament yarn/ Textile grade Chips, PPSF and RPSF, including intermediate products in our Company or through our Subsidiaries. Our Company expects to benefit from such investment as we believe our plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and more importantly, drive profitability.

Estimated Cost

The total estimated cost of funding the capital expenditure, including towards expansion and development of one or more facilities for the manufacture of one or more products like rPET chips, rPET Filament yarn/ Textile grade Chips, PPSF and RPSF, including intermediate products, is ₹ 8,353.15 lakhs, and such cost has been certified by way of a certificate dated January 27, 2024 issued by G. Chandra & Associates, Chartered Engineer.

An indicative list of such plant and machinery that is intended to be purchased, along with details of the purchase orders / quotations received in this respect are set forth below, which has been certified by G. Chandra & Associates, Chartered Engineer, pursuant to its certificate dated January 27, 2024:

#	Particulars	Estimated cost (in ₹ lakhs)	Name of supplier/ vendor	Date of Quotation/ Purchase order
	Energy & Safety Components			
1	Fire Fighting Systems (Hydrant, Foam and Detectors)	74.34	Bajaj Fire safety solutions	22-Jan-24
2	Vertiv On Line UPS System 500KVA	105.61	Powertech Solutions	24-Jan-24
3	1500 KVA Silent Diesel Generator Set	107.38	Jakson Limited	24-Jan-24
4	Solar Power Plant 5000 KWp Rooftop SPV System	2,402.75	Solluz Energy Private Limited	01-Jan-24
	Material Handling			
5	Mahindra NOVO 605 DI 4WD V1 Tractor for Material Handling	19.80	Kanha Motors	25-Jan-24
6	Tailift Forklift Truck (With Lithium Ion Battery) Model FBD30	114.20	Toyota Material Handling India Private Limited	23-Jan-24
	Production Line			
7	Refractory for the Thermopac HTM Boiler	21.24	Indian Agencies Corporation	24-Jan-24
8	Piping for the Thermopac HTM Boiler	45.05	Bharat Tubes Corporation	24-Jan-24
9	Therminol 66 - Heat transfer fluid	79.52	Solutia Chemicals India Private Limited	25-Jan-24

#	Particulars	Estimated cost (in ₹ lakhs)	Name of supplier/ vendor	Date of Quotation/ Purchase order
10	Therminol VP-1 Ultra High performance Heat Transfer Fluid	82.09	Solutia Chemicals India Private Limited	25-Jan-24
11	Universal Tester for Filament Yarns DYNAFIL ME+	96.88	Textechno Herbert Stein Gmbh & Co.Kg	18-May-23
12	Flake UV Sorting with Standard Accessories	106.02	Meyer Optoelectronic HK Limited	24-Jan-24
13	Pipe Lines and valves air, water and nitrogen	132.75	Global Engineering Solutions	23-Jan-24
14	Stainless Steel Spinneret	163.76	Sossna Gmbh/ Kesen Nozzle	23-Jan-24
15	Thermopac HTM Boiler - Ultra VTIF - 40 Mn Kcal/hr 325 Deg C	200.34	Thermax Ltd.	15-Dec-22
16	Low Tension (LT) Cables for Distribution	236.00	Reliance Enterprises	24-Jan-24
17	Continuous Dryer System with attendant fitments	309.00	Sathe Engineering Co. Private Limited	06-Aug-23
18	Flake Color and Polymer Sorting Machine with Standard Accessories.	318.06	Meyer Optoelectronic HK Limited	24-Jan-24
19	Erection and Commissioning charges of plant and machinery	472.00	J K Construction & Engineering	05-Jan-24
20	Low Tension (LT) Panel for Electricty	531.00	Sun Engineering Corporation	20-Dec-23
21	PET Bottle Recycling Line and attendant equipment and spares	4,42.56	Chinese Supplier	13-Jan-24
22	PET Chips Plant	2,292.80	Austrian Supplier	01-Jan-24
	Total	**8,353.15**		

Other expenses

We are yet to place orders for most of the aforesaid plant and machinery (in terms of the aggregate estimated cost of plant and machinery to be funded through the Net Proceeds), and have obtained quotations from various vendors to this extent. While the aforesaid quotations cover the project in a comprehensive form, in the process of execution, we may rely on one or more suppliers for supplying materials or services as may be necessary for us to execute the project in a cost efficient and timely manner. If there is any increase in the costs, the additional costs shall be borne by our Company from its internal accruals. For further details, see "*Risk Factors -We are yet to place orders in relation to the capital expenditure for purchase of new plant and machinery at our manufacturing facility at our Warangal. In the event of any delay in delivery of the orders, may result in time and cost over-runs and our business prospects and results of operations may be adversely affected.*"

The quotations received from vendors for the plant and machinery are valid as on the date of this Placement Document. However, we have not entered into any definitive agreements with the vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or that the equipment will be supplied by them at an acceptable commercial. The quantity of equipment and other materials to be purchased is based on management estimates and our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management.

No second-hand or used machinery is proposed to be purchased out of the Issue proceeds.

Government approvals

As on the date of this Placement Document, we have not yet commenced the placement of orders for most of machinery/equipment. No regulatory approvals are required to be obtained as of such date. While we do not require any further licenses / approvals from any governmental authorities at this stage, we will apply for all such necessary approvals that we may require at future relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

For details, "*see Risk Factor -We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition"* and *"Risk Factor –We require various licences and approvals for undertaking our business and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and* *approvals required to operate our business, our business and results of operations may be adversely affected.*" beginning on pages 50 and 47, respectively.

3. General Corporate Purposes

Our Company intends to deploy ₹ 6,790.09 lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any additional capital expenditure, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, marketing/ advertising expenses logistics expenses, installation expenses, accessories, freight, power and other expenses in relation to our proposed capital expenditure or in relation to existing operations, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated January 16, 2024, as the size of our Issue exceeds ₹ 10,000 lakhs. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI.

Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Interim use of Net Proceeds

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation of the Net Proceeds towards the purposes described in this section, shall be invested in money market instruments including money market/debt mutual funds, deposits in scheduled commercial banks or in short term debt or long-term debt or such other permitted modes as per applicable laws and other instruments as approved by the Board of Directors from time to time.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither of our Promoters, members of the Promoter Group, our directors and the group companies are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters, members of the Promoter Group, our Directors and the group companies shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

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CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at September 30, 2023 which has been derived from our Unaudited Consolidated Financial Results and as adjusted to give effect to the receipt of the gross proceeds from the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" beginning on pages 75 and 195, respectively.

(₹ in lakhs)

Particulars	**Pre – Issue**	**Post – Issue**
	As at September 30, 2023 (A) (Consolidated)	**As Adjusted**
Borrowings:		
Current borrowings(including current maturities)	28,985.12	28,985.12
Non-current borrowings	35,654.44	35,654.44
Total indebtedness (A)	**64,639.56**	**64,639.56**
Equity		
Equity Share capital	2,182.94	2,534.70
Other Equity	61,837.95	96,486.18
Total Equity (B)	**64,020.89**	**99,020.88**
Total Capitalization (C = A+B)	**128,660.45**	**1,63,660.44**
Total Indebtedness/ Total Equity	**1.01**	**0.65**

Note:

1. *The above terms in the table shall carry the meaning as per Schedule III of the Companies Act, 2013*
2. *Our Company has allotted 14,49,000 warrants pursuant to preferential allotment on January 18, 2024. The impact of such allotment has not been taken into account for the above disclosure of information.*
3. *As adjusted for the Issue, column in the above table has been adjusted for the number of equity shares issued pursuant to the issue and the proceeds from the issue thereon. It reflects changes in Equity only on account of proceeds from the fresh issue of 35,17,587 equity shares of face value of ₹ 10 each aggregating to ₹ 34,999.99 Lakhs in Equity Share Capital, at an issue price of ₹ 995.00 per Equity Share, including securities premium of ₹ 985.00 per Equity Share aggregating to ₹ 34,648.23 Lakhs in Other Equity. The adjustments do not include any adjustment for issue related expenses and for any other transactions or movement subsequent to September 30, 2023*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

(in ₹ lakhs, except share data)

	Particulars	Aggregate nominal value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	3,40,00,000 Equity Shares of face value ₹10 each	3,400.00
	21,50,000 Preference Shares of face value ₹100 each	2,150.00
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	2,18,29,397 Equity Shares of face value ₹10 each	2,182.94
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 35,17,587 Equity Shares aggregating to ₹34,999.99 lakhs(1) (3)	351.76
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	2,53,46,984 Equity Shares of face value of ₹10 each(3)	2,534.70
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Placement Document)	13,952.72
	After the Issue(2)(3)	48,600.95

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on November 24, 2023. The Shareholders' of our Company have authorised and approved the Issue by way of a special resolution passed through postal ballot on January 13, 2024*

(2) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses*

(3) *Subject to Allotment of Equity Shares pursuant to the Issue*

Equity Share capital history of our Company

The history of the equity share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 20, 1987	70	10	10/	Cash	Subscription to the Memorandum of Association	70	700
November 8, 1988	190,280	10	10/-	Cash	Preferential Issue	1,90,350	19,03,500
January 13, 1989	177,000	10	10/-	Cash	Preferential Issue	3,67,350	36,73,500
February 21, 1989	242,700	10	10/-	Cash	Preferential Issue	6,10,050	61,00,500
January 20, 1992	2,839,950	10	10/-	Cash	Initial Public Offer	34,50,000	3,45,00,000
May 29, 1993	3,450,000	10	15/-	Cash	Rights Issue	69,00,000	6,90,00,000
December 24, 1996	2,000,000	10	10/-	Cash	Preferential Issue	89,00,000	8,90,00,000
December 30, 2005	465,000	10	15/-	Cash	Preferential Issue	93,65,000	9,36,50,000
March 31, 2008	490,000	10	15/-	Cash	Preferential Issue	98,55,000	9,85,50,000
March 25, 2010	515,000	10	11/-	Cash	Preferential Issue	1,03,70,000	10,37,00,000
March 25, 2010	1,950,000	10	20/-	Cash	Preferential Issue	1,23,20,000	12,32,00,000

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
April 1, 2010	1,050,000	10	20/-	Cash	Preferential Issue	1,33,70,000	13,37,00,000
March 28, 2011	300,000	10	40/-	Cash	Preferential Issue	1,36,70,000	13,67,00,000
December 5, 2011	1,516,000	10	40/-	Cash	Preferential Issue	1,51,86,000	15,18,60,000
February 21, 2015	1,015,000	10	64/-	Cash	Preferential Issue	1,62,01,000	16,20,10,000
August 3, 2015	2,725,877	10	114/-	Cash	Preferential Issue	1,89,26,877	18,92,68,770
September 19, 2015	250,000	10	114/-	Cash	Preferential Issue	1,91,76,877	19,17,68,770
May 9, 2018	2,652,520	10	377	Cash	Qualified Institutions Placement	2,18,29,397	21,82,93,970

Further, our Board of Director vide its meeting dated January 18, 2024 allotted 14,49,000 fully convertible equity warrants at an exercise price of ₹1,035.00 (including a premium of ₹1,025.00 per underlying equity share of the face value of ₹ 10.00) each convertible into equal number of Equity Share of face value of ₹10 each. The equity warrants are convertible into Equity Shares, in one or more tranches, within a period of 18 months from the date of allotment.

Employee Stock Option Plan

Pursuant to resolution(s) passed by our Board on January 25, 2021 and by our Shareholders February 26, 2021, our Company formulated and adopted an employee stock option scheme, namely, Ganesha Ecosphere Employees Stock Option Scheme, 2021 ("**GESL ESOP 2021**") to provide for the grant of options to employees of our Company and Subsidiaries who meet the eligibility criteria under GESL ESOP 2021.

As on date of this Placement Document, the Company has not issued any options under GESL ESOP 2021.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the Book Running Lead Managers to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see "*Details of Proposed Allottees*" beginning on page 198.

Pre-Issue and post-Issue equity shareholding pattern

The following table provides the pre-Issue shareholding pattern as of December 31, 2023 and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individuals/ HUFs	65,76,904	30.13	65,76,904	25.95
	Bodies corporate	26,60,109	12.19	26,60,109	10.49
	Sub-total	92,37,013	42.31	92,37,013	36.44
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**92,37,013**	**42.31**	**92,37,013**	**36.44**
B	**Non Promoter holding**				
1.	Institutional investors	45,45,350	20.83	80,62,937#	31.81
2.	Non-Institutional investors	-	-	-	-
	Bodies Corporate	10,72,918	4.92	10,72,918	4.23
	Key Managerial Personnel	39,133	0.18	39,133	0.15
	Indian public	56,80,124	26.02	56,80,124	22.41

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Others including Non- resident Indians (NRIs)	12,15,665	5.57	12,15,665	4.80
	Sub-total (B)	**1,25,53,190**	**57.51**	**1,60,70,777**	**63.40**
C	**Non- Promoter and Non- Public Shareholding**				
1.	Employee Benefit Trust	39,194	0.18	39,194	0.15
	Grand Total (A+B+C)	**2,18,29,397**	**100.00**	**2,53,46,984**	**100.00**

***Includes shareholding of our Promoter Group as well.*
^*Based on beneficiary position data of our Company as on December 31, 2023.*
**The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of December 31, 2023.*
#*Subject to Allotment of Equity Shares pursuant to the Issue*

Other confirmations

(i) Our Promoters, Directors, Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or members of Senior Management (including 'key managerial personnel' under the Companies Act, 2013) are not eligible to subscribe in the Issue.

(ii) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e., December 14, 2023, for approving the Issue.

(iii) Except as set forth in "*Equity share capital history of our Company"* and "*Employee Stock Option Plan"* in the chapter titled "Capital Structure" beginning on page 71, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(iv) As on the date of this Placement Document, our Company does not have outstanding preference shares.

(v) There would be no change in control in our Company consequent to the Issue.

(vi) Our Company has allotted securities on preferential basis in the last one year preceding the date of this Placement Document, the details of which is as below:

Sr. No.	Name of the allottee	No. of fully convertible equity Warrants allotted
1.	GPL Finance Limited	14,49,000

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on August 6, 2021 and further modified on May 25, 2023 ("**Dividend Policy**"), in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see the section titled "*Description of the Equity Shares*" beginning on page 179.

In accordance with our Dividend Policy, the Board of Directors of the Company shall consider the financial and other parameters before making any recommendation/declaration for the dividend including net Profits earned by the Company during the relevant financial year, expected cash requirements towards working capital, capital expenditure in technology, infrastructure, renovation and modernization etc., future expansion plans including organic and inorganic growth opportunities, leverage profile, liquidity and Cash flow position, covenants of loan and other commercial agreements and such other relevant factor or material events that the Board may deem fit. The dividend for any Financial Year shall normally be paid out of our Company profits for that year arrived at in conformity with the relevant provisions of the Companies Act, 2013. The Board may in exceptional circumstances, consider utilizing retained earnings for declaration of dividends, subject to applicable legal provisions.

The following table details the dividend paid by our Company on the Equity:

Particulars	From October 1, 2023 to date of this Placement Document	From April 1, 2023 to September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
No. of Equity Shares	2,18,29,397	2,18,29,397	2,18,29,397	2,18,29,397	2,18,29,397
Face value of Equity Shares (₹ per share)	10.00	10.00	10.00	10.00	10.00
Dividend (Interim) per share (in ₹)	Nil	Nil	Nil	Nil	Nil
Dividend (Final) per share (in ₹)	NA	NA	2.00	2.00	2.00
Total Dividend per share (in ₹)	NA	NA	2.00	2.00	2.00
Total Dividend (in ₹)	NA	NA	4,36,58,794	4,36,58,794	4,36,58,794
Dividend Distribution Tax, where applicable	Nil	Nil	Nil	Nil	Nil
Dividend Rate	NA	NA	20.00%	20.00%	20.00%

Future Dividends

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, working capital requirements, capital expenditure requirements, requirement of resources to fund acquisitions/ and or new business, requirement of cash flow to meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws and dividend pay-out ratios of companies in the same/ similar industry and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "*Taxation*" and "*Risk Factors*" beginning on pages 182 and 36, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscals 2023, 2022, 2021 and the six months' period ended September 30, 2023 and September 30, 2022. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Audited Consolidated Financial Statements including the schedules, annexures and notes thereto and the reports thereon and our unaudited consolidated financial result for six months' period ended September 30, 2023 and September 30, 2022 in the section titled "Financial Information" beginning on page 195.

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" beginning on pages 13 and 36, respectively, and elsewhere in this Placement Document.

*We prepared our Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS").** Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 36 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry data in this section has been derived from the IMARC Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - Certain sections of this Placement Document contain information from the IMARC Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks." beginning on page 49 and "Presentation of Financial and Other Financial Information" beginning on page 10.

OVERVIEW

We are the largest PET waste recycling player in India with an installed capacity of 156,440 MTPA *(Source: IMARC Report)* engaged in the manufacturing of Recycled Polyester Staple Fibre ("**RPSF**"), Dyed Texturised Yarn, Recycled Spun Yarn and recently ventured into manufacturing of rPET Chips, rPET Filament Yarn/ Textile grade Chips and Polypropylene Staple Fibre ("**PPSF**"). Our products find applications in the manufacturing of textiles (t-shirts, body warmers, dress material etc.), functional textiles (non-woven air filter fabric, geo textiles, carpets, car upholstery etc.), filtration and fillings (for pillows, duvets, toys etc.) and F&B packaging. Our business is supported by our manufacturing facilities and a robust PET waste collection network of approximately 250 suppliers across India and Nepal as on December 31, 2023.

Recently, we have launched our own brand "**GoRewise**" which aims to close the plastic recycling loop by manufacturing quality products from recycled PET bottles. We offer variety of products under **GoRewise** such as RPSF, rPET Chips Bottle Grade used for both food grade and non-food grade packaging, rPET Chips - Textile/Sheet Grade to manufacture Recycled Polyester Film/ Sheet and Recycled Polyester Filament Yarns.

We commenced our commercial production in the Fiscal 1990 at our manufacturing unit in Kanpur, which mainly involved dyeing of polyester filament yarn and production of dyed and fancy/ double yarn. In Fiscal 1995, we diversified into manufacturing of recycled polyester staple fibre ("**RPSF**"). Over the years, we increased our installed capacity to 109,200 MTPA of RPSF with the latest capacity addition at our Warangal facility. We also have installed capacity of 7,200 MTPA of Recycled Spun Yarn and 3,000 MTPA of Dyed Texturised Yarn. Additionally, we have installed capacity of 14,000 MTPA of rPET Chips, 12,240 MTPA capacity of rPET Filament Yarn/ Filament-grade Chips, 10,800 MTPA capacity of PPSF in our latest Warangal Facility. We also have a washed PET flakes facility in Nepal with an installed capacity of 12,000 MTPA. We operate through six manufacturing units at Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Bilaspur (Uttar Pradesh), Warangal (Telangana) and Ramgram (Nepal) having an installed capacity of 156,440 MTPA (excluding installed capacity of washed PET flakes).

As of September 30, 2023 and period ending March 31, 2023, March 31, 2022 and March 31, 2021, RPSF has been the biggest contributor to our revenue and have comprised 74.78%, 77.84%, 77.85% and 77.74% respectively of our revenue from operations on consolidated basis.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Placement Document, some of our manufacturing facilities have accreditations such as ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 quality certifications from BSCIC with respect to (i) quality management system; (ii) environmental management system; and (iii) occupational health and safety management system. We have received the Hohenstein Institute's (Germany) authorisation to use the 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. Our Company also has Ocean Bound Plastic certification. We also have a positive opinion/no objection from USFDA and European Food Safety Association (EFSA) for our rPET Chips meant for food grade applications.

We are led by experienced Promoters with significant experience in the RPSF industry. Our Promoter and Chairman, Shyam Sunder Sharmma, started our Company in 1987. He is textile technocrat having management experience of over 59 years including 25 years with various Birla Group Companies. Further, our Promoter and Directors, Vishnu Dutt Khandelwal, Sharad Sharma and Rajesh Sharma have vast experience in the RPSF and synthetic yarn industry and under their leadership we have been able to expand our operations and have established a significant presence in India. We also have qualified and experienced Key Managerial Personnel and Senior Management Personnel that have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of December 31, 2023, our permanent employee base comprises of 2,723 personnel across our operations. In addition to our regular employees, we also engage technical consultants from time to time to seek advice on process control and ways of improving the quality of our products.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

(₹ in lakhs, except as otherwise stated)

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
Revenue from operations	75,113.56	1,02,144.36	1,17,963.14	53,256.90
EBITDA	8,449.64	11,391.20	12,767.59	5,082.58
EBITDA Margin %	11.25%	11.15%	10.82%	9.54%
PAT	4,352.14	6,196.93	6,945.98	624.62
Profit After Tax Margin %	5.72%	6.03%	5.82%	1.16%
Adjusted Average RoCE	9.57%	10.90%	9.50%	NA
Average RoCE	11.14%	11.78%	10.79%	NA
Average RoE	8.75%	11.36%	11.47%	NA
Production volume (MT)*	1,01,451	1,11,250	1,15,136	56,811
Sales volume (MT)*	98,893	1,06,806	1,09,835	54,321
Capacity Utilization %*	84.60%	100.26%	108.21%	106.79%

** Standalone Performance*

Certain Factors Affecting our Results of Operation

Our historical results are not necessarily indicative of the results that may be expected in the future and the quarterly results are not necessarily indicative of results to be expected for the full year or any other period. As a result, our past quarterly operating results are not necessarily indicators of future performance. Our operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control. Our results of operations are affected by a variety of factors that have affected our results in the past and may affect our results in the future.

Performance of the textile industry and demand for our products

Our business is significantly dependent on the growth of the textile and apparel industries in both Indian and international markets. Increasing awareness and concerns about environmental sustainability are driving factors for recycled PSF industry in India. Consumers, industries, and governments are actively seeking eco-friendly alternatives to virgin polyester, and recycled PSF offers a sustainable solution by reducing the reliance on new raw materials. Rising focus on product portfolios expansion among manufacturers is also strengthening the segment growth. The India rPSF market reached a volume of 516 Kilo Tons in 2023, growing at a CAGR of 10.5% during 2017-2023. Looking forward, the India rPSF market is expected to reach a volume of 869 Kilo Tons by 2029, growing at a CAGR of 8.7% during 2024-2029. The India rPSF market reached a value of US$ 540 Million in 2023, growing at a CAGR of 20.8% during 2017-2023. Looking forward, the India rPSF market is expected to reach a value of US$ 1,149 Million by 2029, growing at a CAGR of 12.9% during 2024-2029. *(Source: IMARC Report*) Further, the sales of our RPSF rely heavily on the demand and preferences of end-user consumers of both clothing and non-clothing segments. Accordingly, our results of operations are also affected by the performance of such industries in which our products are used. As a result, an adverse trend in the textile industry may significantly affect our results.

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Price of Raw Materials and absence of long term agreements

The cost of raw materials represents a significant portion of our total expenses. We have an extensive PET waste collection network, which enables it to acquire the necessary amount of raw material at competitive prices. Our cost of materials consumed, purchases of stock-in trade and changes in inventories for the six-month period ended September 30, 2023 and for the Financial Years ended on 2023, 2021 and 2021 was ₹ 33,843.82 lakhs, ₹77,866.51 lakhs, ₹ 65,721.59 lakhs and ₹47,552.78 lakhs, which represented 63.55%, 66.01%, 64.34% and 63.31% of our revenue from operation, respectively. We do not have long term agreements with any of our raw material suppliers and we acquire raw materials from such suppliers through purchase orders. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates. Any material shortage or interruption in the domestic or imported supply or deterioration in quality of the raw materials due to natural causes or other factors could result in increased costs that we may not be able to pass on to customers

Capacity utilization and operating efficiencies

Our Company operates with six manufacturing facilities situated in Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Warangal (Telangana), Nepal and Bilaspur (Uttar Pradesh). Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a larger production numbers of our products, thereby increasing our profit margins. Production in our manufacturing facilities is also affected by factors like the number of lost days due to periodical maintenance closures and unscheduled plant shutdowns. While we continue to focus on improving our operational efficiencies and reducing operating costs, there are a number of factors that are beyond our control and that could impact our ability to effectively utilize our manufacturing facilities. Any inability to optimally utilize our existing manufacturing capacities or maintain operating efficiencies could impact our business and results of operations. Ramping up of new facility at Warangal would also be a key factor affecting our performance.

Compliance with stringent labour laws or other industry standards

Our manufacturing activities are labour-intensive and accordingly we employ a large workforce. As on December 31, 2023, we employed 2,723 employees. We are subject to a number of stringent labour laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes significant financial obligations on employers. Strikes, lock-outs and other labour action may have an adverse impact on our operations. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, we may be unable to recruit employees, in particular skilled employees and retain our current workforce.

Delay in implementation of Plastic Waste Management Rules, 2016/ Plastic Waste Management (Amendment) Rules, 2022

Currently, a significant portion of the recycled PET is being used in the country to make Recycled Polyester Staple Fiber (rPSF) which is being sold at a lower price as compared to that of the virgin PSF. With the implementation of the regulations of the Plastic Waste Management Rules, 2016 ("**PWM Rules 2016**")/ Plastic Waste (Amendment) Rules, 2022 ("**PWM (Amendment) Rules, 2022**"), as amended, we believe a major proportion of the recycled PET which is currently being used to manufacture rPSF may shift towards making bottle to bottle chips to meet the targets mentioned in the rules. This may result in a shortage of PET bottles waste and may result in increase in the prices of our raw material i.e. PET waste bottles. Our Company recycles bottles under our rPET chips business segment and as per Extended Producer Responsibility for Plastic Packaging, category II companies as laid under schedule II of Plastic Waste Management (Amendment) Rules, 2022 are responsible to use a minimum of 30.00% of recycled content into plastic packaging of their products starting from Fiscal 2026. Any change in the Plastic Waste Management (Amendment) Rules, 2022, wherein the extended producer responsibility of consuming a minimum of 30.00% of plastic waste is reduced or done away with and if the implementation of such rules is delayed, will hamper our prospective business opportunity and monies already invested.

Macroeconomic Conditions

Our business depends substantially on global economic conditions. Macroeconomic factors, both in India and globally, such as economic instability, political uncertainty other force majeure events could influence our performance. In addition, fluctuations in interest rates, exchange rates and inflation rates have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations. Our business and results of operations are also affected by evolving regulatory requirements, Government initiatives, trade agreements and other factors that affect the recycling and textiles industries. We expect that macroeconomic conditions, changes in consumer confidence and interest rates will have a significant impact on our business and results of operations in future periods.

SIGNIFICANT ACCOUNTING POLICIES

See the section of this Placement Document titled "*Financial Information*" for a description of our significant accounting policies used in the preparation of our Audited Financial Statements.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: EBITDA, EBITDA Margin, Profit After Tax Margin, Average Return on Capital Employed, Adjusted Average Return on Capital Employed, Average Return on Equity, production volume, sales volume and capacity utilization. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 195.

(₹ in lakhs, except as otherwise stated)

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
Revenue from operations	75,113.56	1,02,144.36	1,17,963.14	53,256.90
EBITDA	8,449.64	11,391.20	12,767.59	5,082.58
EBITDA Margin %	11.25%	11.15%	10.82%	9.54%
PAT	4,352.14	6,196.93	6,945.98	624.62
Profit After Tax Margin %	5.72%	6.03%	5.82%	1.16%
Adjusted Average RoCE	9.57%	10.90%	9.50%	NA
Average RoCE	11.14%	11.78%	10.79%	NA
Average RoE	8.75%	11.36%	11.47%	NA
Production volume (MT)*	1,01,451	1,11,250	1,15,136	56,811
Sales volume (MT)*	98,893	1,06,806	1,09,835	54,321
Capacity Utilization %*	84.60%	100.26%	108.21%	106.79%

**** Standalone Performance***

Total Income

We divide our Total Income into revenue from operations and other income. The following table presents a breakdown of our total revenue for the periods indicated:

(In ₹ lakhs)

	Year ended March 31,		
	2023	2022	2021
Revenue from Operations	**1,17,963.14**	**1,02,144.36**	**75,113.56**
Sale of products	1,16,382.08	1,00,770.66	74,225.58
Other operating revenues	1,581.06	1,373.70	887.98
Other Income	**1,338.73**	**691.46**	**943.01**
TOTAL Income	**1,19,301.87**	**1,02,835.82**	**76,056.57**

Revenue from Operations

Our revenue from operations comprises of sale of products and other operating revenues.

Sale of Products

Our sale of products is divided between sale of finished goods (including processing waste) and sale of stock-in-trade Manufactured and Traded Goods. The following table presents a breakdown of our sale of our products for the periods indicated:

(In ₹ lakhs)

	Year ended March 31,		
	2023	2022	2021
Finished goods (including process waste)	1,10,680.48	98,457.40	72,212.99
Stock-in-trade	5,701.60	2,313.26	2,012.59
Total Sale of Manufactured Goods	**1,16,382.08**	**1,00,770.66**	**74,225.58**

Other Operating Revenue

Our operating income mainly comprises of sale of waste and scrap, job work receipts, insurance claims received, export incentives, allowance for doubtful trade receivables written back (net), income from recycling certification, liabilities no longer required written back.

Other Income

Other income comprises of interest income, government grants, gain on foreign currency fluctuations and translations (net), profit on sale of investments, fair value gain on financial assets, profit on sale/ discard of property, plant and equipment (net), lease rental charges and miscellaneous income.

EXPENSES

Our expenses consist primarily of (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses. The following table presents a breakdown of our total expenses for the periods indicated:

(In ₹ lakhs)

	Year ended March 31,		
	2023	2022	2021
Cost of Materials Consumed	74,670.08	65,501.77	46,035.61
Purchase of Stock-in-Trade	6,039.42	2,101.42	1,876.54
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(2,842.99)	(1,881.60)	(359.37)
Employee Benefits Expenses	6,720.20	5,788.47	4,800.95
Finance Costs	1,693.78	976.12	881.28
Depreciation and Amortization Expense	2,915.08	2,840.13	2,716.18

	Year ended March 31,		
	2023	**2022**	**2021**
Other expenses	20,608.84	19,243.10	14,310.19
Total Expenses	**1,09,804.41**	**94,569.41**	**70,261.38**

Cost of Materials Consumed

Cost of materials consumed is what is directly attributable to the manufacture of the finished products. Raw materials and components consumed includes plastic/ PET bottles scraps, POY/ texturised/ twisted yarn, colour & chemicals, packaging material and expenses.

Purchase of Stock-in-Trade

Purchases of stock-in-trade are products that we acquire from our third-party vendors for further sale without any processing or carrying out any manufacturing operations and comprises of polyester staple fibre, yarn and plastic scrap.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade is the difference between the inventories at the beginning (including inventories of trial run production and goods-in-transit) and end of the accounting period (including goods-in-transit and excluding inventories of trial run production).

Employee benefits expense

Employee benefit expense comprises of (i) salaries and wages; (ii) contribution to provident and other funds; (iii) Gratuity expense and (iv) staff welfare expenses.

Finance costs

Finance costs include primarily interest expense. It also includes other borrowing costs like processing charges and other bank charges and Exchange differences regarded as an adjustment to borrowing cost.

Depreciation and amortization expense

Depreciation and amortization expense comprises of depreciation on property, plant and equipment, amortization of intangible assets and amortization of ROU assets.

Other expenses

Other expenses majorly include manufacturing expenses, administrative expenses and selling expenses. The following table presents the particulars of our other expenses for the periods indicated:

	Year ended March 31,		
	2023	**2022**	**2021**
Manufacturing Expenses	**13,313.97**	**12,208.53**	**9,707.72**
Consumption of Stores and Spares	2,731.14	2,369.52	2,010.48
Power and Fuel	10,052.53	8,486.28	6,861.02
Processing Charges	-	796.98	445.78
Repairs			
- Plant and machinery	477.51	451.72	325.29
- Buildings	52.79	104.03	65.15
Administrative Expenses	**2,235.09**	**1,523.45**	**1,271.79**
Rent	116.85	110.72	116.89
Rates and Taxes	17.14	9.68	59.44
Insurance	320.50	164.37	136.74
Repairs and maintenance – others	123.56	93.15	79.13
CSR expenditure	147.50	158.60	162.80
Travelling and Conveyance	200.43	132.13	107.73
Communication costs	50.81	40.94	37.19
Printing and Stationery	45.82	38.91	34.65

	Year ended March 31,		
	2023	2022	2021
Legal and professional fee	67.88	102.22	60.07
Cost Auditors' Remuneration	1.20	1.10	1.00
Directors' Sitting Fee	1.60	1.85	2.50
Payments to Auditor	29.13	17.08	13.98
Money lost in cyber fraud	-	213.78	-
Bad debts/ advances written off	-	-	42.51
Allowances for doubtful trade receivables and advances	35.88	12.60	10.31
Loss on sale/ discard of property, plant and equipment (net)	-	3.29	18.53
Fair value (loss)/ gain on financial assets	11.71	-	-
Miscellaneous expenses	182.64	125.10	112.61
Vehicle running and maintenance	102.76	89.73	63.12
Commission to non-executive directors	56.00	55.50	56.89
Security service charges	180.67	152.70	140.10
Loss on foreign currency fluctuations and translations (net)	33.37	-	15.60
Insurance claim settlement loss written off	509.64	-	-
Selling Expenses	**5,059.78**	**5,511.12**	**3,330.68**
Freight and Forwarding charges	4,465.55	5,055.68	2,980.96
Other selling and distribution expenses	594.23	455.44	349.72
Other Expenses – TOTAL	**20,608.84**	**19,243.10**	**14,310.19**

RECENT FINANCIAL PERFORMANCE

The following discussion of our Company's results of operations is based on the Unaudited Interim Financial Results of our Company for the six months ended September 30, 2023. The Unaudited Interim Financial Results for the six months ended September 30, 2023 are not necessarily indicative of results of operations that may be expected for the full year and do not reflect the financial results of our Company for the full year.

Summary Results of Operations

The following table presents our consolidated statement of profit and loss data for the periods indicated:

	Six months ended September 30,*			
	2023		2022	
	Amount	% of Total Income	Amount	% of Total Income
Income				
Revenue From operations	53,256.90	98.85%	60,552.74	99.55%
Other Income	617.17	1.15%	272.20	0.45%
Total Income	**53,874.07**	**100.00%**	**60,824.94**	**100.00%**
EXPENSES				
Cost of materials consumed	34,066.49	63.23%	37,591.39	61.80%
Purchases of stock-in-trade	966.51	1.79%	1,144.69	1.88%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,189.18)	-2.21%	2,179.33	3.58%
Employee benefits expenses	3,600.84	6.68%	3,095.08	5.09%
Finance costs	2,302.00	4.27%	620.87	1.02%
Depreciation and amortization expense	2,465.09	4.58%	1,338.60	2.20%
Power & fuel	5,485.78	10.18%	5,037.62	8.28%
Other expenses	5,243.87	9.73%	5,314.05	8.74%
Total expenses	**52,941.41**	**98.27%**	**56,321.63**	**92.60%**
Profit before tax	**932.66**	**1.73%**	**4,503.31**	**7.40%**
Tax expense				
Current tax	743.16	1.38%	1,201.86	1.98%
Deferred tax charge/ (credit)	(435.12)	-0.81%	4.71	0.01%
Total tax expense	**308.04**	**0.57%**	**1,206.57**	**1.98%**
Profit for the year	**624.62**	**1.16%**	**3,296.74**	**5.42%**

	Six months ended September 30,*			
	2023		2022	
	Amount	% of Total Income	Amount	% of Total Income
Other comprehensive income				
Items that will not be reclassified to profit or loss Re-measurement gain on defined benefit obligation	26.88	0.05%	2.03	0.00%
Income-tax relating to above item	(6.55)	(0.01%)	(0 .51)	(0.00%)
Total comprehensive income for the year	**644.95**	**1.20%**	**3,298.26**	**5.42%**

** as per the unaudited financial results of our Company, subjected to limited review.*

Comparison of the six months ended September 30, 2023 to September 30, 2022

Total Income

Our total income in the six months period ended September 30, 2023 was ₹53,874.07 lakhs, which represented a decrease of 11.43% over our total income in the six months period ended September 30, 2022 of ₹ 60,824.94 lakhs.

Revenue from Operations

Our revenue from operations in the six months period ended September 30, 2023 was ₹53,256.90 lakhs, which represented a decrease of 12.05% over our revenue from operations in the six months' period ended September 30, 2022 of ₹60,552.74 lakhs. The decrease was primarily due to headwinds in the Indian textile industry which resulted in reduction in exports from India and paved the way for cheaper fabrics from other countries such as China, Vietnam, Bangladesh and other neighbouring countries. Cheaper products coupled with overcapacity in yarn segment resulted into steep fall in prices of yarn and fabric. There was a fall in cotton prices as well as price softening in polyester feed stock. All these factors resulted into drop in average realizations in standalone business and hence, in overall revenue. Also, we could not ramp up some of the product lines that were commercially operational as expected. Our product testing and trials at customer level also took more than expected time period due to various processes involved including audits and product approvals. Global and domestic slowdown in demand also contributed in slower ramp up of production volumes.

Other income

Our other income in the six months period ended September 30, 2023 was ₹ 617.17 lakhs, which represented an increase of 126.73% from our other income in the six months period ended September 30, 2022 of ₹272.20 lakhs, owing to Interest income which has increased marginally from ₹ 219.68 lakhs to ₹ 448.17 lakhs, Government grants ₹61.07 lakhs during six months period ended September 30,2023 as compared to ₹ 26.48 lakhs during six months period ended September 30, 2022 & fair value gain on investments increased from ₹24.36 lakhs for the period ended September 30, 2022 to ₹ 81.93 lakhs for the period ended September 30, 2023. Income on account of Lease rental charges also increased to ₹ 8.99 lakhs for the period ended September 30, 2022 to ₹ 20 lakhs for the period ended September 30, 2023

Expenses

Our total expenses in the six months period ended September 30, 2023 was ₹52,941.41 lakhs, which represented a decrease of 6.00% from our total expenses in the six months period ended September 30, 2022 of ₹56,321.63 lakhs. Our total expenses as a percentage of revenue from operations increased from 93.01% in the six months ended September 30, 2022 to 99.41% in the six months ended September 30, 2023.

Cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade

Our cost of materials consumed, purchases of stock-in trade and changes in inventories was ₹33,843.82 lakhs in the six months period ended September 30, 2023, which represented a decrease of 17.28% from our cost of materials consumed in the six months period ended September 30, 2022 of ₹40,915.41 lakhs. As a percentage of revenue from operations, our cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress decreased from 67.57% in the six months period ended September 30, 2022 to 63.55% in the six months period ended September 30, 2023. Cost of material as a percentage of revenue from operations decreased due to disproportionate decrease in sale prices as compared to decrease in prices of raw materials.

Employee benefit expense

Our employee benefit expense in the six months period ended September 30, 2023 was ₹3,600.85 lakhs, which represented an increase of 16.34% from our employee benefit expense in the six months period ended September 30, 2022 of ₹3,095.08 lakhs. The increase in employee benefit expense was primarily because of ramp up of Warangal operations. As a percentage of revenue from operations, our employee benefit expense increased from 5.11% in the six months period ended September 30, 2022 to 6.76% in the six months period ended September 30, 2023.

Finance Cost

Our finance cost in the six months' period ended September 30, 2023 was ₹2,302.00 lakhs, which represented an increase of 270.77% from our finance cost in the six months period ended September 30, 2022 of ₹620.87 lakhs. The increase in finance cost was primarily due to increase in total debt from ₹ 35,782.01 lakhs as on 31st March 2022 to ₹ 64,639.56 lakhs as September 30, 2023 As a percentage of revenue from operations, our finance cost increased from 1.03% in the six months' period ended September 30, 2022 to 4.32% in the six months ended September 30, 2023.

Depreciation and amortization expense

Our depreciation and amortization expense in the six months ended September 30, 2023 was ₹2,465.09 lakhs, which represented an increase of 84.15% from our depreciation and amortization expense in the six months' period ended September 30, 2022 of ₹1,338.60 lakhs. The increase was primarily due to increase in capex towards Nepal and Warangal project and build-up of fixed assets.

Power and Fuel

Our power and fuel expense in the six months' period ended September 30, 2023 was ₹5,485.78 lakhs, which represented an increase of 8.90% from our power and fuel expense in the six months period ended September 30, 2022 of ₹5,037.62 lakhs. The increase in power and fuel expense was primarily due to ramp up of manufacturing operations at our units in Warangal and Nepal

Other expenses

Our other expenses in the six months ended September 30, 2023 was ₹ 5,243.87lakhs, which represented a decrease of 1.32% from our other expenses in the six months period ended September 30, 2022 of ₹ 5,314.05 lakhs mainly due to decrease in freight expenses, which got decreased due to lower exports.

Profit before tax

Our profit before tax in the six months period ended September 30, 2023 was ₹932.66 lakhs, which represented a decrease of 79.29% from our profit before tax in the six months period ended September 30, 2022 of ₹4,503.31 lakhs. The decrease in profit before tax was primarily due to the reasons as explained above. As a percentage of revenue from operations, our profit before tax decreased from 7.44% in the six months period ended September 30, 2022 to 1.75% in the six months period ended September 30, 2023. The reduction in profits is mainly because of the reasons explained above.

Tax expense

Our tax expense in six months period ended September 30, 2023 was ₹308.04 lakhs, which represented a decrease of 74.47% from our tax expense in six months period ended September 30, 2022 of ₹1,206.57 lakhs. The decrease in tax expense is proportional to the decrease in profit before tax which was ₹4,503.31 lakhs for the six months period ended September 30, 2022 to ₹932.66 lakhs for the six months period ended September 30, 2023 signifying a decrease of 79.29%.

Profit for the period

As a result of the foregoing, our profit for the six months period ended September 30, 2023 was ₹624.62 lakhs, which represented a reduction of 81.05% from our profit for the period of six months period ended September 30, 2022 of ₹ 3,296.74 lakhs.

SUMMARY RESULTS OF OPERATIONS

The following table presents our statement of profit and loss data for Financial Year 2023, Financial Year 2022 and Financial Year 2021, components of which are expressed as a percentage of total revenue for the corresponding periods:

(In ₹ lakhs, except percentage of total revenue)

Particulars	Financial Year 2023		Financial Year 2022		Financial Year 2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Income						
Revenue From operations	1,17,963.14	98.88%	1,02,144.36	99.33%	75,113.56	98.76%
Other Income	1,338.73	1.12%	691.46	0.67%	943.01	1.24%
Total Income	**1,19,301.87**	**100.00%**	**1,02,835.82**	**100.00%**	**76,056.57**	**100.00%**
EXPENSES						
Cost of materials consumed	74,670.08	62.59%	65,501.77	63.70%	46,035.61	60.53%
Purchases of stock-in-trade	6,039.42	5.06%	2,101.42	2.04%	1,876.54	2.47%
Changes in inventories of finished goods, stock-in-trade and work-in progress	(2,842.99)	(2.38%)	(1,881.60)	(1.83%)	(359.37)	(0.47%)
Employee benefits expenses	6,720.20	5.63%	5,788.47	5.63%	4,800.95	6.31%
Finance costs	1,693.78	1.42%	976.12	0.95%	881.28	1.16%
Depreciation and amortization expense	2,915.08	2.44%	2,840.13	2.76%	2,716.18	3.57%
Other expenses	20,608.84	17.27%	19,243.10	18.71%	14,310.19	18.82%
Total expenses	**1,09,804.41**	**92.04%**	**94,569.41**	**91.96%**	**70,261.38**	**92.38%**
Profit before tax	**9,497.46**	**7.96%**	**8,266.41**	**8.04%**	**5,795.19**	**7.62%**
Tax expense						
Current tax	2,525.73	2.12%	2,263.57	2.20%	1253.26	1.65%
Deferred tax charge/ (credit)	25.75	0.02%	-194.09	-0.19%	189.79	0.25%
Total tax expense	**2,551.48**	**2.14%**	**2,069.48**	**2.01%**	**1,443.05**	**1.90%**
Profit for the year	**6,945.98**	**5.82%**	**6,196.93**	**6.03%**	**4,352.14**	**5.72%**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement gain on defined benefit obligation	47.95	0.04%	4.07	0.00%	42.82	0.06%
Less: Income-tax relating to above item	12.09	0.01%	1.02	0.00%	10.78	0.01%
Total comprehensive income for the year	**6,981.84**	**5.85%**	**6,199.98**	**6.03%**	**4,384.18**	**5.76%**

DISCUSSION ON THE RESULTS OF OPERATIONS

Comparison of Financial Year 2023 to Financial Year 2022

Total Income

Our total income during the Financial Year 2023 was ₹1,19,301.87 lakhs, which represented an increase of 16.01% over our total income during Financial Year 2022 of ₹1,02,835.82 lakhs.

Revenue from operations

Our revenue from operations in Financial Year 2023 was ₹1,17,963.14 lakhs, which represented an increase of 15.49% over our revenue from operations in Financial Year 2022 of ₹1,02,144.36 lakhs. The increase was primarily due to increase in capacity utilizations of standalone operations to 108.21% in Financial Year 2023 compared to Capacity Utilization of 100.26% in Financial Year 2022 and also on account of commencement of operations by our subsidiaries namely Ganesha Ecotech Private Limited and Ganesha Overseas Private Limited w.e.f. February 1, 2023. Also, there was an increase in the realization per tonne (revenue from operations divided by quantity sold) by 7.22% in the Financial Year 2023. Sale of finished goods (including process waste) increased by 12.41% from ₹98,457.40 lakhs in Financial Year 2022 to ₹1,10,680.48 lakhs in Financial Year 2023. Income from recycling certification increased by 83.21% from ₹399.42 lakhs in Financial Year 2022 to ₹731.76 lakhs in Financial Year 2023. Income from sale of waste and scrap marginally increased by 1.76% from ₹360.95 lakhs in Financial Year 2022 to ₹367.31 lakhs in Financial Year 2023.

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.

Other income

Our other income in Financial Year 2023 was ₹1,338.73 lakhs, which represented an increase of 93.61% from our other income in Financial Year 2022 of ₹691.46 lakhs. The increase was primarily as a result of increase in interest income from ₹ 353.24 lakhs in Financial Year 2022 to ₹ 1,101.15 lakhs in Financial Year 2023 and increase in profit on sale/ discard of property, plant and equipment (net) from Nil in Financial Year 2022 to ₹ 134.90 lakhs in the Financial Year 2023, which was partially offset by decrease in fair value gain on financial assets from ₹106.44 lakhs in Financial Year 2022 to ₹ Nil in Financial Year 2023 and decrease in gain on foreign currency fluctuations and translations (net) from ₹28.34 lakhs in Financial Year 2022 to nil in Financial Year 2023.

Total Expenses

Our total expenses in Financial Year 2023 were ₹1,09,804.41 lakhs, which represented an increase of 16.11% over our total expenses in Financial Year 2022 of ₹94,569.41 lakhs. However, as a percentage of revenue from operations, our total expenses increased from 92.58% in Financial Year 2022 to 93.08% in Financial Year 2023.

Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories

Our cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹77,866.51 lakhs in Financial Year 2023, which represented an increase of 18.48% over our cost of materials consumed of ₹65,721.59 lakhs in Financial Year 2022, which is in consonance to the increase in our revenue from operations. As a percentage of revenue from operations, our cost of materials consumed along with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade increased from 64.34% in Financial Year 2022 to 66.01% in Financial Year 2023.

Employee benefits expense

Our employee benefit expense in Financial Year 2023 was ₹ 6,720.20 lakhs, which represented an increase of 16.10% over our employee benefit expense in Financial Year 2022 of ₹ 5,788.47 lakhs. This increase was predominantly due to increase in median salary of 5.6%. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2023 was 6.79%, whereas the increase in the managerial remuneration for the same financial year was 73.52%. As a percentage of revenue from operations, our employee benefit expense grew marginally from 5.67% in Financial Year 2022 to 5.70% in Financial Year 2023.

Finance costs

Our finance costs in Financial Year 2023 was ₹1,693.78 lakhs, which increased by 73.52% from our finance costs in Financial Year 2022 of ₹976.12 lakhs. The increase was primarily due to gradual increase in interest rates by our lenders in line with increase in Repo rate by RBI. Interest expenses has also increased due to investments in ongoing projects at Warangal. Increase in total debt was from ₹ 35,782.01 lakhs as on March 31, 2022 to ₹ 50,546.35 lakhs as on March 31, 2023

Depreciation and amortization expense

Our depreciation and amortization expense in Financial Year 2023 was ₹2,915.08 lakhs, which represented an increase of 2.64% over our depreciation and amortization expense in Financial Year 2022 of ₹2,840.13 lakhs.

Other expenses

Our other expenses in Financial Year 2023 were ₹20,608.84 lakhs, which represented an increase of 7.10% over our other expenses in Financial Year 2022 of ₹19,243.10 lakhs. The increase was primarily due to increase in manufacturing expense from ₹12,208.53 lakhs in Financial Year 2022 to ₹ 13,313.97 lakhs in Financial Year 2023, increase in administrative expense from ₹ 1,523.45 lakhs in Financial Year 2022 to ₹ 2,235.09 lakhs in Financial Year 2023 and set off against decrease in selling expense from ₹ 5,511.12 lakhs in Financial Year 2022 to ₹ 5,059.78 lakhs in Financial Year 2023. Increase in expenses is majorly due to start of commercial operations by our subsidiaries Ganesha Ecotech Private Limited and Ganesha Overseas Private Limited during the last quarter of financial year as well as insurance claim settlement loss written off amounting ₹ 509.64 lakhs reported during Financial Year 2023. However, as a percentage of revenue from operations, our other expenses decreased from 18.84% in Financial Year 2022 to 17.47% in Financial Year 2023.

Profit before tax

Our profit before tax in Financial Year 2023 was ₹9,497.46 lakhs, an increase of 14.89% over our profit before tax in Financial Year 2022 of ₹8,266.41 lakhs. The increase is due to reasons explained above under various heads for financial Year 2023.

Total tax expense

Our total tax expense in Financial Year 2023 was ₹2,551.48 lakhs, as compared to total tax expense in Financial Year 2022 of ₹2,069.48 lakhs. Our tax expense in Financial Year 2023 increased due to increase in our total profits.

Profit for the year

As a result of the foregoing, our profit for the year in Financial Year 2023 was ₹6,945.98 lakhs, an increase of 12.09% over our profit before tax in Financial Year 2022 of ₹6,196.93 lakhs.

Comparison of Financial Year 2022 to Financial Year 2021

Total Income

Our total income in Financial Year 2022 was ₹1,02,835.82 lakhs, which represented an increase of 35.21% over our total income in Financial Year 2021 of ₹76,056.57 lakhs.

Revenue from operations

Our revenue from operations in Financial Year 2022 was ₹1,02,144.36 lakhs, which represented an increase of 35.99% over our revenue from operations of ₹75,113.56 lakhs in Financial Year 2021. The increase was primarily due to increase in capacity utilizations to 100.26% in Financial Year 2022 compared to Capacity Utilization of 84.60% in Financial Year 2021. Also, there was an increase in the realization per tonne (sale of finished products divided by quantity sold) by 26.24%. The growth in revenue was achieved on the back of higher realizations of rPSF and yarn.

Sale of products (including stock-in-trade) was increased by 35.76% from ₹74,225.58 lakhs in Financial Year 2021 to ₹1,00,770.66 lakhs in Financial Year 2022. Income from export incentives increased by 149.88% from ₹184.87 lakhs in Financial Year 2021 to ₹461.95 lakhs in Financial Year 2022. Income from sale of waste and scrap increased by 38.58% from ₹260.47 lakhs in Financial Year 2021 to ₹360.95 lakhs in Financial Year 2022. Income from recycling certification increased by 34.11% from ₹297.82 lakhs in Financial Year 2021 to ₹399.42 lakhs in Financial Year 2022.

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.

Other income

Our other income in Financial Year 2022 was ₹691.46 lakhs, which represents a decrease of 26.68% over our other income in Financial Year 2021 of ₹943.01 lakhs. The decrease was primarily as a result of decrease in fair value gain on financial assets from ₹510.71 lakhs in Financial Year 2021 to ₹106.44 lakhs in Financial Year 2022 and decrease in profit on sale investment from ₹161.80 lakhs in Financial Year 2021 to ₹ 147.91 lakhs in the Financial Year 2022, which was partially offset by increase in interest income from ₹210.83 lakhs in Financial Year 2021 to ₹353.24 lakhs in Financial Year 2022 and increase in gain on foreign currency fluctuations and translations (net) from ₹Nil in Financial Year 2021 to ₹28.34 lakhs in Financial Year 2022.

Total Expenses

Our total expenses in Financial Year 2022 were ₹94,569.41 lakhs, which represented an increase of 34.60% over our total expenses in Financial Year 2021 of ₹70,261.38 lakhs. The increase in total expenses is in line with the increase in production and our revenue from operations. As a percentage of revenue from operations, our total expenses decreased from 93.54% in Financial Year 2021 to 92.58% in Financial Year 2022.

Cost of materials consumed, purchases of stock-in-trade and changes in inventories

Our cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹65,721.59 lakhs in Financial Year 2022, which represented an increase of 38.21% over our cost of materials consumed of ₹47,552.78 lakhs in Financial Year 2021, which is on account of increase in prices of raw material in the Financial Year 2022. As a percentage of revenue from operations, our cost of materials consumed increased marginally from 63.31% in Financial Year 2021 to 64.34% in Financial Year 2022.

Employee benefit expense

Our employee benefit expense in Financial Year 2022 was ₹5,788.47 lakhs, which represented an increase of 20.57% over our employee benefit expense in Financial Year 2021 of ₹4,800.95 lakhs. The increase was mainly due to average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2022 was 0.85%, whereas the increase in the managerial remuneration for the same financial year was 30.04%.

Finance costs

Our finance costs in Financial Year 2022 were ₹976.12 lakhs, which increased by 10.76% over our finance cost in Financial Year 2021 of ₹881.28 lakhs. This increase was primarily due to higher utilization of our working capital facilities. As a percentage of revenue from operations, finance costs have, however, decreased to 0.96% during Financial Year 2022 from 1.17% during Financial Year 2021.

Depreciation and amortization expense

Our depreciation and amortization expense in Financial Year 2022 was ₹2,840.13 lakhs, which represented an increase of 4.56% over our depreciation and amortization expense in Financial Year 2021 of ₹2,716.18 lakhs.

Other expenses

Our other expenses in Financial Year 2022 were ₹19,243.10 lakhs, which represented an increase of 34.47% over our other expenses of ₹14,310.19 lakhs in Financial Year 2021. The increase was largely due to increase in manufacturing expense from ₹ 9,707.72 lakhs in Financial Year 2021 to ₹ 12,208.53 lakhs in Financial Year 2022, increase in administrative expense from ₹ 1,271.79 lakhs in Financial Year 2021 to ₹ 1,523.45 lakhs in Financial Year 2022 and increase in selling expense from ₹ 3,330.68 lakhs in Financial Year 2021 to ₹ 5,511.12 lakhs in Financial Year 2022. The major portion of increase is attributable to increase in freight and selling expenditure, mainly on export sale, which was more than doubled from ₹6,053.15 lakhs during Financial Year 2021 to ₹12,971.04 Lakhs during Financial Year 2022. Further, after pandemic, the freight charges had increased during Financial Year 2022.As a percentage of total revenue, our other expenses decreased from 19.05% in Financial Year 2021 to 18.84% in Financial Year 2022.

Profit before tax

Our profit before tax in Financial Year 2022 was ₹8,266.41 lakhs, which represented an increase of 42.64% over our profit before tax as compared to a profit before tax in Financial Year 2021 of ₹5,795.19 lakhs. The increase is due to reasons explained above under various heads for financial Year 2022.

Total tax expense

Our total tax expense in Financial Year 2022 was ₹2,069.48 lakhs, which represented an increase of 43.41% over our net tax expense in Financial Year 2021 of ₹1,443.05 lakhs.

Profit for the year

As a result of the foregoing, our profit in Financial Year 2022 was ₹6,196.93 Lakhs, signifying an increase of 42.39% over our profit in Financial Year 2021 of ₹4,352.14 lakhs.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs have been to finance our working capital need; capital expenditure needs as well as scheduled repayment of borrowings. We have financed our operations primarily by way of cash flow from operations, long and short-term borrowings as well as equity capital infusion. As at March 31, 2023, we had cash and cash equivalents of ₹426.72 lakhs.

CASH FLOWS

The following table presents our consolidated net cash flows for the periods indicated:

(In ₹ lakhs)

	Year ended March 31,		
	2023	**2022**	**2021**
Net cash from Operating Activities	2,024.90	6,481.74	2,739.87
Net cash used in Investing Activities	(16,636.58)	(25,453.80)	(4,948.02)
Net cash from Financing Activities	12,828.09	20,751.60	2,322.67
Net increase/ (decrease) in Cash and Cash Equivalents	(1,783.59)	1,779.54	114.52

Net cash from Operating Activities

Net cash from operating activities includes cash generated from our operations and net cash inflows or outflows from changes in operating assets and liabilities.

Our net cash from operating activities for Fiscal 2023 was ₹2,024.90 lakhs. While our profit before tax as per statement of profit and loss was ₹9,497.46 lakhs for Fiscal 2023, we had operating profit before working capital changes of ₹12,672.63 lakhs, primarily as a result of adjustments made for non-cash items such as depreciation and amortization expense, interest expense, interest income, profit on sale of investments and (Profit)/ loss on sale/ discard of property, plant and equipment (net). Our working capital adjustments to our net cash generated from operations for Fiscal 2023 included increase in inventories of ₹8,376.41 lakhs, increase in other receivables and prepayments of ₹1,089.79 lakhs, decrease in trade receivables of ₹ 116.26 lakhs, increase in trade payables of ₹941.40 lakhs, decrease in other payables of ₹51.09 lakhs and increase in provisions of ₹109.75 lakhs.

Our net cash from operating activities for Fiscal 2022 was ₹6,481.74 lakhs. While our profit before tax as per statement of profit and loss was ₹8,266.41 lakhs for Fiscal 2022, we had operating profit before working capital changes of ₹11,136.88 lakhs, primarily as a result of adjustments made for non-cash items such as depreciation and amortization expense, interest expense, interest income, (Gain)/ loss on foreign currency fluctuations and translations (net), Fair value gain on financial assets and profit on sale of investments. Our working capital adjustments to our net cash from operations for Fiscal 2022 included increase in inventories of ₹2,181.51 lakhs, increase in trade receivables of ₹1,040.76 lakhs, increase in other receivables and prepayments of ₹2,687.25 lakhs, increase in trade payables of ₹2,888.66 lakhs, increase in other payables of ₹ 606.44 lakhs and increase in provisions of ₹109.04 lakhs.

Our net cash from operating activities for Fiscal 2021 was ₹ 2,739.87 lakhs. While our profit before tax as per statement of profit and loss was ₹5,795.19 lakhs for Fiscal 2021, we had operating profit before working capital changes of ₹8,319.11 lakhs, primarily as a result of adjustments made for non-cash items such as depreciation and amortization expense, interest expense, interest income, profit on sale of investments and amortization of government grants. Our working capital adjustments to our net cash from operations for Fiscal 2021 included increase in trade receivables of ₹831.89 lakhs, increase in other receivables and prepayments of ₹1,218.80 lakhs, increase in inventories of ₹2,771.02 lakhs, increase in trade payables of ₹161.28 lakhs, increase in other payables of ₹371.37 lakhs and increase in provisions of ₹59.88 lakhs

Net cash used in Investing Activities

Our net cash used in investing activities for Fiscal 2023 was ₹16,636.58 lakhs, reflecting payments for purchase of property, plant and equipment of ₹20,488.97 lakhs, fixed deposits made of ₹49.67 lakhs, purchase of investments of ₹677.23 lakhs, purchase of investment property of ₹442.16 lakhs and partially offset by proceeds from sale of investments of ₹2,123.20 lakhs, fixed deposits matured of ₹53.25 lakhs, proceeds from sale of property, plant and equipment of ₹1,876.45 lakhs and interest received of ₹965.04 lakhs.

Our net cash used in investing activities for Fiscal 2022 was ₹25,453.80 lakhs, reflecting payments for purchase of property, plant and equipment of ₹ 27,655.44 lakhs, fixed deposits made of ₹ 3,139.43 lakhs, purchase of investments of ₹6,125.51 lakhs, purchase of bonds of ₹4,305.23 lakhs and partially offset by proceeds from sale of investments of ₹ 6,705.49 lakhs, fixed deposits matured of ₹4,239.93 lakhs, proceeds from bonds of ₹4,305.23 lakhs, Proceeds from sale of property, plant and equipment of ₹345.33 lakhs and interest received of ₹162.60 lakhs.

Our net cash used in investing activities for Fiscal 2021 was ₹4,948.02 lakhs, reflecting payments for purchase of property, plant and equipment of ₹5,922.43 lakhs, fixed deposits made of ₹2,004.83 lakhs, purchase of investments of ₹4,401.02 lakhs and partially offset by proceeds from sale of investments of ₹4,482.87 lakhs, fixed deposits matured of ₹2,552.18 lakhs and interest received of ₹246.02 lakhs.

Net cash from Financing Activities

Our net cash from financing activities for Fiscal 2023 was ₹12,828.09 lakhs, reflecting proceeds from non-current borrowings (other than related parties) of ₹10,964.34 lakhs, proceeds from current borrowings (net) (other than related parties) of

₹8,107.35 lakhs partially offset by repayment of non-current borrowings (other than related parties) of ₹3,513.60 lakhs, interest paid of ₹1,352.91 lakhs, repayment to related parties as borrowings (net) of ₹822.50 lakhs, dividend paid to equity shareholders of ₹435.91 lakhs and purchase of treasury shares of ₹118.68 lakhs.

Our net cash from financing activities for Fiscal 2022 was ₹20,751.60 lakhs, reflecting proceeds from non-current borrowings (other than related parties) of ₹36,002.89 lakhs, proceeds from current borrowings (net) (other than related parties) of ₹1,082.77 lakhs, proceeds from related parties as borrowings (net) of ₹514.00 lakhs partially offset by repayment of non-current borrowings (other than related parties) of ₹15,428.73 lakhs, interest paid of ₹888.88 lakhs, dividend paid to equity shareholders of ₹436.59 lakhs and purchase of treasury shares of ₹93.86 lakhs.

Our net cash from financing activities for Fiscal 2021 was ₹2,322.67 lakhs, reflecting proceeds from non-current borrowings (other than related parties) of ₹944.79 lakhs, proceeds from current borrowings (net) (other than related parties) of ₹5,616.51 lakhs, partially offset by repayment of non-current borrowings (other than related parties) of ₹2,888.42 lakhs, interest paid of ₹731.12 lakhs, dividend paid to equity shareholders of ₹436.59 lakhs and repayment to related parties as borrowings (net) of ₹182.50 lakhs.

CONTINGENT LIABILITIES

As on March 31, 2023, we had certain contingent liabilities that have not been provided for in the Fiscal 2023 Audited Consolidated Financial Statements:

Sr. No.	Particulars	*Amount (₹ lakhs)*
a	Matters with tax authorities	
	- Income-tax matters	35.92
	- GST matters	188.96
	- VAT matters	2.61
b	Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board (‘UPCB’) on Company’s Rudrapur Unit 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
c	Bills discounted under letters of credit and outstanding	81.35
d	Claims against the Company not acknowledged as debt (interest thereon not ascertainable at present)	52.96
	Total	**461.80**

OFF BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including exchange rate risk, interest rate risk, inflation risk and commodity price risk. We are exposed to such risks in the ordinary course of our business. For further details of such risks, please see “*Risk Factors*” beginning on page 36.

Exchange Rate Risk

We face exchange rate risks because certain portion of our revenues, expenditure and certain of our obligations are denominated in foreign currencies. Exchange rate fluctuations could also affect our ability to service our debt obligations to the extent that our debt repayments are denominated in foreign currencies. While we hedge a portion of our resulting net foreign exchange exposure and the diversity of our business and operations provides a natural hedge to some extent, exchange rate fluctuations may, in any event, affect the amount of income and expenditure we realize or our ability to service debt repayments in a foreign currency.

Interest Rate Risk

We are subject to interest rate risk, primarily because our borrowings (long as well short term) with banks and other financial institutions are at floating interest rates. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations as well as loan servicing ability. We do not hedge risks arising out of fluctuations in interest rates.

Commodity Price Risk

We are subject to market risks related to the volatility in the price of finished products. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including price fluctuations in virgin PSF, cotton and crude oil prices, demand of our products, changes in the economy and market competition. If commodity prices were to decrease, we may not be able to reduce the prices of our raw material, which may reduce our competitiveness, and bearing such increased costs ourselves, which could reduce our net income. If any of these events were to occur, our results of operations and financial condition may be adversely affected.

Inflation Risk

India has experienced high inflation in the past due to various internal and external factors. In periods of high rates of inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our results of operations. Inflation may also have an adverse bearing on overall interest rates, which may adversely affect our finance costs and thus our business operations.

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers, which is unsecured in nature. If they do not pay us promptly, or not at all pay, it may impact our working capital cycle, and/or we may have to make provisions for or write off on such amounts.

Capital Expenditure

The following table sets forth net block of property, plant and equipment by category of expenditure, for the Fiscals indicated below:

Particulars	As of March 31,		
	2023	**2022**	**2021**
Freehold land	4,136.21	4,500.18	3,830.67
Buildings	9,361.22	6,086.31	5,717.15
Plant & equipment	37,177.03	18,871.27	21,055.80
Furniture & fixtures	33.48	24.21	27.76
Office equipment	196.82	118.18	130.87
Vehicles	256.10	193.43	118.66
Total	**51,160.86**	**29,793.58**	**30,880.91**

Changes in accounting policies during the last three years and their effect on the profits and reserves of our Company

For changes in the accounting policies of our Company during the last three years other than as required under applicable laws, please see "*Summary Financial Information*" beginning on page 28.

Reservations, qualifications and adverse remarks in the last five (5) financial years

Other than as stated below, there are no reservations, emphasis of matters, qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this offer letter:

Financial Year	**Report/ Companies (Auditor Report) Order, 2003**	**Reservation in Independent Auditors Report**	**Impact on Financial Statements and Financial Position of the Company**
Ganesha Ecosphere Limited			
2021-2022	Independent Auditor's Report	Emphasis of matters: During the year, one of the subsidiary company has suffered a Cyber fraud of ₹ 245.67 Lakhs 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 Lakhs from them. Though the police investigation is still continuing, chances of recovery seems dismal and therefore, the	Profitability was affected by ₹ 213.78 lakhs during Financial Year 2021-22

Financial Year	Report/ Companies (Auditor Report) Order, 2003	Reservation in Independent Auditors Report	Impact on Financial Statements and Financial Position of the Company
		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.	
2021-2022	Independent Auditor's Report	a) 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 Lakhs during June, 2021 quarter and also recognized deferred tax asset of ₹ 845.26 Lakhs in respect of this loss. The net impact of ₹ 2,513.22 Lakhs 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 lakhs as on March 31, 2022 and provision for loss was reduced accordingly. b) 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 Lakhs at the end of the year and corresponding amount has been accounted for as instance 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	Two production lines of producing RPSF having cumulative installed capacity of 12,000 MTPA was completely destroyed due to fire, impacting the financials of the Company.
Ganesha Ecopet Private Limited			
FY 2022-23	Independent Auditor's Report	The company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from bank on the basis of security of current assets. The company has filed quarterly returns or statement with such bank in which there are few differences when compared with the unaudited books of accounts.	There is no financial impact.
FY 2021-22	Independent Auditor's Report	The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained except the following: (a) A sum of ₹ 5,784.02 Lakh was temporarily invested in Bonds, Debt securities & Term deposits of Banks & financial institutions and out of it a sum of ₹ 16.60 Lakh was outstanding as term deposit as at Balance Sheet date and the balance amount of ₹ 5767.42 Lakh was ultimately utilized for the stated end use on its maturity during the year. (b) A sum of ₹ 1,620.51 Lakh was outstanding as Cash and Cash Equivalents as on the balance sheet date	Funds were temporarily deployed in short term instruments and were ultimately used for the stated end use. There is no material financial impact.

Financial Year	Report/ Companies (Auditor Report) Order, 2003	Reservation in Independent Auditors Report	Impact on Financial Statements and Financial Position of the Company
		and pending for utilization for the stated end use.	
Ganesha Ecotech Private Limited			
FY 2022-23	Independent Auditor's Report	The company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from bank on the basis of security of current assets. The company has filed quarterly returns or statement with such bank in which there are few differences when compared with the unaudited books of accounts.	There is no financial impact.
FY 2021-22	Independent Auditor's Report	1. The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained except that ₹ 1,400 Lakh were temporarily invested in term deposit of Banks & financial institution but they were also ultimately utilized for the stated end use on their maturity. 2. A Cyber Fraud had occurred on the Company in its Escrow Account maintained with HDFC Bank Limited during the year and ₹ 245.67 Lakh were fraudulently transferred to various bank accounts on the basis of RTGS and NEFT instructions given through forged letters / mail ids by fraudsters. Further, during Police Investigation, ₹ 31.89 Lakh were recovered and balance amount of ₹ 213.78 Lakh has been written off as Loss. A forensic examination was also done by an External agency and management represented that the fraudsters were unknown/unrelated to Company and the matter is under Police enquiry.	Funds were temporarily deployed in short term instruments and were ultimately used for the stated end use. There is no material financial impact. Profitability was affected by ₹ 213.78 lakhs during Financial Year 2021-22

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties. For further information see "*Related Party Transactions*" beginning on page 35.

SEASONALITY

Seasonality does not have a material impact on our operations.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, no unusual or infrequent events or transactions has taken place that have in the past or may in the future affect our business operations or future financial performance.

FINANCIAL INDEBTEDNESS

As of September 30, 2023, we had total borrowings (consisting of long-term borrowings and short-term borrowings) of ₹64,639.56 lakhs, of which ₹35,654.44 lakhs were long term borrowings and ₹ 28,985.12 lakhs were short term borrowings. Our debt-to-equity ratio was 1.01 as of September 30, 2023.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

INTEREST COVERAGE RATIO

The interest coverage ratio, which we define as profit before tax, depreciation and finance cost divided by finance cost for Six months ended September 30, 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021 was 2.34, 6.82, 10.26 and 9.02, respectively.

CHANGES IN ACCOUNTING POLICY

There have been no changes in our Company's accounting policies during the last three financial years.

SIGNIFICANT ECONOMIC CHANGES

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Factors affecting the Financial Condition, Results of Operations*", beginning on pages 36 and 75 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

ACCOUNTING PRONOUNCEMENTS THAT BECAME EFFECTIVE IN THE CURRENT YEAR

There are no accounting pronouncements that became effective in the current year that have an impact on our operations.

MATERIAL DEVELOPMENTS

In the opinion of our board of directors, other than as described in this Placement Document and as disclosed below, there has not arisen, since the date of the last financial statements included in this Placement Document, any circumstances that materially and adversely affect our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

1. The Company at its Capital Raising Committee meeting dated January 18, 2024 allotted 14,49,000 fully convertible equity warrants at an exercise price of ₹1,035.00, each. The convertible equity warrants convertible into one Equity Share of face value of ₹10.00 each.

INDUSTRY OVERVIEW

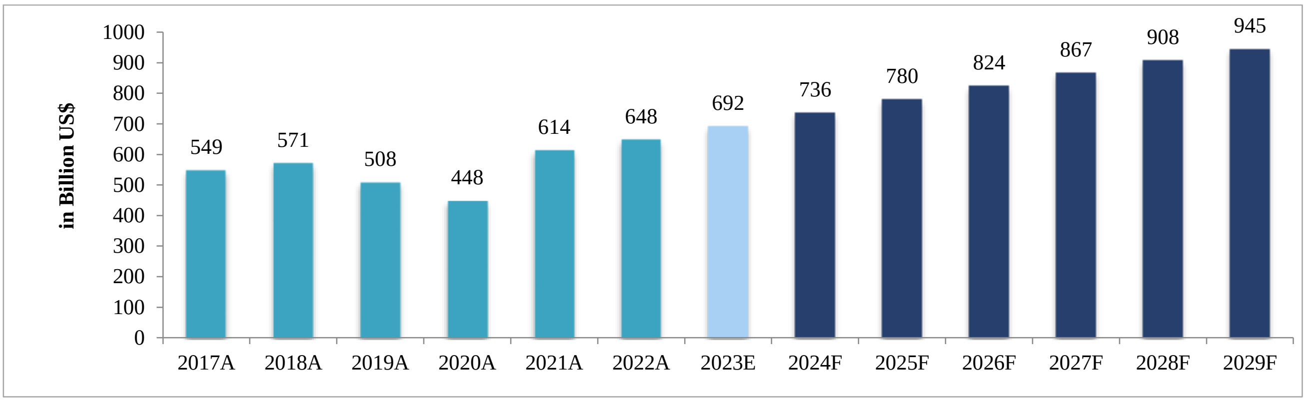
*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "India Plastic Waste Recycling Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2024-2029" dated January 2024 ("**Company Commissioned IMARC Report**"), prepared and issued by IMARC Services Private Limited ("**IMARC**"), exclusively commissioned and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the Company Commissioned IMARC Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. A copy of the Company Commissioned IMARC Report is available on the website of our Company at https:// ganeshaecosphere.com. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the Company Commissioned IMARC Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

While preparing its report, IMARC has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Placement Document has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Prospectus.

1. Global Plastic Market - Market Performance

In terms of sales value, the global plastic market reached a value of US$ 692 Billion in 2023 growing at a CAGR of 3.9% during 2017-2023. The growing prevalence of utilizing plastic for several applications owing to its durability and versatility is primarily responsible for driving the plastic market globally. In addition, the cost-effectiveness and efficiency provided by plastics in protecting and preserving products during transportation and storage is another factor proliferating the growth of plastic market. Over the years, the expanding adoption of Sustainable/alternative plastics has resulted in fuelling the global plastics market. In line with this, there is an intensifying trend of businesses opting for plastic solutions to optimize their supply chain efficiency and environmental footprint. This in turn is further accelerating the growth scope of the plastic market worldwide and is expected to continue in the forthcoming years. Looking Forward, we expect this market to grow at a CAGR of 5.1% during 2024-2029 reaching a value of US$ 945 Billion by 2029.

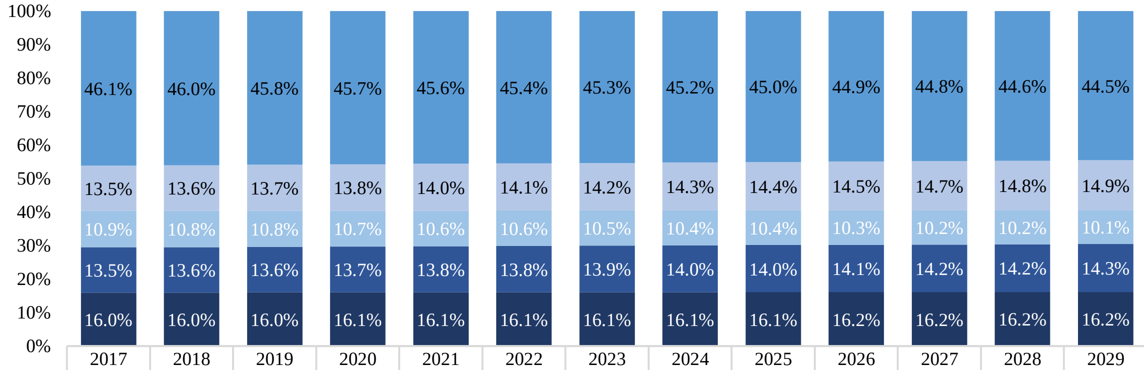
Figure 1: Global: Plastic Market: Sales Value (in Billion US$), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

1.1. Market Breakup by Material Type - Value Trends

By 2029, PET is expected to represent the largest material type for plastic market globally, accounting for a share of 16.8% of the total market. PET is expected to be followed by PP (16.7%), LDPE, LLDPE (12.6%) HDPE (11.7%), and others (42.2%).
Figure 2: Global: Plastic Market: Breakup by Material Type: Sales Value (in Billion US$), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	253.0	262.5	233.0	204.9	279.6	294.3	313.4	332.3	351.1	369.9	388.2	405.2	420.3
LDPE, LLDPE	74.1	77.8	69.8	62.1	85.7	91.2	98.3	105.3	112.5	119.8	127.2	134.2	140.7
HDPE	59.8	61.9	54.7	48.0	65.2	68.4	72.6	76.7	80.8	84.8	88.7	92.3	95.4
PET	74.1	77.5	69.3	61.4	84.5	89.6	96.2	102.7	109.4	116.1	122.9	129.2	135.1
PP	87.8	91.5	81.6	72.0	98.6	104.2	111.4	118.6	125.8	133.1	140.3	147.0	153.0

PP PET HDPE LDPE, LLDPE Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

Trends in Asia Pacific: In the Asia Pacific region, excluding China, plastic consumption has surged significantly across various industries due to rapid industrialization, economic growth, and changing consumer habits. Plastics find extensive use in packaging, construction, electronics, and a wide array of consumer goods, underlining their ubiquitous presence in the region's economy. This high consumption is reflected in everyday waste items like packaging materials, household products, and industrial components. For example, over the years, the quantity of plastic waste in Japan within general waste has seen a steady increase, reaching 4.1 million tons in 2019. Notably, single-use containers and packaging constitute a significant portion, accounting for around 77% of this total. Japan holds the second position globally, following the United States, in per capita plastic packaging waste emissions, establishing itself as the primary emitter in Asia. The staggering statistic reveals that the average Japanese individual utilizes approximately 450 plastic shopping bags annually, a figure that surpasses Indonesia by 11 times and the United Kingdom by 17 times.

Additionally, the annual consumption of PET bottles by an average Japanese person is 183, contributing to a nationwide total of 23.2 billion bottles each year. These trends resulted in the expanded waste collection in the country due to which the Japanese government has initiated various recycling programs and policies to reduce plastic waste. Similarly, South Korea has proactively addressed a notable surge of 18.9% in plastic waste attributed to lifestyle shifts amid the Covid-19 pandemic from 2020 to 2021. In 2021 September, the government committed to diminishing plastic consumption by 2030 and aspires to transition into a plastic-free society by 2050. Such endeavours are likely to transform the plastic industry of the Asian countries in the forthcoming period.

1.2. Global PET Market - Market Performance

In terms of sales value, the global PET market reached a value of US$ 96.2 Billion in 2023 growing at a CAGR of 4.4% during 2017-2023. The developing demand for recycled PET from various industries, such as packaging, food & beverages, and automotive is projected to provide significant growth opportunities for the market over the years. Moreover, the continuous advancement in lightweight technologies and increasing preference for recyclable packaging in the e-commerce and healthcare industries are probable to open lucrative scopes for the PET market. Looking Forward, we expect this market to grow at a CAGR of 5.6% during 2024-2029 reaching a value of US$ 135.1 Billion by 2029.

Trends in Asia Pacific: In the Asia Pacific region, one prominent trend benefitting the regional PET demand is the increasing employment of PET in packaging across various industries, including beverages, personal care, and food products. For instance, in India, over 14 lakh tonnes of PET plastic, in which bottled water is typically packaged, is consumed annually in the country. This surged demand can be attributed to the region's rapid urbanization, growing middle class, and changing consumer lifestyles, leading to higher consumption of packaged goods. Moreover, technological advancements play a significant role in the region's PET market trends. Manufacturers are investing in advanced processing technologies to improve the quality and performance of PET, enhancing its barrier properties, durability, and flexibility. For example, South Korea has recently given the nod for recycled PET plastic waste to be used as a material to make new food and beverage containers as part of its national sustainability strategy, citing work by international brands such as Coca-Cola and PepsiCo as an inspiration. Such trends have contributed to the growth of the PET market in the region.

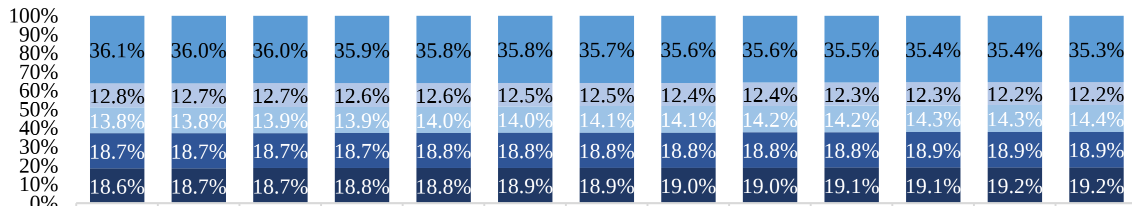
1.3. Global Plastic Waste Market - Market Performance

During 2017-2023, the global market for plastic waste grew at a CAGR of 2.7%, reaching a volume of 389 Million Tons in 2023. The plastic waste generation market has been experiencing growth against the backdrop of rapid increase in population and urbanization has led to a surge in plastic consumption, contributing to higher waste generation. Additionally, lifestyle changes and the growing preference for single-use plastics have intensified the problem, thereby promoting the adoption of different waste management solutions. Besides, environmental awareness and regulations aimed at reducing single-use plastic usage and promoting plastic recycling also play a significant role in shaping the dynamics of the global plastic waste generation market. As consumers and governments increasingly prioritize sustainability, the market is expected to be driven by efforts to address the environmental impact of plastic waste through innovative solutions, recycling technologies, and circular economy initiatives. Looking ahead, we expect the global plastic waste market volumes to grow at a CAGR of 2.9% during 2024-2029 reaching 460 Million Tons by 2029.

1.4. Market Breakup by Material Type

By 2029, PET waste is expected to represent the largest plastic waste type globally, accounting for a share of 19.2% of the total market volume. PET waste is expected to be followed by PP (18.9%), LDPE, LLDPE (14.4%), HDPE (12.2%), and others (35.3%).

Figure 3: Global: Plastic Waste Market: Breakup by Material Type: Sales Volume (in Million Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	119.5	123.3	127.1	129.2	132.1	135.7	139.0	142.1	145.4	148.8	152.5	156.9	162.4
HDPE	42.4	43.6	44.9	45.5	46.5	47.6	48.7	49.7	50.7	51.8	52.9	54.4	56.1
LDPE, LLDPE	45.7	47.4	49.1	50.2	51.6	53.3	54.9	56.4	58.0	59.7	61.6	63.7	66.2
PP	61.9	64.1	66.2	67.5	69.2	71.2	73.2	75.1	77.0	79.0	81.2	83.8	86.9
PET	61.6	63.8	66.1	67.5	69.3	71.5	73.6	75.6	77.7	79.9	82.2	85.0	88.3

PET PP LDPE, LLDPE HDPE Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted

PET waste highlights: PET, primarily used in beverage bottles, food packaging, and textiles, has contributed significantly to plastic pollution as any other type of plastic. This material stands as one of the primary contributors to the global plastic waste issue. Efforts to recycle PET waste have increased, yet the recycling rates varied across regions, with some areas displaying higher efficiency than others. However, despite recycling initiatives, a considerable amount of PET waste still ended up in landfills and oceans, posing environmental hazards and prompting continued calls for improved waste management, increased recycling capabilities, and the development of sustainable alternatives to minimize PET waste.

Asia Pacific (Excluding China) trends: Rapid economic growth, urbanization, and changing consumption patterns have led to an increase in plastic usage across industries and daily life. Countries in the Asia Pacific region have been striving to address the challenges associated with plastic waste management. Efforts have been made to improve waste collection, implement recycling initiatives, and adopt policies aimed at reducing single-use plastics. However, infrastructure limitations, insufficient recycling facilities, and inadequate waste management systems in certain areas have hindered progress in effectively handling the growing volume of plastic waste. Further, several countries in the region have taken steps to curb plastic pollution, such as introducing bans or restrictions on single-use plastics, promoting awareness campaigns to encourage responsible consumption, and investing in innovative recycling technologies.

1.5. Market Breakup by Use of Plastic Waste

By 2029, landfills are expected to represent the largest market for use of plastic waste globally, accounting for a share of 49.7% of the total market. Landfills are expected to be followed by mismanaged waste (20.7%), incineration (18.3%), and recycling (11.3%).

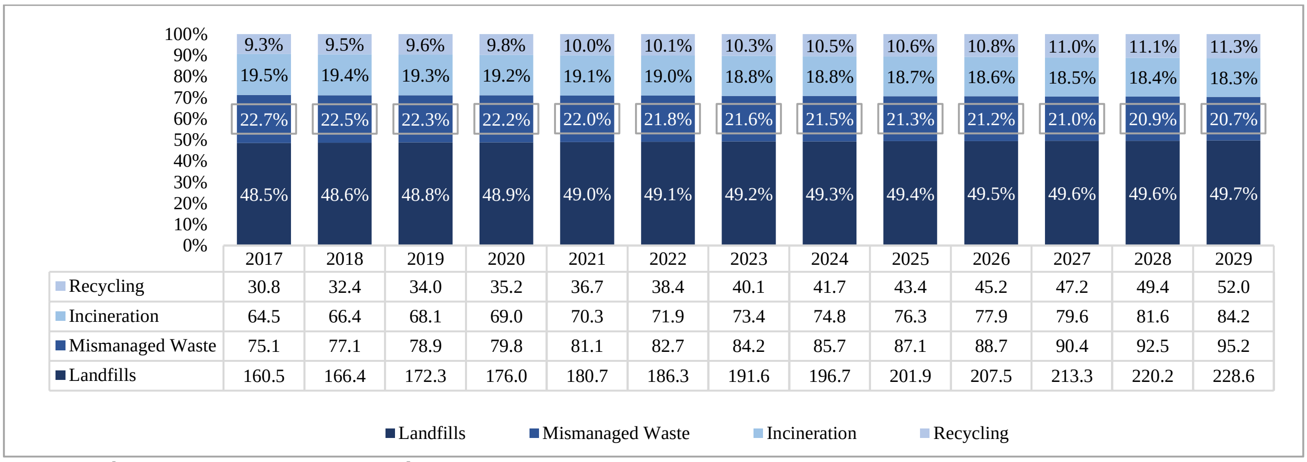
Landfills: Landfills have conventionally been a prevalent means for disposing of plastic waste. However, shifting market trends driven by environmental concerns have spotlighted the limitations and drawbacks of this approach. The slow degradation of plastics in landfills, potentially lasting for hundreds of years, raises significant ecological issues, including soil and water contamination and the release of greenhouse gases. At present, landfilling is almost non-existent in countries such as Belgium, the Netherlands, Denmark, Sweden, Germany, Austria, Luxemburg, Slovenia and Finland. Here incineration plays an important role alongside recycling. Lithuania, Latvia, Ireland, Italy, France, the Czech Republic, Slovakia and Poland also use incineration and send a third or less of their waste to landfill. However, landfills continue to play a role, especially in areas with limited waste management infrastructure or where alternatives are economically unfeasible. Yet, future market trends indicate a gradual decline in reliance on landfills for plastic waste disposal, spurred by advancements in recycling technologies, circular economy initiatives, and policies aimed at reducing plastic consumption and promoting sustainable waste management practices.

Mismanaged Waste: Mismanaged waste, particularly in the context of plastic disposal, represents a critical global challenge with profound market implications. Historically, mismanaged waste, including improper disposal methods like uncontrolled dumping, open burning, and inadequate waste infrastructure, has been a pervasive means of managing plastic waste in various regions. Globally, only 9% of plastic waste is recycled while 22% is mismanaged – meaning it is not recycled, incinerated, or kept in sealed landfills – putting it at risk of being leaked into rivers, lakes, and the ocean. However, heightened awareness of the environmental and social repercussions has triggered a shift in market trends away from this approach. The detrimental impact of mismanaged plastic waste on ecosystems, marine life, and human health has spurred concerted efforts to address this issue. Market trends now emphasize interventions focused on waste management improvements, infrastructure development, and public policies aimed at curbing mismanaged waste. Furthermore, international agreements and regulations, such as the Basel Convention and regional waste management directives, are pushing for stricter controls and frameworks to curb the improper disposal of plastic waste.

Incineration: Incineration's role in handling plastic waste, encompassing high-density polyethylene (HDPE), polypropylene (PP), low-density polyethylene (LDPE), and similar materials, has witnessed nuanced market dynamics. Initially, incineration was embraced as a solution due to its ability to reduce the bulk of non-recyclable plastics while generating energy. However, concerns over toxic emissions from burning plastics have steered market trends towards exploring alternative approaches like mechanical recycling, chemical recycling, and waste-to-energy technologies that offer reduced environmental impacts. As per atmospheric scientist Christine Wiedinmyer, over 40% of the world's waste, totaling 1.1 billion tons, undergoes the process of combustion. This practice significantly amplifies the worldwide release of detrimental gases and pollutants, contributing to an exponential rise in global emissions. Nevertheless, incineration retains a niche in managing certain types of plastic waste, particularly those with limited recycling potential or contaminated materials. Market trends have indicated ongoing interest in advanced incineration technologies that mitigate emissions, capture energy, and comply with stringent environmental regulations. Additionally, regional disparities in waste management infrastructures and recycling capabilities influence the market, leading some areas to rely on incineration for plastic waste disposal.

Recycling: Currently, the prevailing trend in the market strongly supports the adoption of recycling as a crucial strategy for managing plastic waste. The shift is driven by advancements in recycling technologies, such as improved sorting techniques, enhanced material recovery processes, and innovations in converting recycled plastics into high-quality products. In Japan, for instance, the recycling rate stands at 19.9%. Despite the country's efficient collection of recyclable materials, a notable portion of plastic waste is either incinerated or sent abroad for processing. Furthermore, there is a growing emphasis on establishing a circular economy for plastics, advocating for the use of recycled materials in manufacturing and reducing reliance on virgin plastics. Government regulations play a pivotal role in driving this shift, with mandates on recycling targets, extended producer responsibility (EPR) schemes, and incentives to promote recycling initiatives contributing to a more sustainable approach. For example, the Resin Identification Coding System, introduced in 1988 and recently updated (ASTM International, 2020), categorizes major US plastics into seven groups based on their recycling requirements. Looking ahead, the trajectory of the plastic waste disposal market indicates an increasing alignment with recycling as the primary solution.

Figure 4: Global: Plastic Waste Market: Breakup by Use: Sales Volume (in Million Tons), 2017-2029



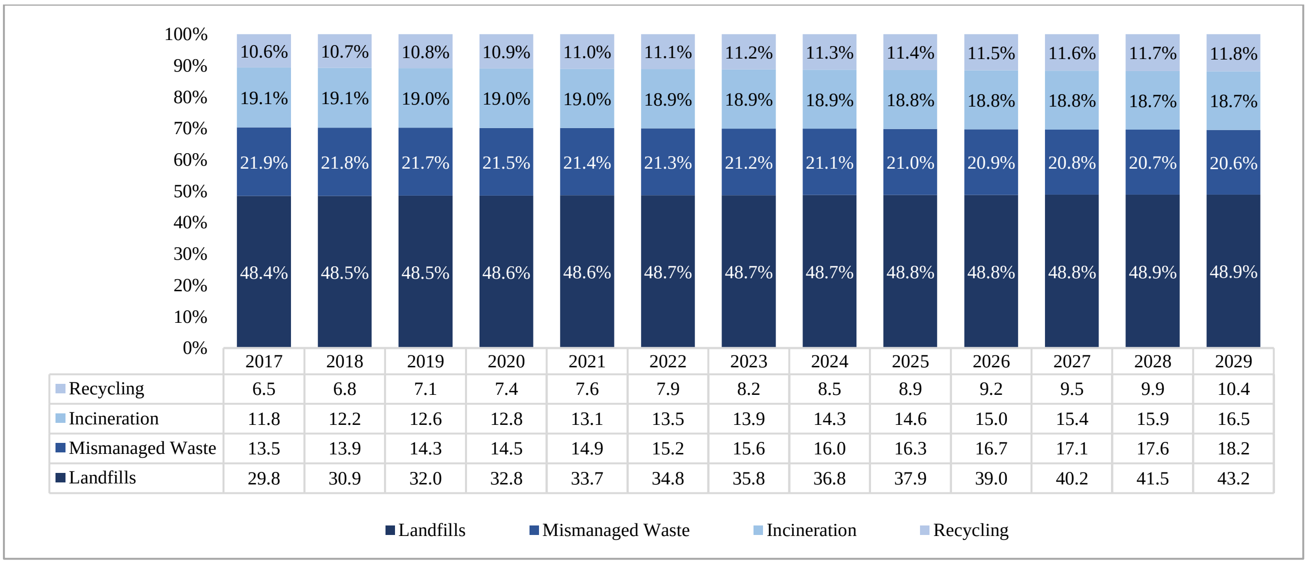
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Recycling	30.8	32.4	34.0	35.2	36.7	38.4	40.1	41.7	43.4	45.2	47.2	49.4	52.0
Incineration	64.5	66.4	68.1	69.0	70.3	71.9	73.4	74.8	76.3	77.9	79.6	81.6	84.2
Mismanaged Waste	75.1	77.1	78.9	79.8	81.1	82.7	84.2	85.7	87.1	88.7	90.4	92.5	95.2
Landfills	160.5	166.4	172.3	176.0	180.7	186.3	191.6	196.7	201.9	207.5	213.3	220.2	228.6

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted

1.6. PET Waste Market Breakup by Use

By 2029, landfills are expected to represent the largest market for PET waste globally, accounting for a share of 48.9% of the total market. Landfills are expected to be followed by mismanaged waste (20.6%), incineration (18.7%), and recycling (11.8%).

Figure 5: Global: PET Waste Market: Breakup by Use: Sales Volume (in Million Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Recycling	6.5	6.8	7.1	7.4	7.6	7.9	8.2	8.5	8.9	9.2	9.5	9.9	10.4
Incineration	11.8	12.2	12.6	12.8	13.1	13.5	13.9	14.3	14.6	15.0	15.4	15.9	16.5
Mismanaged Waste	13.5	13.9	14.3	14.5	14.9	15.2	15.6	16.0	16.3	16.7	17.1	17.6	18.2
Landfills	29.8	30.9	32.0	32.8	33.7	34.8	35.8	36.8	37.9	39.0	40.2	41.5	43.2

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

1.7. Country Wise Comparison of Recycling Rate by Material Type

Recycling has become an increasingly important aspect of waste management in many countries around the world. The recycling rates and practices can vary significantly between different countries, depending on factors such as infrastructure, policies, and cultural attitudes. When it comes to the recycling of different types of materials, there can also be significant differences among countries.

Table 1: Global: Plastic Recycling Rate of Material Type: By Geography, in 2023#

Geography	PET	HDPE	LDPE	PVC	PP
United States	31.0%	10.0%	2.0%	1.7%	0.8%
China	31.0%	21.0%	26.0%	30.0%	27.0%
Japan	26.0%	16.0%	16.0%	24.0%	15.0%
Europe	48.3%	15.0%	31.0%	23.1%	17.0%
India	32.8%	66.9%	63.7%	58.8%	67.6%**

Source: Analyst Reports, Expert Interviews and IMARC Group
*Note: **The above number is for other plastics (PS, PP, Misc plastics such as polycarbonate, polylactide).*
#The data represents recycling rate excluding fibers except for PET in India.

1.8. Trends on Increasing Penetration of Recycled Material Used for PET Applications

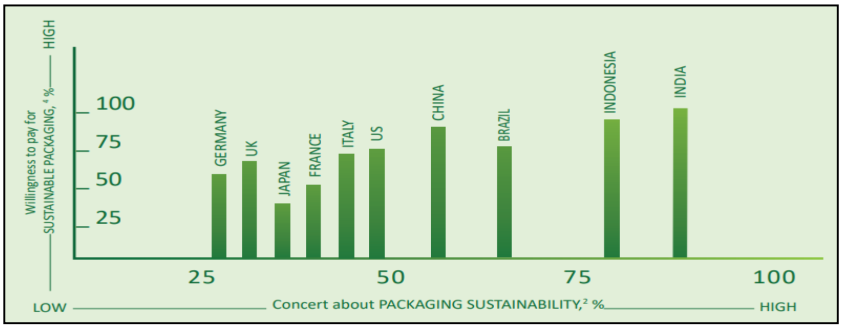
Growing Sustainability and Awareness among Consumers: The escalating awareness of the harmful environmental impact of plastic, persisting for an average of 450 years before decomposing, has ignited a global concern. This heightened consciousness, particularly regarding plastic pollution, has triggered a substantial surge in sustainability awareness. Consequently, there has been an increase in the integration of recycled materials into PET applications worldwide.

Consumers, increasingly mindful of their environmental impact, are compelling corporations to reassess their production methods, spurred by growing awareness from various research and studies. For instance, a recent article published by the National Institute of Health in the United States in March 2023, highlighted that approximately 49% of the global production of plastic is constituted by single-use items. This shift in consumer awareness is not only influencing production practices but is also driving a demand for sustainable and biodegradable product alternatives. The impact of this trend is evident in the primary application of PET, which lies in the production of food packaging, encompassing items like plastic containers for food products, as well as packaging for beverages and juices.

Moreover, as per the European Commission’s and Accenture’s study “The Future of Packaging in the Circular Economy”,

- **87% of European citizens are concerned about the environmental impacts of plastics.**
- **Additionally, 75% of French consumers say food & beverage and personal care and beauty industries have a responsibility to shift towards sustainable packaging.**
- **In the same study, it was found that 51% of US consumers expect food & beverage companies to offer reusable and/or refillable packaging.**

Figure 6: Global: Country Wise Willingness of Consumers to Pay for Sustainable Packaging



In response to the surging sustainability trends, manufacturers are proactively embracing change. Notably, companies like The Coca-Cola Company are leading the way by offering 100% recycled PET bottles in over 40 markets globally. These recycled PET bottles, made from food-grade recycled PET as per FDA and EFSA-approved technologies, mark a crucial departure from conventional manufacturing methods. Additionally, this initiative aligns with the company’s ambitious goal of achieving bottles made with 50% recycled material by 2030.

Collaboration Across the Value Chain: Various collaborations are taking place among stakeholders in the PET value chain, which includes producers, manufacturers, recyclers, and consumers, fostering the development of sustainable practices. This escalating trend is paving the way for partnerships and collaborative initiatives that are accelerating the adoption of recycled PET waste in various applications.

In mapping the growth of PET waste recycling initiatives, collaborative efforts across the PET value chain not only redefine conventional packaging standards but also exert a profound influence on various PET applications. Beyond playing a critical role in the production of liquid bottles and diverse food packaging applications, recycled PET from these collaborations assumes a significant position in textiles, serving as the base material for clothing and carpets, commonly recognized as polyester.

One such notable initiative is The Recycling Partnership's PET Recycling Coalition, launched in the United States in June 2022, with founding members such as Eastman, Indorama Ventures, Danone, Procter & Gamble, and the Walmart Foundation. With an initial funding target of US$25 million over five years, this coalition highlights the commitment of industry players to bring about meaningful changes in recycling ecosystems through interconnected efforts.

The coalition's objectives include enhancing the capture of PET bottles, recognizing the diverse forms PET takes beyond traditional bottles. Additionally, it aims to broaden the acceptance of PET trays, cups, and clamshells in community recycling programs.

Beyond the recycling bin, the coalition actively seeks to unlock new supplies of recycled PET (rPET), responding to soaring demand driven by both consumer consciousness and legislative mandates. This initiative not only boosts the use of recycled materials in packaging but also fosters a circular economy where PET continues its life cycle.
Government-Led Regulatory Initiatives: Another influential trend shaping the increased adoption of recycled materials in PET applications globally is the proactive role played by governments through evolving regulatory initiatives. Manufacturers across the globe find themselves obligated to align with these regulations, which have gained prominence against the backdrop of increasing environmental concerns.

Governments worldwide, responding to the urgent need for sustainable practices and plastic waste reduction, are implementing stringent regulations. One of the most prominent examples of this increasing trend is seen in the beverage industry in India, where Recycled PET (r-PET) bottles are on the rise. This upsurge is closely related to the Food Safety and Standards Authority of India's (FSSAI) strict regulations.

Recognizing the growing environmental impact and the importance of effective plastic waste management, MoEF has played a vital role in promoting the use of recycled plastics, specifically R-PET, in food contact packaging applications. These regulations were established under the laws which were implemented in 2021 with the revision of the Plastic Waste Management (PWM) Rules, in which FSSAI issued directions allowing the use of recycled plastics in food packaging materials.

As governments throughout the world continue to tighten and strengthen such rules, he adoption of recycled materials in PET applications becomes more prevalent, establishing regulatory frameworks as an essential trend in leading the industry towards a more environmentally conscious and sustainable future.

1.9. Global Regulations: Waste Collection

Business as usual is unsustainable. Under this baseline scenario, plastics use would expand further, resulting in a 50% increase in (macro) plastic leakage to the environment by 2040 (30 million tons per year, of which 9 Mt would reach aquatic habitats). Growing plastic consumption and waste volumes would amplify negative effects on the environment, climate, and health. Bottom-up, uncoordinated policy action by governments could halt development in plastics use. However, by 2040, plastics use, and trash would have increased by more than 50% above 2020 levels. Improvements in waste collection and recycling would also reduce plastic leakage, although 23 Mt will still leak into the ecosystem by 2040.

The world is producing significant amounts of plastic waste, with a very limited percentage being successfully recycled. To address these challenges, several countries have encouraged various norms, policies, regulations, and agreements in order to achieve a circular economy across the globe, which include:

The Plastic Treaty: The Plastic Treaty, formally known as the Plastics Treaty Mandate, represents a landmark global initiative supported by 175 nations to address the escalating plastic pollution crisis comprehensively. This Treaty commits to developing a universally binding agreement by 2024, encompassing the entire lifecycle of plastic from production and design to waste management. Its holistic approach aims to prevent waste, tackling plastic pollution’s symptoms and root causes.

The Zero Draft of the Plastics Treaty promotes better product design to reduce plastic use and improve recycling. Member states generally agree on the principle of polluters paying, and the Zero Draft includes a provision on extended producers’ responsibility (EPR) “to establish and operate ERP systems to encourage increased recyclability, promote higher recycling rates, and enhance the accountability of producers and importers for safe and environmentally sound management, of plastics and plastic products throughout their life cycle and across international supply chains.

Inclusive Circular Economy Initiative: United Nations Development Program and Hindustan Unilever Limited announced the launch of an “Inclusive Circular Economy” project. The initiative focuses on the end-to-end management of plastic waste by promoting the segregation of waste at source, collection of the segregated waste, and setting up Material Recovery Facilities (MRFs) for recycling all kinds of plastic waste along the value chain.
Basel Convention: International regulations and agreements related to plastic waste recycling involve various entities, including countries, international organizations, and environmental bodies. One notable agreement is the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. The Basel Convention seeks to regulate the international movement of hazardous waste, including certain types of plastic waste.

2. India Plastic Consumption – Market Performance

The expanding middle-class population in India is experiencing an increase in disposable income. This results in higher consumer spending on packaged foods, electronic goods, and other products that often use plastic packaging. In addition, rapid growth of e-commerce platforms has led to an increased demand for plastic packaging materials for safe and secure transportation of goods, thereby contributing to the segment growth. Also, plastic is widely used in the construction industry for pipes, cables, insulation materials, and other applications. The ongoing infrastructure development projects in India is anticipated to uplift the plastic consumption over the assessment period.

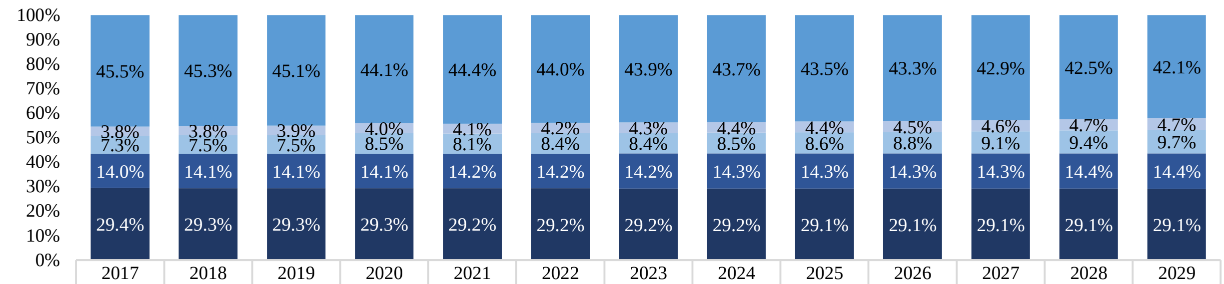
2.1. Volume Trends

The India plastic consumption reached a volume of 24.4 Million Tons in 2023, growing at a CAGR of 5.4% during 2017-2023. Looking forward, the India plastic consumption is expected to reach a volume of 41.9 Million Tons by 2029, growing at a CAGR of 9.3% during 2024-2029.

2.1.1. Plastic Consumption by Type

By 2029, we expect PP to represent the largest type for plastic consumption in India, accounting for a share of 29.1% of the total market in terms of volume. PP is expected to be followed by HDPE (14.4%), PET (9.7%), LDPE (4.7%), and others (42.1%).

Figure 7: India: Plastic Consumption Market: Breakup by Type: Sales Volume (in '000 Tons), 2017-2029



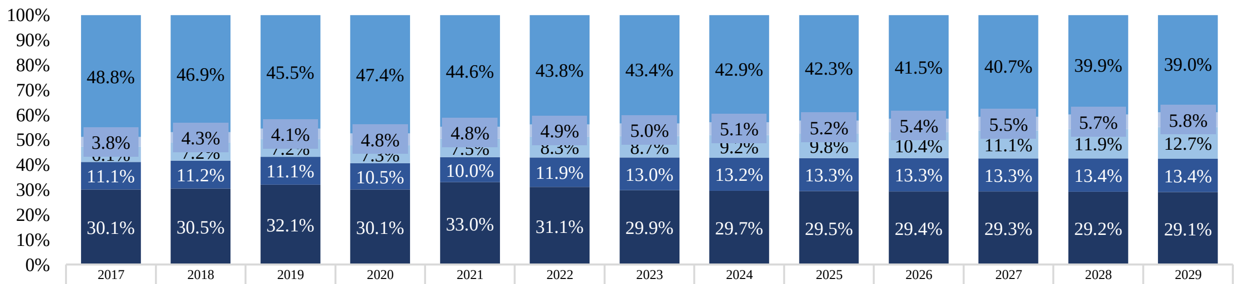
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	8,107	8,353	9,027	8,204	9,266	9,672	10,687	11,751	12,852	13,983	15,150	16,363	17,617
LDPE	669	709	786	747	857	923	1,044	1,171	1,308	1,457	1,618	1,794	1,984
PET	1,301	1,382	1,508	1,577	1,699	1,854	2,048	2,276	2,540	2,845	3,197	3,603	4,072
HDPE	2,496	2,593	2,818	2,627	2,958	3,122	3,465	3,829	4,216	4,625	5,061	5,526	6,024
PP	5,227	5,412	5,861	5,446	6,110	6,429	7,110	7,836	8,605	9,416	10,274	11,191	12,166

PP HDPE PET LDPE Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.2. Value Trends

In 2023, PP represented the largest type for plastic consumption in India, accounting for a share of 29.9% of the total market in terms of value. The market in this segment reached a value of US$ 12.44 Billion in 2023, exhibiting a CAGR of 11.3% during 2017-2023.



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	10.62	11.28	10.55	8.87	13.66	15.37	18.06	20.87	23.80	26.88	30.15	33.63	37.31
LDPE	0.83	1.03	0.96	0.89	1.47	1.71	2.07	2.48	2.95	3.48	4.09	4.78	5.58
PET	1.33	1.72	1.67	1.36	2.30	2.90	3.60	4.46	5.49	6.74	8.25	10.05	12.18
HDPE	2.41	2.69	2.58	1.96	3.08	4.17	5.40	6.40	7.47	8.62	9.88	11.28	12.80
PP	6.55	7.34	7.45	5.65	10.11	10.92	12.44	14.42	16.62	19.03	21.70	24.65	27.89

PP HDPE PET LDPE Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

PET: With the surge in urbanization and rising concerns about water quality and safety, the demand for bottled beverages in India has witnessed a substantial growth in recent years. Since the majority of packaging is done using PET, the segment growth is gaining traction. Moreover, factors such as rising environment concerns and increasing focus on sustainability across various industries is driving its adoption, thereby contributing the market growth. For instance, Beverage company Coca-Cola India announced the launch of fully recycled PET bottles for its flagship Coca-Cola brand in pack sizes of 250 ml and 750 ml across several markets in the country. The market for PET in India is expected to grow owing to the increasing penetration of global players in the recycling sector for PET.

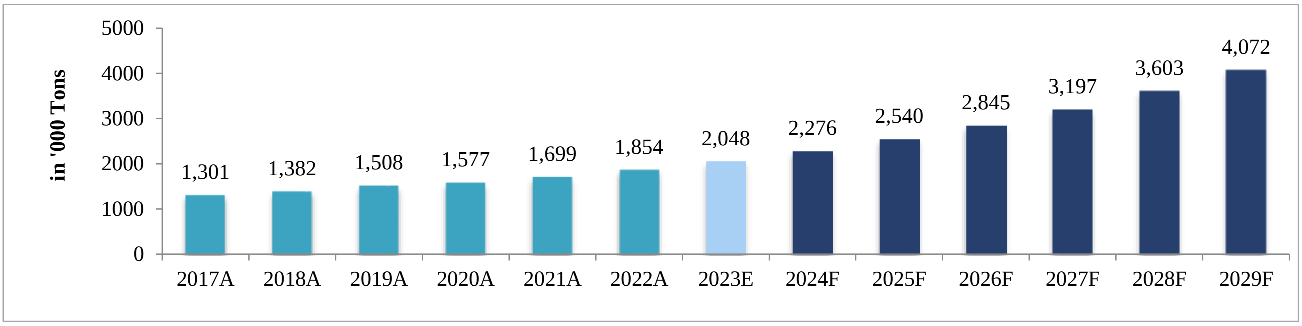
2.3. Indian PET Market

Polyethylene terephthalate (PET) is the most widely used material in the manufacture of rigid packaging containers, especially for packaging applications in food and beverage industries across the nation. Given the widespread use of PET in the Indian market, the government of India is increasingly encouraging the existing market as well as the adoption of recyclable PET. For instance, the Ministry of Environment, Forest, and Climate Change (MoEFCC), allowed the use of recycled content in food-contact packaging. Moreover, to expand consumer base and meet their increasing demand, prominent PET producers across the country are increasing focusing on the expansion of their production facilities, which is likely to propel the India PET market significantly. For instance, Reliance Industries (RIL) is planning to invest ₹75,000 crore (US$13.15 billion) in its petrochemicals and textile business over the next five years.

2.3.1. Volume Trends:

The India PET market reached a volume of 2,048 Kilo Tons in 2023, growing at a CAGR of 7.9% during 2017-2023. Looking forward, the India PET market is expected to reach a volume of 4,072 Kilo Tons by 2029, growing at a CAGR of 12.3% during 2024-2029.

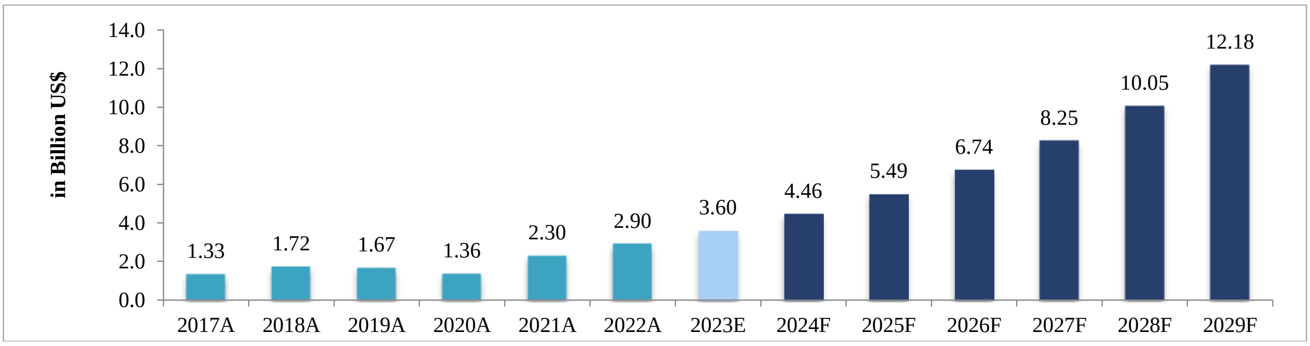
Figure 9: India: PET Market: Sales Volume (in '000 Tons), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.3.2. Value Trends

The India PET market reached a value of US$ 3.60 Billion in 2023, growing at a CAGR of 18.0% during 2017-2023. Looking forward, the India PET market is expected to reach a value of US$ 12.18 Billion by 2029, growing at a CAGR of 22.3% during 2024-2029.



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

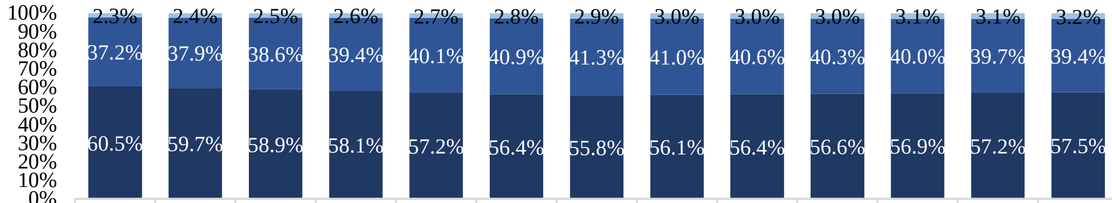
2.3.3. Indian PET Market by Application

By 2029, we expect bottle to represent the largest application for PET in India, accounting for a share of 57.5% of the total market in terms of volume. Bottle is expected to be followed by film (39.4%) and sheets and straps (3.2%). With increased Government focus on domestic manufacturing with the Government's 'Make in India' programme, the demand for PET resins is further expected to increase, which shall have a beneficial effect on our business operations. The increased use of PET resin would lead to generation of more waste which would then get into the waste stream and move towards recycling. PET has witnessed robust growth over last five years increasing usage in various end user industries such as packaging & bottling, automobile, medical packaging, electrical and electronics. The increased demand has been driven by replacement of traditional packaging materials like glass, aluminium, paper, metal and growth in FMCG sector.

2.3.3.1. Volume Trends

In 2023, bottle represented the largest application for PET in India, accounting for a share of 55.8% of the total market in terms of volume. The market in this segment reached a volume of 1,143 Kilo Tons in 2023, exhibiting a CAGR of 6.4% during 2017-2023.

Figure 11: India: PET Market: Breakup by Application: Sales Volume (in '000 Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sheets and Straps	30	33	37	40	45	51	59	67	76	87	99	112	129
Film	484	524	583	621	682	758	846	932	1,032	1,147	1,279	1,430	1,602
Bottle	787	825	888	916	972	1,045	1,143	1,276	1,431	1,611	1,820	2,061	2,341

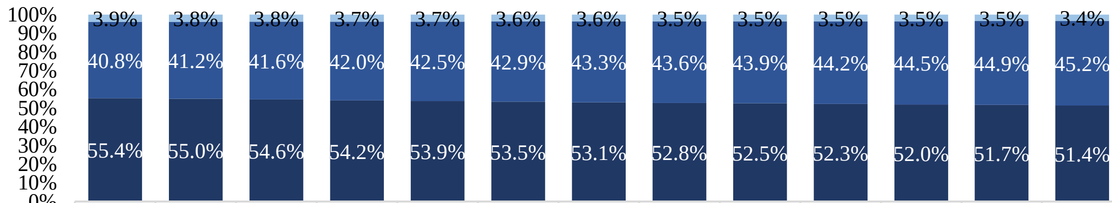
Bottle Film Sheets and Straps

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.3.3.2. Value Trends

In 2023, bottle represented the largest application for PET in India, accounting for a share of 53.1% of the total market in terms of value. The market in this segment reached a value of US$ 1,192 Million in 2023, exhibiting a CAGR of 17.2% during 2017-2023.

Figure 12: India: PET Market: Breakup by Application: Sales Value (in Million US$), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sheets and Straps	51	66	63	51	84	105	128	158	194	236	287	347	417
Film	543	710	693	572	975	1,243	1,560	1,945	2,414	2,984	3,674	4,506	5,503
Bottle	738	948	910	738	1,237	1,550	1,912	2,354	2,886	3,524	4,287	5,194	6,265

Bottle Film Sheets and Straps

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

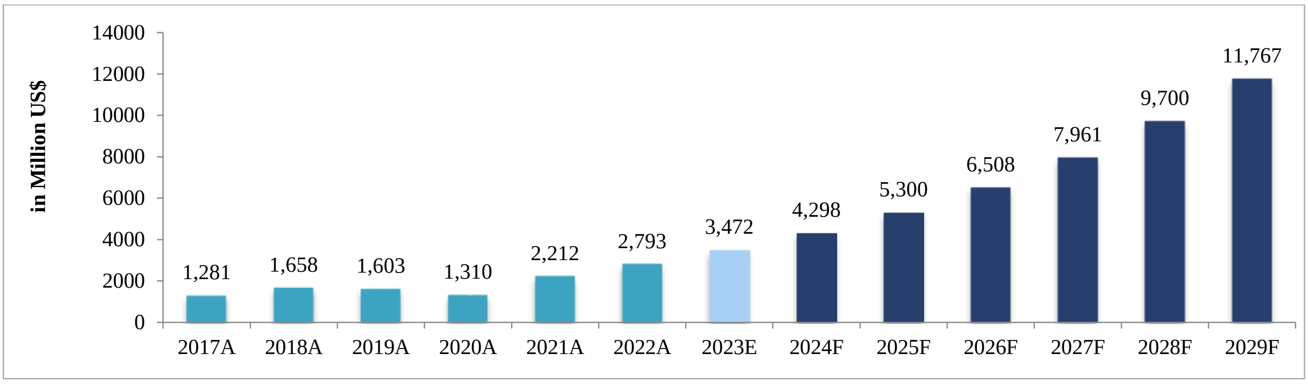
2.4. Indian PET Packaging Market

Huge investments in the food processing, personal care, and pharmaceutical industries are allowing the packaging market to expand. The emergence of India's middle class, the quick expansion of organized retail, the expansion of exports, and India's burgeoning e-commerce sector are all helping to fuel growth. Also, advancements in processing technologies have played a crucial role in the growth of the Indian PET packaging market. Innovations such as stretch blow molding, injection molding, and barrier coatings have enhanced the performance and versatility of PET packaging. Further, the rise of e-commerce in India has significantly influenced the PET packaging market. The need for secure and durable packaging solutions to ensure the safe delivery of products has led to an increased demand for PET materials. PET bottles and containers are preferred for their ability to withstand transportation challenges, ensuring that products reach consumers in optimal condition. As e-commerce continues to thrive, the PET packaging market is poised for further growth.

2.4.1. Value Trends

The India PET packaging market reached a value of US$ 3,472 Million in 2023, growing at a CAGR of 18.1% during 2017-2023. Looking forward, the India PET packaging market is expected to reach a value of US$ 11,767 Million by 2029, growing at a CAGR of 22.3% during 2024-2029.

Figure 13: India: PET Packaging Market: Sales Value (in Million US$), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

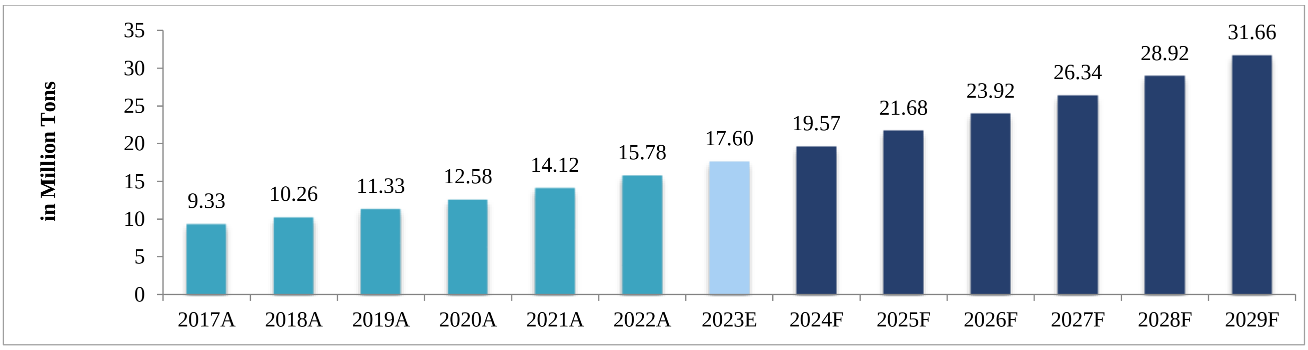
2.5. India Plastic Waste Generation

Economic growth and industrial development lead to higher production and consumption of goods, many of which are packaged in plastic. This contributes to a rise in plastic waste generation, particularly in sectors such as manufacturing, and retail. Moreover, the growth of e-commerce has led to a surge in packaging materials, much of which includes plastic. The rise in online shopping is another key factor contributing to the stimulated generation of plastic waste from packaging materials used for the transportation and delivery of goods. Apart from this, in some applications, there are limited alternatives or substitutes for plastic materials, especially in certain industries such as healthcare, where plastic is crucial for hygiene and safety reasons.

2.5.1. Volume Trends

The India plastic waste generation market reached a volume of 17.60 Million Tons in 2023, growing at a CAGR of 11.2% during 2017-2023. Looking forward, the India plastic waste generation market is expected to reach a volume of 31.66 Million Tons by 2029, growing at a CAGR of 10.1% during 2024-2029.

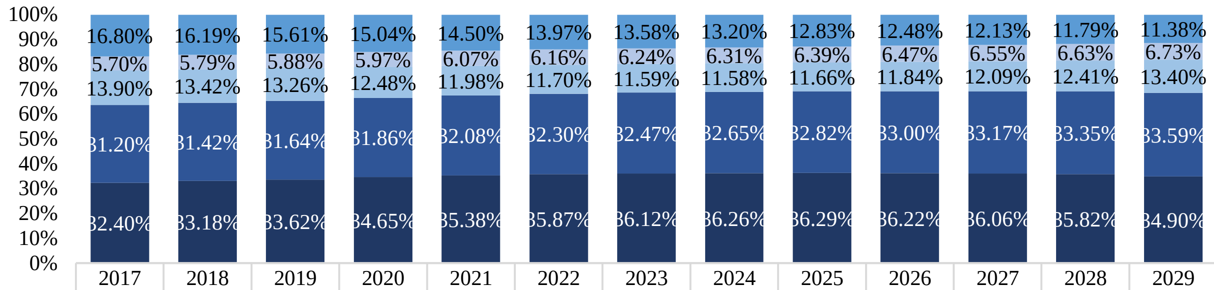
Figure 14: India: Plastic Waste Generation Market: Volume (in Million Tons), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group

Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

Figure 15: India: Plastic Waste Generation Market: Breakup by Material Type: Volume (in Million Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	1.57	1.66	1.77	1.89	2.05	2.20	2.39	2.58	2.78	2.98	3.19	3.41	3.60
PVC	0.53	0.59	0.67	0.75	0.86	0.97	1.10	1.24	1.39	1.55	1.72	1.92	2.13
PET	1.30	1.38	1.50	1.57	1.69	1.85	2.04	2.27	2.53	2.83	3.18	3.59	4.24
HDPE	2.91	3.22	3.58	4.01	4.53	5.10	5.72	6.39	7.12	7.89	8.74	9.64	10.64
LDPE	3.02	3.40	3.81	4.36	5.00	5.66	6.36	7.10	7.87	8.66	9.50	10.36	11.05

LDPE HDPE PET PVC Others

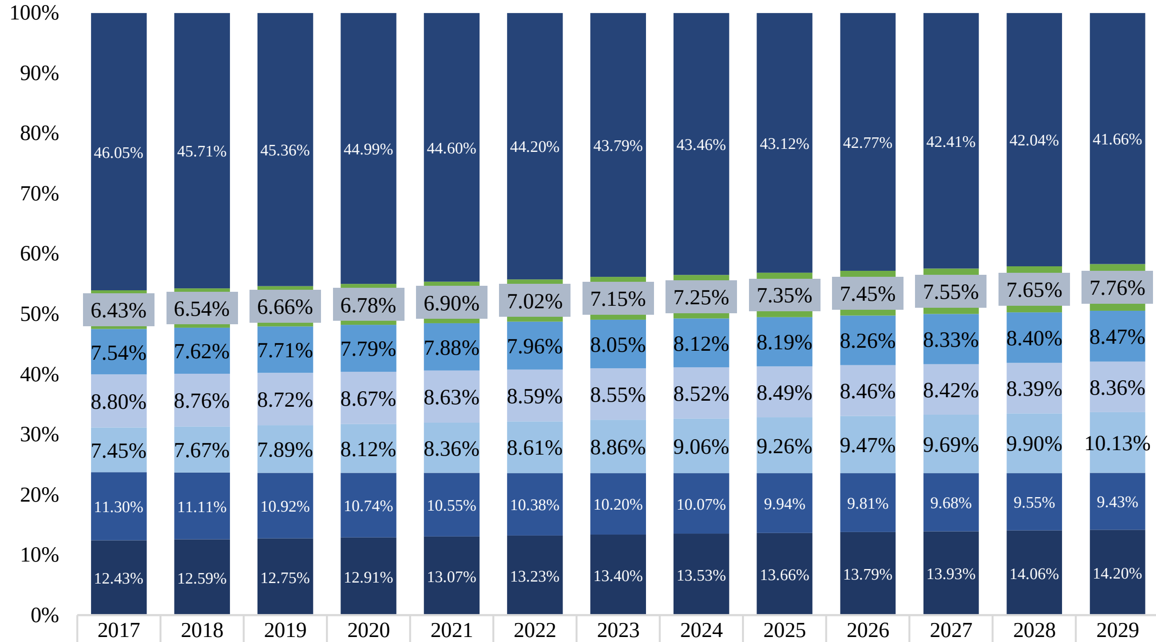
Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

PET Waste generation trends: It is estimated that of the total PET bottle waste generated, almost over three-fourths of the portion is collected, as PET bottles have a well-developed and robust post-consumer collection system. As urbanization continues to accelerate in India, there is a corresponding increase in the consumption of packaged goods, leading to higher demand for PET packaging materials. Furthermore, the consumer goods industry, including beverages, food, personal care, and household products, extensively uses PET for packaging due to its transparency, lightweight, and durability. The expansion of this industry is majorly catalyzing the PET plastic waste generation.

2.5.2. Plastic Waste Generation by States

In 2023, Uttar Pradesh represented the largest states for plastic waste generation in India, accounting for a share of 13,4% of the total market in terms of volume. The market reached a volume of 2.36 million Tons in 2023, representing a CAGR of 12.6% during 2017-2023.

Figure 16: India: Plastic Waste Generation Market: Breakup by States: Volume (in Million Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	4.30	4.69	5.14	5.66	6.30	6.98	7.71	8.50	9.35	10.23	11.17	12.16	13.19
Telangana	0.60	0.67	0.75	0.85	0.97	1.11	1.26	1.42	1.59	1.78	1.99	2.21	2.46
Gujarat	0.70	0.78	0.87	0.98	1.11	1.26	1.42	1.59	1.77	1.97	2.19	2.43	2.68
West Bengal	0.82	0.90	0.99	1.09	1.22	1.36	1.50	1.67	1.84	2.02	2.22	2.43	2.65
Tamil Nadu	0.70	0.79	0.89	1.02	1.18	1.36	1.56	1.77	2.01	2.27	2.55	2.86	3.21
Maharashtra	1.05	1.14	1.24	1.35	1.49	1.64	1.80	1.97	2.15	2.35	2.55	2.76	2.99
Uttar Pradesh	1.16	1.29	1.44	1.62	1.85	2.09	2.36	2.65	2.96	3.30	3.67	4.07	4.50

Uttar Pradesh　Maharashtra　Tamil Nadu　West Bengal　Gujarat　Telangana　Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.5.3. Indian Regulations Supporting Plastic Waste Collection & Recycling

Extended Producer Responsibility (EPR): EPR is a concept embedded in many waste management regulations globally, including India. It places the responsibility on producers to manage the entire life cycle of their products, including post-consumer disposal and recycling.
India has implemented EPR provisions in its Plastic Waste Management Rules to encourage manufacturers to take responsibility for the end-of-life disposal of their plastic products.

Plastic Waste Management Rules:

- **Plastic Waste Management (PWM) Rules, 2011: To address the increasing plastic production and its management on scientific lines, the union government had come up with Plastic Waste Management Rules in 2011 under the Environment Protection Act of 1986. Such rules provide floor standards for thickness of carry bags and necessitated the retailers to charge fee for plastic bag use by customers. Other regulations encompassed were ban on plastic sachet used for packaging of tobacco products, ban on recycled plastic for packing food items, and thickness of plastic bags (40 microns and above). The 2016 rules made it binding for urban local bodies to manage the plastic waste.**

- **Plastic Waste Management Rules, 2016: The 2016 regulations seek more inclusive and effective ways to address the plastic pollution. It places responsibility of plastic waste management on Gram Panchayats comprising of awareness generation among masses, preventing open plastic burning, plastic segregation from locally generated waste, its channelization and increasing the thickness of carry bags to 50 microns. The 2016 rules have asked the producers, importers, and brand owners of plastic products to co-ordinate with urban local bodies by paying fees that shall strengthen such institutions to fight plastic nuisance. Such regulations also include the major steps to set up material recovery facilities for non-compostable solid waste, segregation of waste, recovery of recyclables and to establish facilities for dry waste processing.**

In addition, Extended Producers Responsibility (EPR) regime is under implementation in Plastic Waste Management Rules, 2016, according to which it is the responsibility of Producers, Importers and Brand-owners to ensure processing of their plastic packaging waste through recycling, re-use or end of life disposal (such asco-processing/Waste-to-energy/Plasticto-oil/roadmaking/industrial-composting).

- **Plastic Waste Management (Amendment) Rules 2018: The Ministry of Environment, Forest and Climate Change has notified the Plastic Waste Management (Amendment) Rules 2018 on March 27, 2018. The amended Rules lay down that the phasing out of Multilayered Plastic (MLP) is now applicable to MLP, which are "non-recyclable, or non-energy recoverable, or with no alternate use."**

  The amended Rules also prescribe a central registration system for the registration of the producer/importer/brand owner. The Rules also lay down that any mechanism for the registration should be automated and should take into account ease of doing business for producers, recyclers and manufacturers.

- **Plastic Waste Management (Amendment) Rules, 2022: Recently, the Ministry of Environment, Forest, and Climate Change announced the Plastic Waste Management (Amendment) Rules, 2022, which notified the instructions on Extended Producer Responsibility (EPR) for plastic packaging.**

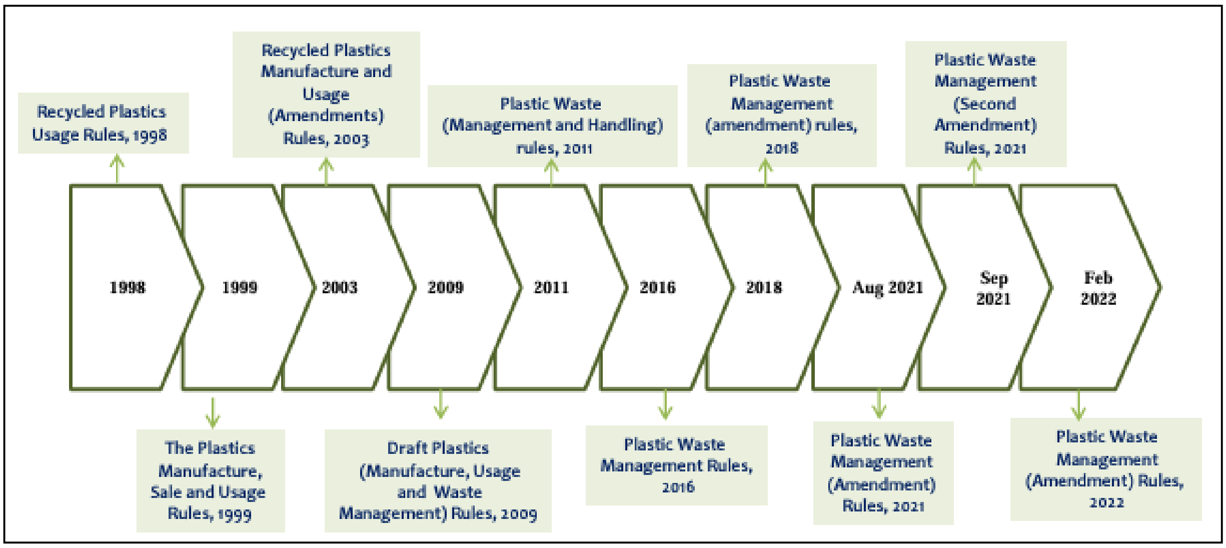
  In order to streamline implementation process of EPR, the Ministry of Environment, Forest and Climate Change, Government of India, in its fourth Amendment to the Plastic Waste Management Rules, dated February 16, 2022, notified 'Guidelines on Extended Producer Responsibility for Plastic Packaging' in the Schedule II of the Rules. As per these guidelines, Producers, Importers and Brand Owners (PIBOs) shall have to register through the online centralized portal developed by the Central Pollution Control Board (CPCB). Accordingly, this portal has been developed to register PIBOs who are operating in more than two States with CPCB and those operating in one or two States/UTs shall be registered with the concerned State Pollution Control Boards (SPCBs).

  The portal will help in improving accountability, traceability, and transparency of fulfilment of EPR Obligations. The portal is planned to have seven modules, which allows registration of PWPs and PIBOs, issue certificates by PWPs & exchange of credits, allows real-time monitoring of transactions between PIBOs and PWPs, allows levy of environmental compensation and provides system generated reports and facilitates filing of annual returns for the stakeholders. Presently three modules of EPR portal "Registration of PIBOs", "Registration of PWPs" and "Generation & Transfer of EPR Certificates" are operational. The remaining modules shall be integrated shortly.

  Also, Plastic Waste Management (Second Amendment) Rules, 2022, were issued in view of the phasing out of certain single-use plastic products from July 1 and the mandate to increase thickness of plastic carry bags. The Union environment ministry has issued Plastic Waste Management (Second Amendment) Rules, 2022, in view of the phasing out of certain single-use plastic products from July 1 and the mandate to increase the thickness of plastic carry bags to over 120 microns from December 31.

  The phasing out single-use plastic items from July 1 include wrapping or packaging films around sweet boxes, invitation cards, and cigarette packets, plastic or PVC banners of less than 100-micron thickness, stirrers, plastic cutlery, straws, plastic sticks for balloons and earbuds etc.

Timeline of Plastic Waste Management Rules in India



Categories, Targets, and Timelines

Implementing Plastic Waste Management rules in India addresses the longstanding issue of escalating post-consumer plastic waste. The government has taken significant measures to combat this problem, such as entrusting Producers, Importers, and Brand Owner (PIBOs) with the responsibility of eco-friendly screening and handling of plastic waste.

As per Plastic waste management (Amendment) Rules, 2022, the classification of plastics is defined below:

- **Category I: Rigid plastic packaging will be included under this category.**
- **Category II: Flexible plastic packaging of a single layer or multilayer (more than one layer with different types of plastic), plastic sheets and covers made of plastic sheet, carry bags, plastic sachet or pouches will be included under this category.**
- **Category III: Multi-layered plastic packaging (at least one layer of plastic and at least one layer of material other than plastic) will be included under this category.**
- **Category IV: Plastic sheets or like used for packaging as well as carry bags made of composite plastics fall under this category.**

The year-wise target for minimum level of recycling of plastic waste across different categories of plastic packaging including compostable packaging is given below:

PIBOs – Obligation for Recycling: PIBOs shall ensure minimum level of recycling (excluding end of life disposal) of plastic packaging waste (% of EPR Target)

Particulars	Years			
Plastic Packaging Category	**2024-25**	**2025-26**	**2026-27**	**2027-28 and onwards**
Category I	50	60	70	80
Category II	30	40	50	60
Category III	30	40	50	60
Category IV	50	60	70	80

PIBOs – Obligation for Use of Recycled Plastic Content: Mandatory use of recycled plastic (% of plastic purchased)

Particulars	Years			
Plastic Packaging Category	**2025-26**	**2026-27**	**2027-28**	**2028-29 and onwards**
Category I	30	40	50	60
Category II	10	10	20	20
Category III	5	5	10	10

Non-compliance with EPR regulations can lead to legal consequences for businesses. The EPR law in India mandates that all producers, importers, and brand owners must complete their EPR registration with the Central Pollution Control Board (CPCB) and fulfil their EPR obligations. Failure to do so can result in fines, penalties, or even imprisonment.

Non-compliance with EPR regulations can also have a significant financial impact on businesses. The EPR Rules in India state that non-compliant businesses can be fined up to INR 1 lakh per day for each violation. Additionally, businesses may also be required to pay for the collection, transportation, and disposal of their products' waste if they fail to fulfill their EPR obligations.

Details of environmental compensation (EC) to be levied & penal action to be taken for non-compliance of PWM rules. Schedule-II of PWM Rules:

Provision	Violator	Violation	Environmental compensation
Environmental Compensation shall be levied based upon polluter pays principle, with respect to nonfulfillment of EPR targets by Producers, Importers & Brand Owners	Producers, Importers & Brand Owners	Shortfall in EPR Target in following types 1. **Recycling** 2. **End of Life Recycling** 3. **Mandated Use of recycled plastic**	EC to be levied @ ₹5000/- per ton (@ ₹10000/- per ton for 2nd time and @ ₹20000/- per ton for 3rd time). EC can be carried forward up to 3 years as per EPR guidelines.

2.6. India Waste Plastic Recycling Market

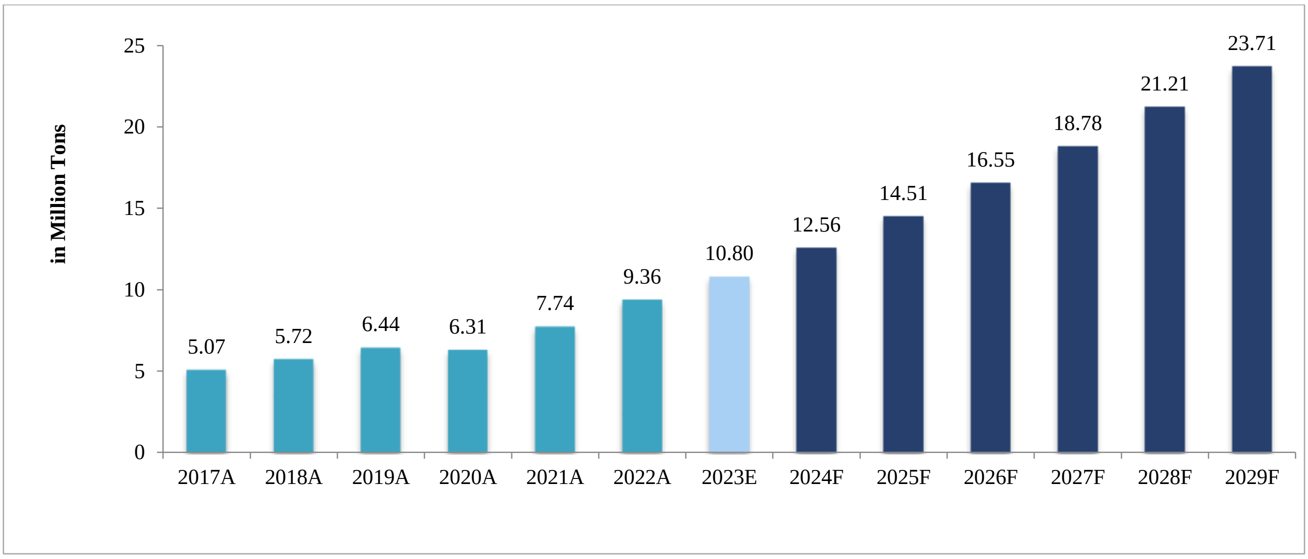
2.6.1. Market Overview

India's waste plastic recycling is propelled by a growing population, increasing urbanization, and rising awareness about environmental sustainability. Government initiatives promoting waste management, supportive policies, and investments in recycling infrastructure further drive growth. The demand for recycled materials in various industries, coupled with a focus on circular economy principles, encourages the expansion of the waste plastic recycling sector in India, addressing both environmental concerns and economic opportunities.

2.6.2. Volume Trends

The India waste plastic recycling market reached a volume of 10.80 Million Tons in 2023, growing at a CAGR of 13.4% during 2017-2023. Looking forward, the India waste plastic recycling market is expected to reach a volume of 23.71 Million Tons by 2029, growing at a CAGR of 13.5% during 2024-2029.

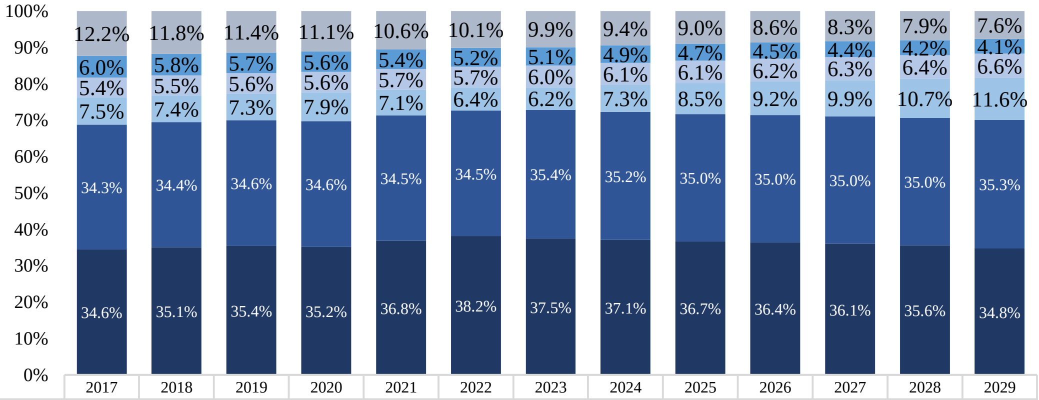
Figure 17: India: Waste Plastic Recycling Market: Sales Volume (in Million Tons), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted

In 2023, low-density polyethylene (LDPE) represented the largest material for waste plastic recycling in India, accounting for a share of 37.5% of the total market in terms of volume. The market in this segment reached a volume of 4.05 Million Tons in 2023, exhibiting a CAGR of 15.0% during 2017-2023.

Figure 18: India: Waste Plastic Recycling Market: Breakup by Material: Sales Volume (in Million Tons), 2017-2029

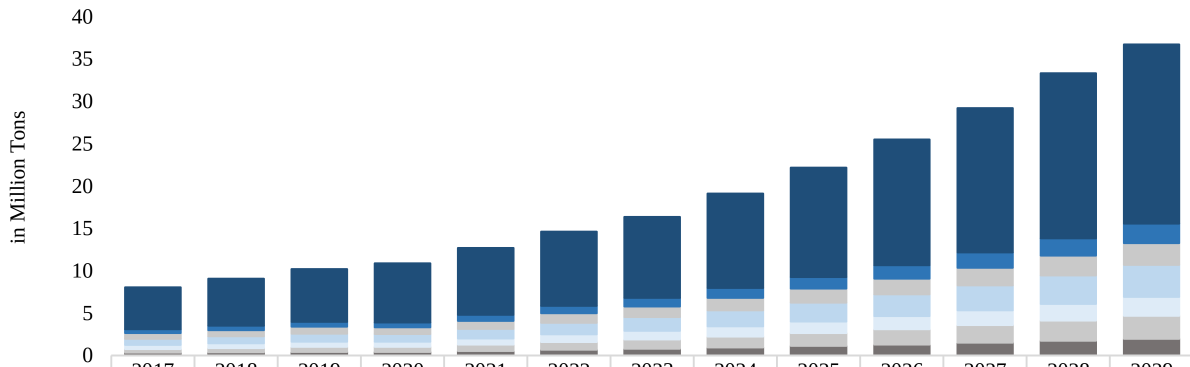


	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	0.62	0.67	0.73	0.70	0.82	0.94	1.07	1.18	1.30	1.42	1.55	1.68	1.81
Polypropylene (PP)	0.31	0.33	0.37	0.35	0.42	0.48	0.55	0.61	0.68	0.74	0.82	0.89	0.96
Poly Vinyl Chloride (PVC)	0.27	0.31	0.36	0.35	0.44	0.53	0.64	0.76	0.89	1.03	1.19	1.37	1.56
Polyethylene Terephthalate (PET)	0.38	0.43	0.47	0.50	0.55	0.60	0.67	0.92	1.23	1.52	1.87	2.27	2.76
High-Density Polyethylene (HDPE)	1.74	1.97	2.23	2.18	2.67	3.23	3.82	4.42	5.08	5.80	6.58	7.43	8.37
Low-Density Polyethylene (LDPE)	1.75	2.01	2.28	2.22	2.85	3.57	4.05	4.67	5.33	6.03	6.78	7.56	8.24

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.6.3. Recycling Plastic: Breakup by States

Figure 19: India: Plastic Recycling: Breakup by States: Volume (in Million Tons), 2017-2029



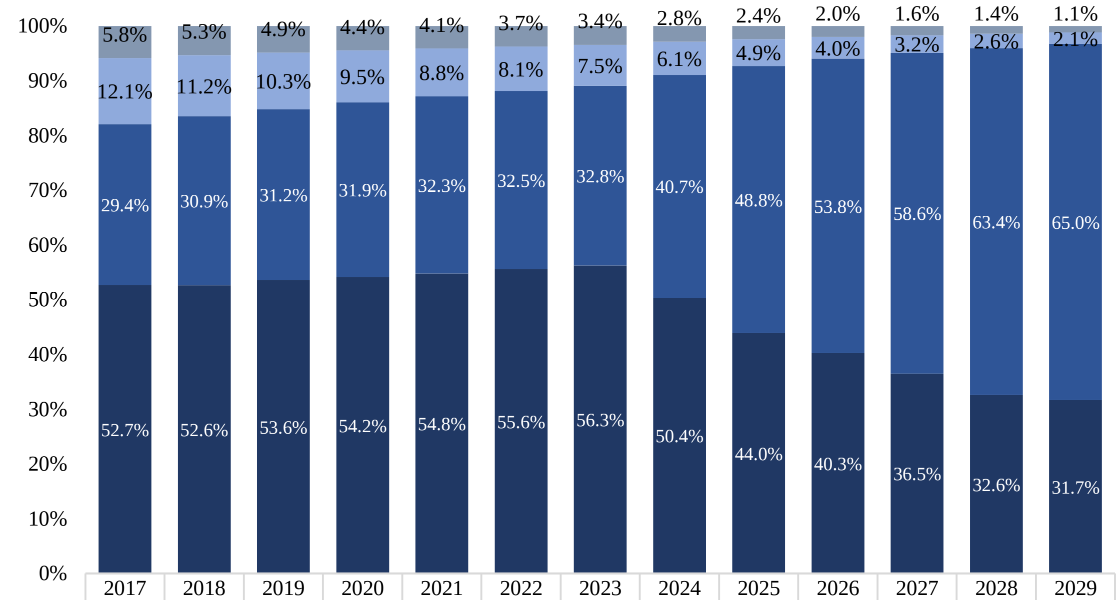
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	4.94	5.56	6.23	6.98	7.88	8.76	9.55	11.14	12.92	14.84	17.02	19.49	21.12
Gujarat	0.45	0.51	0.58	0.57	0.70	0.86	1.00	1.17	1.36	1.57	1.79	2.04	2.30
Maharashtra	0.67	0.74	0.82	0.79	0.95	1.12	1.27	1.46	1.67	1.87	2.10	2.34	2.58
Uttar Pradesh	0.71	0.81	0.93	0.91	1.13	1.39	1.62	1.91	2.22	2.56	2.94	3.35	3.78
West Bengal	0.50	0.56	0.63	0.60	0.74	0.89	1.02	1.19	1.37	1.55	1.76	1.98	2.21
Tamil Nadu	0.43	0.50	0.58	0.58	0.74	0.92	1.09	1.29	1.53	1.78	2.07	2.38	2.73
Telangana	0.34	0.39	0.45	0.43	0.55	0.68	0.81	0.96	1.13	1.31	1.52	1.75	1.99

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

2.6.3.1. India PET Waste Management (Volume Trends)

In 2023, mismanaged waste dominated the PET waste management in India, accounting for a share of 56.3% of the total market. The market in this segment reached a volume of 1.15 Million Tons in 2023, exhibiting a CAGR of 9.0% during 2017-2023.

Figure 20: India: PET Waste Generation Market: Breakup by Waste Management: Volume (in Million Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Incineration	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.05	0.05
Landfills	0.16	0.15	0.16	0.15	0.15	0.15	0.15	0.14	0.12	0.11	0.10	0.09	0.09
Recycling	0.38	0.43	0.47	0.50	0.55	0.60	0.67	0.92	1.23	1.52	1.87	2.27	2.76
Mismanaged Waste	0.68	0.72	0.81	0.85	0.93	1.03	1.15	1.14	1.11	1.14	1.16	1.17	1.34

Mismanaged Waste Recycling Landfills Incineration

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3. Global rPET Market

3.1. Market Overview

Companies often use sustainable practices, including the use of rPET, as a tool for brand differentiation and to enhance their market image. This can be particularly influential in competitive markets where businesses seek to stand out through their environmental commitments thus fuelling market growth. In addition, many large-scale companies are switching to rPET technology to protect the environment. For instance, in 2023, US-based bottled water brand Chlorophyll Water announced the launch of new bottles made using 100% recycled polyethylene terephthalate (rPET). Due to this, market growth is propelling across the globe.

3.2. Trends for Increasing Use of rPET

Rapid urbanization in the Asia-Pacific region is acting as a significant driver for the increasing use of rPET. As the urban population is growing, so does the consumer demand and plastic waste, prompting a shift towards sustainable materials. This urban expansion leads to heightened awareness and demand for eco-friendly practices, encouraging industries to adopt rPET in their products to meet these evolving consumer and environmental needs. For instance, in 2023, Coca-Cola India, a Coca-Cola Co. subsidiary headquartered in Gurugram, India, has launched a 100 percent-recycled polyethylene terephthalate (rPET) water bottle. The food-grade rPET will be produced by Srichakra Polyplast India Pvt. Ltd., Hyderabad, India, on a Starlinger PET bottle-to-bottle recycling line. Additionally, Ganesha Ecosphere Ltd announced the expansion of the production capacity of recycling plastic (rPET) by 49,640 tons per annum, rPET is a recycled PET (polyethylene terephthalate) plastic that is used to make packaging, such as plastic bottles and food containers. Due to this, the growth of the market is stimulating across the region. Besides, stringent government regulations in the Asia-Pacific region is acting as a significant driver for the adoption of rPET. These regulations, aimed at reducing plastic waste and promoting recycling, impose strict requirements on businesses to incorporate recycled materials like rPET in their products and packaging. Non-compliance can result in penalties, motivating industries to embrace sustainable practices and contribute to environmental preservation.

3.2.1. Large Corporations Having Sustainability Mandates

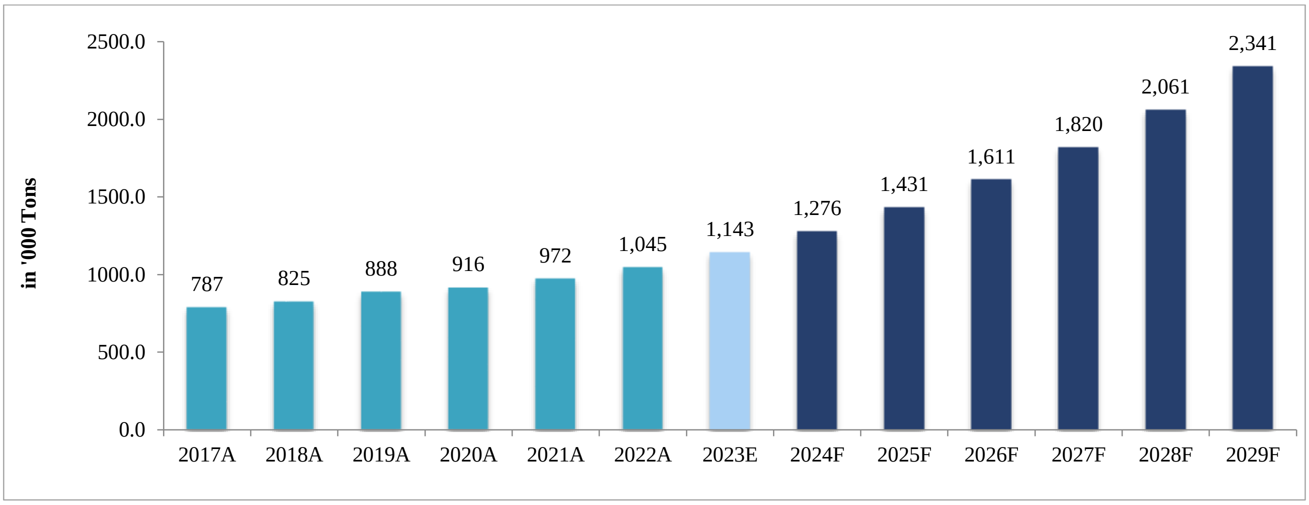
#	Key rPET Consumers	Recent Developments	Sustainability Goals
1.	Coca Cola Company	Coca-Cola India launched fully recycled PET bottles in the carbonated beverage category. Its brand Coca-Cola will be available in 100 per cent	The Coca Cola Company goal is to make 100% of its packaging recyclable globally by 2025 and

		recycled PET bottles (rPET) in pack sizes of 250 ml and 750 ml	to use at least 50% recycled material in its packaging by 2030.
2.	Indian Oil Corporation Ltd. (IOCL)	Green initiative "Unbottled" of IOCL: used plastic bottles are shredded into flakes and then melted into micro-pellets. These micro-pellets are converted into yarns for weaving green clothing.	Company's initiatives, such as the Reverse Vending Machines, EV Bus, and garments crafted from recycled PET bottles, are all aligned with achieving Net-Zero Operational Emissions by 2046.
3.	Berry Global	Berry has launched some of its most popular and top-selling thermoformed and injection stretch blow moulded food packs manufactured in recycled PET. A new luxury artesian mineral water is being packaged in a bottle using exclusively 100% recycled PET (rPET) bottles*, manufactured by Berry Global.	The introduction of the rPET containers is an important part of Berry Global's Impact 2025 sustainability strategy, which aims to help customers meet and exceed their sustainability goals. One of the Impact 2025 targets is that 100 percent of the company's fast-moving consumer products will be reusable, recyclable and/or compostable by 2025.
4.	Suntory PepsiCo Beverage (Thailand) Co. Ltd.	Bangkok-based Suntory PepsiCo Beverage (Thailand) Co. Ltd. has started to use bottles made from 100 percent recycled polyethylene terephthalate (rPET) as part of a campaign it calls "Fizzy Consciousness to Change the World."	The goal includes an aim specific to PET (polyethylene terephthalate) beverage bottles to achieve 33 percent recycled PET content by 2025.
5.	Mars, Incorporated.	The Chinese branch of confectionery company Mars Wrigley has launched its first package made entirely from post-consumer recycled PET (rPET). The company adopted the packaging for local chocolate brand Cui Xiang Mi (CXM)	Company's efforts include a 2050 net zero emissions commitment, expanding our use of renewable energy, helping farmers cut water use while increasing crop yield, working to eliminate deforestation and evolving our product packaging to support a circular economy.

3.3. Number of Bottles Consumed in India (Volume Trends)

The India PET bottle market reached a volume of 1,143 Kilo Tons in 2023, growing at a CAGR of 6.4% during 2017-2023. Looking forward, the India PET bottle market is expected to reach a volume of 2,341 Kilo Tons by 2029, growing at a CAGR of 12.9% during 2024-2029.

Figure 21: India: PET Bottle Consumption Market: Sales Volume (in '000 Tons), 2017-2029

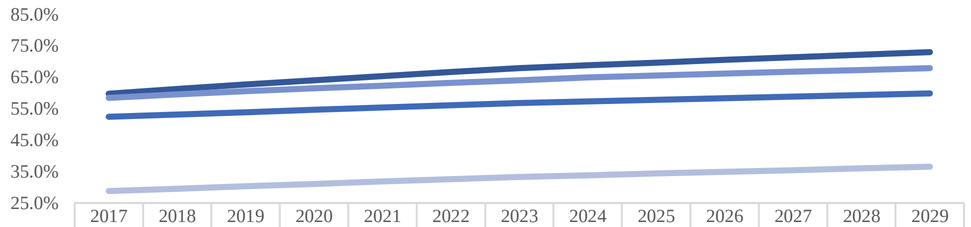


Source: Analyst Reports, Expert Interviews and IMARC Group

Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3.3.1. Recycling Rate of Bottles Recycled by Material Type

Figure 22: India: Plastic Bottle Recycling Rate: Breakup by Material Type: Volume (in Share %), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Polyethylene Terephthalate (PET)	59.8%	61.3%	62.7%	64.1%	65.4%	66.7%	67.9%	68.8%	69.7%	70.6%	71.4%	72.2%	73.0%
High-Density Polyethylene (HDPE)	52.4%	53.2%	53.9%	54.7%	55.4%	56.1%	56.8%	57.3%	57.9%	58.4%	58.9%	59.4%	59.9%
Polypropylene (PP)	58.4%	59.6%	60.6%	61.5%	62.4%	63.2%	64.1%	64.9%	65.6%	66.2%	66.8%	67.3%	67.9%
Low-Density Polyethylene (LDPE)	28.8%	29.6%	30.3%	31.1%	31.8%	32.6%	33.3%	33.9%	34.4%	35.0%	35.5%	36.0%	36.6%

Polyethylene Terephthalate (PET) High-Density Polyethylene (HDPE) Polypropylene (PP) Low-Density Polyethylene (LDPE)

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3.4. India rPET Market

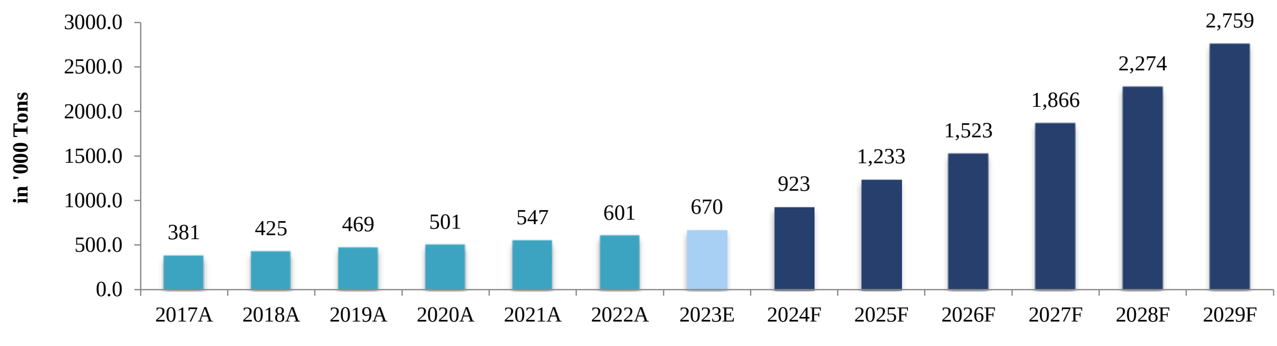
3.4.1. Market Overview

Technological advancements in the recycling process have made it more efficient and cost-effective. Moreover, improved sorting, cleaning, and processing technologies are enhancing the quality of recycled PET, making it more appealing for various applications thus fuelling the market growth. Also, several e-commerce platforms are selling packaged goods to the customers. For instance, in 2022, the Indian government has launched the Open Network for Digital Commerce or ONDC in Bengaluru. Due to this, the market growth is impelling across the country. Apart from this, urbanization continues in India, changes in lifestyle and consumption patterns are leading to the increasing usage of PET products, subsequently estimated to increase the potential for recycling and the demand for rPET in the coming years. Further, the restriction on import of rPET chips will drive domestic production in India. The industry segments is highly competitive and include a number of well-established manufacturers as well as several small players in the un-organised sector. Robust growth opportunities have led Indorama Ventures Public Co Ltd to invest $ 150 million in three PET waste recycling plants in India, located at Haldia, Nagpur and Panipat, and are aiming to start commercial production in 2026.

3.4.2. Volume Trends

The India rPET market reached a volume of 670 Kilo Tons in 2023, growing at a CAGR of 9.9% during 2017-2023. Looking forward, the India rPET market is expected to reach a volume of 2,759 Kilo Tons by 2029, growing at a CAGR of 24.5% during 2024-2029.

Figure 23: India: rPET Market: Sales Volume (in '000 Tons), 2017-2029

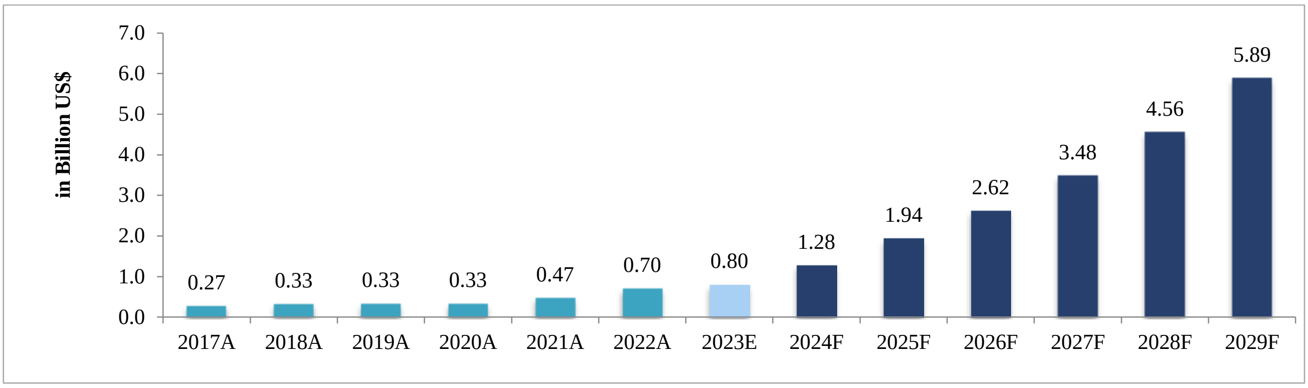


Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3.4.3. Value Trends

The India rPET market reached a value of US$ 0.80 Billion in 2023, growing at a CAGR of 19.5% during 2017-2023. Looking forward, the India rPET market is expected to reach a value of US$ 5.89 Billion by 2029, growing at a CAGR of 35.8% during 2024-2029.

Figure 24: India: rPET Market: Sales Value (in Billion US$), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3.5. Market Breakup by Application

By 2029, we expect bottles represent the largest application for rPET in India, accounting for a share of 59.4% of the total market in terms of volume. Bottles are expected to be followed by fiber (31.5%), sheets and straps (7.7%), and others (1.4%).

Bottles: Companies are entering into partnerships to launch rPET bottles across the country. For instance, in 2023, PepsiCo India's new rPET bottles are being manufactured in partnership with Srichakra Polyplast Private Limited with the bottling partner, Varun Beverages, thus proliferating the market growth. Along with this, advances in recycling technology are making the process of converting PET waste into rPET more efficient and cost-effective. This has improved the quality of rPET, making it more suitable for a variety of applications, including bottles, thereby stimulating the market growth. Besides, companies are supporting other organizations for the manufacturing of rPET bottles. For instance, in 2023, Coca-Cola India launched a new bottle made from 100% recycled polyethene terephthalate (rPET), supplied by Ganesha Ecosphere for latter's kinley plant for the latter's Kinley brand. Due to this, the market is estimated to fuel during the assessment years.

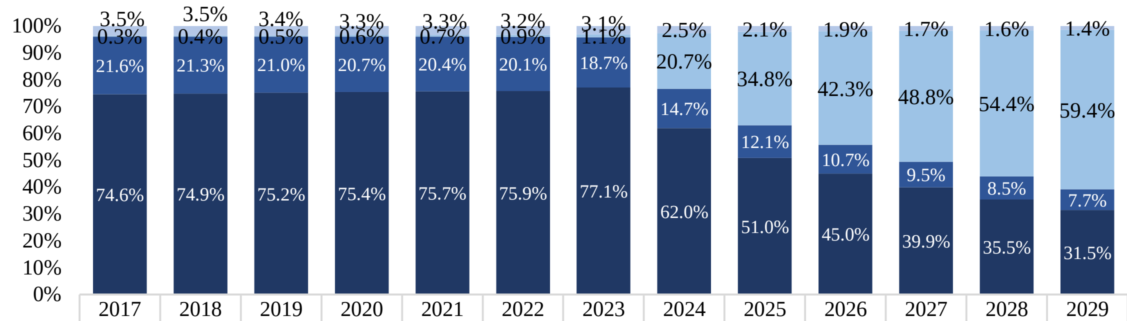
Fibers: The recycling of plastic bottles into yarn is a quickly expanding industry in India. The quality of yarn obtained from recycled PET bottles is comparable to that of virgin yarn produced from crude oil, with roughly 80% of PET bottles being recycled. The resulting yarn can be combined with other fibers or used alone to make a variety of fabrics that are just as high-quality as those manufactured from original polyester thus catalyzing the market growth. Besides this, several fashion brands are utilizing rPET technology to keep the environment protected. For instance, in 2019, Raymond Group, India's leading fashion and textile manufacturer and retailer, has unveiled the eco-friendly Ecovera – a range of fabrics manufactured by using R|Elan™, the latest technology from Reliance Industries Ltd (RIL). Due to this, market growth is propelling.

Sheets & Strapping: Many organizations are committing to sustainability goals which include reducing plastic waste and using recycled materials like rPET sheets in their operations and products. For instance, in 2021, environment management firm Ramky Enviro Engineers Limited (REEL) has inaugurated one of South India's largest plastic recycling facility at JN Pharmacity in Visakhapatnam thus fuelling the market growth. Along with this, India banned the manufacturing, distribution, stocking, sales and use of selected 19 single-use plastic items with effect from July 1, 2022. The ban covered plastic items like cutlery, straws, sticks and thermocol (only for the purpose of decoration), while some single-use plastic items like carry bags and banners were regulated by the thickness of 120 microns and 100 microns, respectively. As a result of this, market growth is catalyzing. rPET strapping can be more economical compared to virgin PET, making it an attractive option for businesses looking to reduce costs while maintaining quality thus driving its market growth. Moreover, growing consumer awareness regarding environmental issues is leading to a preference for products packaged with sustainable materials, thus stimulating the market for rPET strapping. Increasing awareness through educational campaigns about the benefits of recycling and using recycled products are shifting consumer and manufacturer preferences towards rPET strapping. On account of this, the market is expected to rise in the coming years.

3.5.1. Volume Trends

In 2023, fiber represented the largest application for rPET in India, accounting for a share of 77.1% of the total market in terms of volume. The market in this segment reached a volume of 516.4 Kilo Tons in 2023, exhibiting a CAGR of 10.5% during 2017-2023.

Figure 25: India: rPET Market: Breakup by Application: Sales Volume (in '000 Tons), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	13.5	14.8	15.9	16.7	17.9	19.2	20.8	23.5	26.3	29.3	32.5	36.0	39.6
Bottles	1.1	1.6	2.1	2.8	3.8	5.1	7.2	191.4	429.6	644.7	910.3	1,237.1	1,638.8
Sheets and Straps	82.0	90.4	98.3	103.4	111.5	120.7	125.3	135.5	148.9	163.0	178.2	194.4	211.7
Fiber	284.1	318.6	352.7	377.6	413.9	455.6	516.4	572.3	628.3	686.2	745.2	806.8	869.3

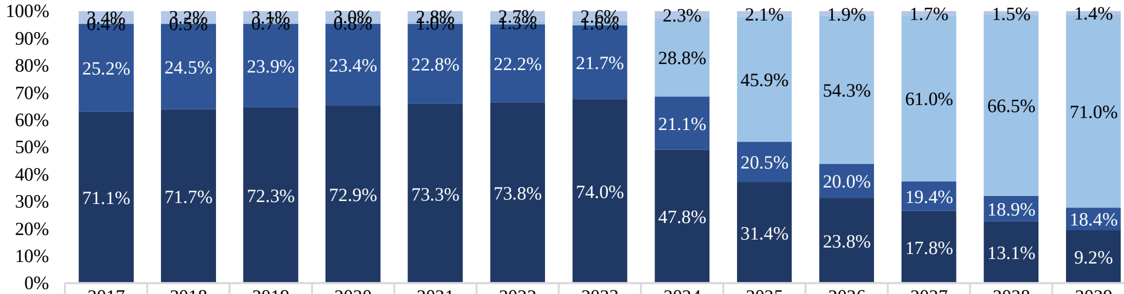
■ Fiber ■ Sheets and Straps ■ Bottles ■ Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

3.5.2. Value Trends

In 2023, fiber represented the largest application for rPET in India, accounting for a share of 74.0% of the total market in terms of value. The market in this segment reached a value of US$ 539.6 Million in 2023, exhibiting a CAGR of 20.8 % during 2017-2023.

Figure 26: India: rPET Market: Breakup by Application: Sales Value (in Million US$), 2017-2029



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Others	11.8	13.4	13.2	12.7	17.3	24.6	27.5	32.8	39.5	46.6	54.5	62.9	71.8
Bottles	1.2	1.8	2.2	2.8	4.8	8.8	13.2	367.8	891.1	1,423.9	2,125.0	3,031.6	4,185.8
Sheets and Straps	88.3	102.5	102.3	100.6	139.3	201.8	218.7	249.7	288.6	331.1	377.8	428.9	484.7
Fiber	173.5	208.3	214.9	218.2	312.1	466.3	539.6	627.4	721.0	820.4	924.6	1,035.0	1,149.4

■ Fiber ■ Sheets and Straps ■ Bottles ■ Others

Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted

3.5.3. Benefits of Using Recycled Materials Over Virgin Plastic

Recycling wins over virgin production on all environmental measurements, especially when it comes to carbon emissions. Estimates vary with the type of recycling process used, but researchers agree that recycling and remanufacturing plastic saves between 30% and 80% of the carbon emissions that original processing and manufacturing produces. That could mean annual savings of 30 to 150 million tons of CO2, given our previous calculations of carbon emissions from plastics production. An LCA (Life cycle assessment) study showed that the environmental impact of PET bottle-to-fibre recycling compared to virgin PET fibre and other commodity fibre products, i.e. cotton, viscose, PP (polypropylene) and PLA (polylactic acid) offer important environmental benefits. Depending on the allocation methods applied for open-loop-recycling, nonrenewable energy use savings of 40–85% and global warming potential savings of 25–75% can be achieved.

According to the Association of Plastic Recyclers, aspects on Carbon Emission, Global Warming etc. are mentioned below:

Savings for Recycled Plastic Resins Compared to Virgin Plastic Resins[1]						
	Recycled PET		Recycled HDPE		Recycled PP	
	Recycled % of Virgin	Recycled Resin % Reduction from Virgin[2]	Recycled % of Virgin	Recycled Resin % Reduction from Virgin	Recycled % of Virgin	Recycled Resin % Reduction from Virgin
Total Energy	21%	79%	12%	88%	12%	88%
Water Consumption	104%	-4%	41%	59%	54%	46%
Solid Waste[3]	42%	58%	101%	-1%	77%	23%
Global Warming Potential	33%	67%	29%	71%	29%	71%
Acidification	30%	70%	53%	47%	42%	58%
Eutrophication	54%	46%	102%	-2%	57%	43%
Smog	25%	75%	63%	37%	50%	50%

[1] The Cut-Off assumption is used. All initial burdens are assigned to first use, not allocated to recycle use. December 2018, LIFE CYCLE IMPACTS FOR POSTCONSUMER RECYCLED RESINS: PET, HDPE, AND PP https://plasticsrecycling.org/images/apr/2018-APR-Recycled-Resin-Report.pdf

[2] The comparison cited here are from the December 2018 study and do not reflect the improvements for virgin PET in the 2020 Franklin Assocates report done for NAPCOR

[3] Solid waste excluding contaminants removed from incoming material. These contaminants are not caused by recycling and would have been disposed as waste regardless of whether postconsumer plastic recycling

4. Global rPSF Market

4.1. Market Performance

Promoting the recycling of plastics stands as a crucial and sustainable initiative in light of the escalating environmental impact caused by plastic waste. Establishing an effective system for the cleaning and sorting of this waste is imperative. Within the thermoplastics recycling sector, a significant emphasis is placed on recycling bottles employed for liquid packaging, encompassing water, juices, beer, sauces, detergents, household chemicals, and carbonated soft drinks. The distinctive consistency and shape of these bottles facilitate their separation, whether through automated processes or manual sorting. A popular segment in the PET waste recycling market is recycled polyester staple fiber (rPSF/RPSF), anticipated to play a pivotal role in the future of the textile industry. RPSF is an energy saving and environment friendly product which helps to reduce the pollution and wastewater discharge in the textile industry. It has excellent retention of fibre finish to ensure smooth and better productivity. Such yarn has better washing/sublimation/sunlight fastness, uniformity in colour and reduce control risk of production process. rPSF is crafted by melting down PET bottles and converting them into filaments. It has excellent retention of fibre finish to ensure smooth and better productivity. RPSF has many industrial applications because of its special characteristics, especially its resistance to stretching or shrinking and general strength as a fibre. It also dries quickly, while remaining crisp and strong afterwards, so this material is easily washed. RPSF resists wrinkles, mildew and general surface damage. RPSF also finds applications in the numerous areas ranging from technical textiles, non-woven textiles, furniture, pillows, mattresses, soft toys and yarn spinning.

These versatile filaments can be utilized as continuous threads or cut into length-defined fibers for spinning. The resultant fabric finds application in an array of garments such as pullovers, jackets, and sweatshirts. The recycled thread or yarn, whether used independently or blended with other fibers, proves instrumental in crafting robust and enduring products like coats, shoes, bags, hats, and accessories. This innovative approach not only addresses environmental concerns but also contributes to the creation of sustainable and durable textiles for various applications.

5. India rPSF Market

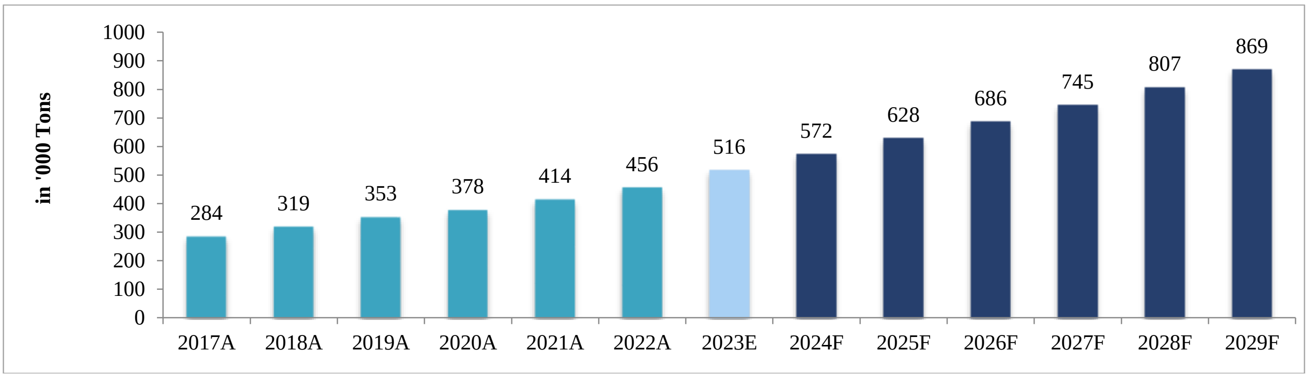
5.1. Market Overview

Increasing awareness and concerns about environmental sustainability are driving factors for recycled PSF industry in India. Consumers, industries, and governments are actively seeking eco-friendly alternatives to virgin polyester, and recycled PSF offers a sustainable solution by reducing the reliance on new raw materials. Rising focus on product portfolios expansion among manufacturers is also strengthening the segment growth. For instance, Ganesha Ecosphere, leading recycler of India and a prominent manufacturer of Recycled Polyester Staple fibre (rPSF) diversified into spun yarn, dyed texturized yarn among others. Moreover, increasing investment for the production of rPSF is expected to drive the market growth in the upcoming years.

5.1.1. Volume Trends

The India rPSF market reached a volume of 516 Kilo Tons in 2023, growing at a CAGR of 10.5% during 2017-2023. Looking forward, the India rPSF market is expected to reach a volume of 869 Kilo Tons by 2029, growing at a CAGR of 8.7% during 2024-2029.

Figure 27: India: rPSF Market: Sales Volume (in '000 Tons), 2017-2029

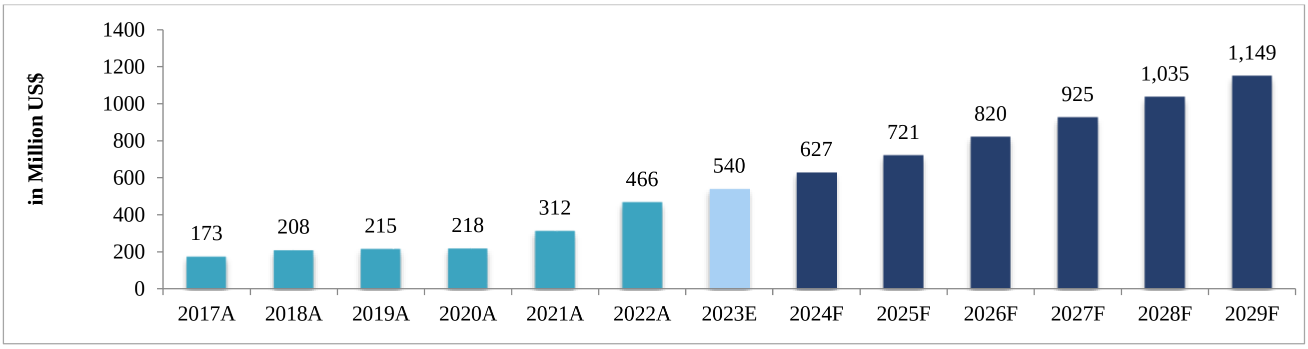


Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

5.1.2. Value Trends

The India rPSF market reached a value of US$ 540 Million in 2023, growing at a CAGR of 20.8% during 2017-2023. Looking forward, the India rPSF market is expected to reach a value of US$ 1,149 Million by 2029, growing at a CAGR of 12.9% during 2024-2029.

Figure 28: India: rPSF Market: Sales Value (in Million US$), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group
Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

6. Competitive Landscape in the rPET space

6.1. List of Indian Key Players

Table 2: India: Waste Plastic Recycling Market: Competitive Structure

Sr. No.	Company Name	Headquarters	rPET Capacity (in 2023)	rPSF Capacity (in 2023)	Financial (in INR Crore)	Product Portfolio	Website
1.	Ganesha Ecosphere Ltd	Uttar Pradesh, India	1,56,440	109,200	NS - 1,193.02 (FY23)	RPSF, Dyed Texturised Yarn, polyester spun yarn, rPET Flakes, rPET Chips (Bottle & Textile/Sheet grade)	www.ganeshaecosphere.com
2.	JB Ecotex Limited	Gujarat, India	72,000	60,000	OI – 600.12 (FY23)	ReNAYA RPSF, B2B rPET Chips, RPSF, rPET Flakes	www.jbecotex.com

3.	Aqua Fiber Industries	Punjab, India	NA	40,250	-	Plastic Pet Scrap, Waste Pet Scrap, Glass Pet Scrap Bottle, Polyester Pet Scrap, Pet Scrap Bottle, Lumps Pet Scrap	www.indiamart.com/company/61313751
4.	BLS Ecotech	New Delhi, India	75,000	55,000	NS - 251.53 (FY22)	rPET Solid White, rPET Solid Black, rPET Trilobal, rPET Solid Off White	www.blsecotech.com
5.	Pashupati Polytex Pvt Ltd	Uttarakhand, India	60,000	54,200	NS - 320.31 (FY23)	Recycled Polyester Staple Fiber, Recycled PET Flakes, Recycled PET Chips (Food Grade), Recycled Fiber, Virgin PP Fiber	www.pashupatigrp.com
6.	Srichakra PolyPlast	Telangana, India	36,000	12,000	NS – 108.24 (FY23)	rPET Flakes, rPET SSP Granules, Polyolefin Granules	www.srichakra.in

Source: Expert Interviews and IMARC Group
Notes: -

- ***NA: The company are not applicable for rPET products, rather they deal in rPSF products.***
- ***NS: Net Sales. OI – Operating Income***
- ***Alliance Fibres Ltd. confirmed its rPSF capacity through the primary.***

6.1.1. Ganesha Ecosphere Ltd.

6.1.1.1. Description

Established in 1987, Ganesh Ecosphere Ltd. is the largest PET waste recycling player in India with an Installed capacity of 156,440 TPA. It is also the largest PET waste recycler in India in terms of production capacity of manufacturers of RPSF in India. The company has a robust track record and large-scale operations in the PET waste recycling industry pioneering in the production of rPET Fibre and rPET Yarn from pre and post-consumer PET Bottle scrap, the company, under the visionary leadership of Chairman Shri Shyam Sunder Sharmma. The company has relationship with established players in industry. Committed to environmental responsibility, Ganesh Ecosphere aims to collect maximum PET waste through its extensive PAN India network, converting it into valuable resources and minimizing environmental impact.

The company's products include:

- **Recycled polyester staple fiber: manufacture a wide range of RPSF. The different types of RSPF manufactured and their applications in the industries are as mentioned below:**

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

- Dyed Texturised Yarn**: Different types of filament / twisted yarns manufactured by the Company find their application in Sarees, dress material and various kind of ropes and cords.**

- Polyester spun yarn**: produces a wide range of spun yarns and its variants. The different types of spun yarns produced by them and their applications in the industries are as mentioned below:**

Description	Application	Industry
Milange	Body Warmers	Knitting
Single Yarn	Dress material	Clothing, knitting and hosiery

Doubled Yarn	Suiting, shirting, furnishing fabric	Clothing, knitting and hosiery

- *rPET Flakes:* **manufacture high-quality and anti-contaminated rPET Flakes used for manufacturing high quality end products. It is available in PSF, Filament, and Bottle grade variants.**

- *rPET Chips* - **Bottle Grade: Ganesha has proprietary process to produce premium quality rPET chips that have a high filtration index and can replace virgin plastic for both food grade and non-food grade packaging. Their rPET chips come with USFDA and EFSA certifications and are available in various IV customizations for different end-use applications like water, carbonated soft drinks, edible oils, detergent bottles, oils etc.**

- *rPET Chips* - **Textile/Sheet Grade: rPET Chips are also available in Textile Grade, where the plastic waste goes through a series of decontamination and recycling process to produce rPET chips with high consistency to manufacture premium quality fabrics and Sheets. These chips come with global certifications like GRS & Oekotex and are available with a variety of customizations.**

- *Recycled Polyester Filament, Fibres, & Yarns:* **Recycled Polyester is available in the form of performance fibres, spun yarns, and filament yarns - all of which are durable, customizable, eco-friendly, and available in many denier/dtex ranges and colors.**

They have been able to maintain their leadership position in RPSF segment on account of sizable capacity and diversified product portfolios. They have commissioned a facility at Warangal (Telangana) in the year 2023, wherein we started manufacturing B2B chips B2B Filament yarn, PPSF and RPSF. They are among the first few players having installed B2B facility With a dynamic team of professionals, Ganesh Ecosphere has developed a robust network of scrap dealers and contractors to efficiently source PET plastic waste. Ganesha Ecosphere has capability to recycle 150,000 TPA+ of PET waste annually recycling 9 bn+ PET bottle waste which constitutes approx. 18% of India's PET recycling waste with the upcoming Warangal facility. Ganesha Ecosphere is among the first players commencing B2B chips facility in Warangal and has the largest capacity for B2B grade products. The company's manufacturing facilities, equipped to process about 350 tons of PET plastic waste daily, play a crucial role in transforming discarded PET bottle waste into high-quality recycled materials. Ganesh Ecosphere Ltd. is recognized as a widely held company, dedicated to the recycling of post-consumer PET bottle waste into rPET Fibre. With over 2700 team members, three manufacturing facilities, five quality certifications, and exports to more than 16 countries, Ganesh Ecosphere continues to make significant strides in the sustainable recycling industry.

6.1.1.2. Financials

The net sales of Ganesh Ecosphere Ltd. in 2023 was INR 1,193.02 crore. The key financials of Ganesh Ecosphere Ltd. are given below in the table.

Table 3: Ganesh Ecosphere Ltd.: Key Financials (in INR Crore)

Sr. No.	Particulars	FY21	FY22	FY23
1.	Net Sales	760.56	1,028.35	1,193.02
2.	EBITDA	84.49	113.91	127.67
3.	PAT	43.52	61.97	69.46

Source: VCC Edge, FY: Financial Year ending 31st March 20XX

6.1.2. JB Ecotex Limited

6.1.2.1. Description

JB Ecotex Ltd, a distinguished industry player, stands out as one of the foremost manufacturers and exporters of high-quality recycled polyester staple fiber (rPSF) and rPET Flakes. With a visionary commitment to sustainability, they facilitate the transformation of millions of used plastic bottles into eco-friendly products. As mentioned in company's website aggregate production capacity of 72,000 metric tons per annum for both rPSF and rPET flakes, JB Ecotex Ltd adheres to rigorous quality standards. This is expected to be expanded to 113,600 TPA by end of FY24. Their facilities are compliant with ISO9001, ISO14001, and ISO 15270, and they proudly hold certification as an OCEAN BOUND plastic recycler, underlining their dedication to addressing plastic pollution. Since its inception, the company has maintained a commendable track record of zero liquid discharge, demonstrating a commitment to responsible manufacturing practices. Moreover, 50% of their power requirements are sourced from renewable resources, aligning their operations with sustainable energy practices. As an accredited single-star export house, JB Ecotex Ltd continues to lead the industry by advancing the use of recycled materials and setting benchmarks for environmental responsibility, consistently delivering high-quality products to global markets.

6.1.2.2. Product Portfolio

The product portfolio of the company includes:

Table 4: JB Ecotex Limited: Product Portfolio

Sr. No.	Category
1.	ReNAYA RPSF
2.	B2B rPET Chips
3.	RPSF
4.	rPET Flakes

Source: Company Website

6.1.2.3. Financials

The operating income of JB Ecotex Limited in 2023 (provisional) was INR 600.12 crore. The key financials of JB Ecotex Limited are given below in the table.

Table 5: JB Ecotex Limited: Key Financials (in INR Crore)

Sr. No.	Particulars	FY22	FY23
1.	Operating Income	501.74	600.12
2.	PAT	-1.94	27.96
3.	PAT Margin	-0.39%	4.65%

Source: Acuité Ratings & Research Limited, FY: Financial Year ending 31st March 20XX

6.1.3. Aqua Fiber Industries

6.1.3.1. Business Description

Established in 2004 as a partnership firm in March 2014 by Mr. Parveen Kumar Garg and Mr. Ghanshayam Garg. The company manufactures recycled polyester staple fiber. The Company has its manufacturing facility located at Mohali, Punjab having a total installed capacity of manufacturing 40,250 metric tonne of recycled polyester staple fiber.

6.1.3.2. Product Portfolio

The product portfolio of the company includes:

Table 6: Aqua Fiber Industries: Product Portfolio

	Category
1.	Plastic Pet Scrap
2.	Waste Pet Scrap
3.	Glass Pet Scrap Bottle
4.	Polyester Pet Scrap
5.	Pet Scrap Bottle
6.	Lumps Pet Scrap

Source: Company Website

6.1.4. Pashupati Polytex Pvt Ltd

6.1.4.1. Business Description

Pashupati Polytex Pvt Ltd has evolved over 45 years to become a prominent force in India's plastic recycling sector. With a visionary commitment to a cleaner future, the group addresses the plastic waste crisis through innovative recycling techniques, converting PET waste into premium-quality r-PSF, rPET flakes, and diverse packaging solutions. Operating across eight expansive facilities, Pashupati processes an impressive 66,200 tons of plastic annually. Beyond recycling, the group is a sustainability advocate, integrating environmental responsibility into every aspect, from conscientious waste collection to achieving Zero Liquid Discharge. Driven by continuous innovation, their expanding portfolio offers sustainable solutions across industries. With a global outlook, Pashupati aspires to spread the circular economy ethos, serving as a transformative example in weaving waste into a greener future, one recycled thread at a time.

6.1.4.2. Product Portfolio

The product portfolio of the company includes:

Table 7: Pashupati Polytex Pvt Ltd: Product Portfolio

	Category
1.	Recycled Polyester Staple Fiber
2.	Recycled PET Flakes
3.	Recycled PET Chips (Food Grade)
4	Virgin PP Fiber
5	Recycled Fiber

Source: Company Website

6.1.4.3. Financials

The net sales of the Pashupati Polytex Pvt Ltd in MAR-2023 was INR 320.31 crore. The key financials of the Pashupati Polytex Pvt Ltd are given below in the table.

Table 18: 6.1.4 Pashupati Polytex Pvt Ltd: Key Financials (in INR Crore)

Sr. No.	Particulars	FY21	FY22	FY23
1.	Net Sales	174.96	267.92	320.31
2.	EBITDA	17.42	33.59	43.06
3.	PAT	4.42	10.43	18.17

Source: VCC Edge, FY: Financial Year ending 31st March 20XX

6.1.5. BLS Ecotech Ltd.

6.1.5.1. Business Description

BLS Ecotech was established in 1999 as a part of the BLS Group, stands at the forefront of PET waste recycling, offering innovative solutions to India's escalating PET waste challenge. In 2010, BLS Ecotech starts manufacturing recycled polyester fiber with an inaugural capacity of 15,000 metric tonnes per annum. The surge in PET bottle usage poses a significant environmental concern due to its slow decomposition over 1,000 years. Leveraging over two decades of expertise, BLS Ecotech employs a meticulous process encompassing collection, segregation, and transformation of PET plastic into high-quality recycled polyester fiber within our cutting-edge facilities. In 2016, BLS Ecotech takes its domestic manufacturing capacity of recycled polyester fiber to a total of 55,000 metric tonnes per annum. BLS Ecotech also goes global by laying the foundation stone of its wholly-owned subsidiary, Kairos Textile Industries Limited, in Abu Dhabi, UAE.

6.1.5.2. Product Portfolio

The product portfolio of the company includes:

Table 8: BLS Ecotech: Product Portfolio

	Category
1.	Recycled PET (Solid White)
2.	Recycled PET (Solid Black)
3.	Recycled PET (Trilobal)
4	Recycled PET (Solid Off White)

Source: Company Website

6.1.5.3. Financials

The net sales of BLS Ecotech in FY2022 was INR 251.53 crore. The key financials of All BLS Ecotech are given below in the table.

Table 18: BLS Ecotech: Key Financials (in INR Crore)

Sr. No.	Particulars	FY20	FY21	FY22
1.	Net Sales	332.93	252.43	251.53
2.	EBITDA	27.48	18.95	19.43
3.	PAT	6.92	0.51	1.22

Source: VCC Edge, FY: Financial Year ending 31st March 20XX

6.1.6. Srichakra PolyPlast India Pvt. Ltd.

6.1.6.1. Business Description

Srichakra PolyPlast is a distinguished end-to-end recycling and plastic waste management company that has been at the forefront of transforming waste plastic into reusable materials since its inception in 2010. Committed to championing sustainability, the company partners with corporations to meet Extended Producer Responsibility (EPR) goals, providing a diverse range of recycled PET and Polyolefin products. As pioneers in recycling processes, Srichakra employs leading-edge technology to produce reliable, high-quality materials and bottle-to-bottle solutions, facilitating brand-owners in reducing their reliance on virgin plastic. The company is on a mission to revolutionize the recycling industry by shifting perceptions of plastic waste and offering comprehensive solutions for EPR and sustainability goals to multinational corporations. Srichakra envisions becoming global thought leaders in plastic waste transformation, aiming to empower consumers and corporations alike through awareness and sustainable living practices. The company's core values center around empowering businesses, respecting their people, innovating for the future, preserving the planet, and practicing responsible and circular economy principles. With a dedicated team led by visionary founders and experienced professionals, Srichakra PolyPlast operates with a focus on quality, innovation, eco-friendliness, compliance, and community welfare.

6.1.6.2. Product Portfolio

The product portfolio of the company includes:

Table 9: Srichakra PolyPlast: Product Portfolio

	Category
1.	rPET Flakes
2.	rPET SSP Granules
3.	Polyolefin Granules

Source: Company Website

6.1.6.3. Financials

The net sales of Srichakra PolyPlast in 2022 was INR 108.24 crore. The key financials of the Srichakra PolyPlast are given below in the table.

Table 18: Srichakra PolyPlast: Key Financials (in INR Crore)

Sr. No.	Particulars	FY21	FY22	FY23
1.	Net Sales	1.30	26.44	108.24
2.	EBITDA	-2.61	-6.69	7.92
3.	PAT	-3.35	-10.47	3.99

Source: VCC Edge, FY: Financial Year ending 31st March 20XX

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 36, 195 and 75, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements. The financial information included in this section as of and for the six months ended September 30, 2022 and September 30, 2023 has been derived from our Unaudited Consolidated Financial Results. See, "Financial Information" beginning on page 195. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Ganesha Ecosphere Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Ganesha Ecosphere Limited on a consolidated basis together with its Subsidiary(ies).

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "India Plastic Waste Recycling Market: Industry Trends, Share, Size, Growth, Forecast and Opportunity 2024-2029" dated January, 2024 (the "**IMARC Report**"), prepared and issued by IMARC Services Private Limited. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the IMARC Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Certain sections of this Placement Document contain information from the IMARC Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks." beginning on page 49. Also see, "Industry and Market Data" beginning on page 12.*

Overview

We are the largest PET waste recycling player in India with an installed capacity of 156,440 MTPA *(Source: IMARC Report)* engaged in the manufacturing of Recycled Polyester Staple Fibre ("**RPSF**"), Dyed Texturised Yarn, Recycled Spun Yarn and recently ventured into manufacturing of rPET Chips, rPET Filament Yarn/ Textile grade Chips and Polypropylene Staple Fibre ("**PPSF**"). Our products find applications in the manufacturing of textiles (t-shirts, body warmers, dress material etc.), functional textiles (non-woven air filter fabric, geo textiles, carpets, car upholstery etc.), filtration and fillings (for pillows, duvets, toys etc.) and F&B packaging. Our business is supported by our manufacturing facilities and a robust PET waste collection network of approximately 250 suppliers across India and Nepal as on December 31, 2023.

Recently, we have launched our own brand "**GoRewise**" which aims to close the plastic recycling loop by manufacturing quality products from recycled PET bottles. We offer variety of products under **GoRewise** such as RPSF, rPET Chips Bottle Grade used for both food grade and non-food grade packaging, rPET Chips - Textile/Sheet Grade to manufacture Recycled Polyester Film/ Sheet and Recycled Polyester Filament Yarns.

We commenced our commercial production in the Fiscal 1990 at our manufacturing unit in Kanpur, which mainly involved dyeing of polyester filament yarn and production of dyed and fancy/ double yarn. In Fiscal 1995, we diversified into *manufacturing* of recycled polyester staple fibre ("**RPSF**"). Over the years, we increased our installed capacity to 109,200 MTPA of RPSF with the latest capacity addition at our Warangal facility. We also have installed capacity of 7,200 MTPA of Recycled Spun Yarn and 3,000 MTPA of Dyed Texturised Yarn. Additionally, we have installed capacity of 14,000 MTPA of rPET chips, 12,240 MTPA capacity of rPET Filament Yarn/ Filament-grade Chips, 10,800 MTPA capacity of PPSF in our latest Warangal Facility. We also have a washed PET flakes facility in Nepal with an installed capacity of 12,000 MTPA. We operate through six manufacturing units at Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Bilaspur (Uttar Pradesh), Warangal (Telangana) and Ramgram (Nepal) having an installed capacity of 156,440 MTPA (excluding installed capacity of washed PET flakes).

As of September 30, 2023 and period ending March 31, 2023, March 31, 2022 and March 31, 2021, RPSF has been the biggest contributor to our revenue and have comprised 74.78%, 77.84%, 77.85% and 77.74% respectively of our revenue from operations on consolidated basis.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Placement Document, some of our manufacturing facilities have accreditations such as ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 quality certifications from BSCIC with respect to (i) quality management system; (ii) environmental management system; and (iii) occupational health and safety management system. We have received the Hohenstein Institute's (Germany) authorisation to use the 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. Our Company also has Ocean Bound Plastic certification. We also have a positive opinion/no objection from USFDA and European Food Safety Association (EFSA) for our rPET Chips meant for food grade applications.

We are led by experienced Promoters with significant experience in the RPSF industry. Our Promoter and Chairman, Shyam Sunder Sharmma, started our Company in 1987. He is textile technocrat having management experience of over 59 years including 25 years with various Birla Group Companies. Further, our Promoter and Directors, Vishnu Dutt Khandelwal, Sharad Sharma and Rajesh Sharma have vast experience in the RPSF and synthetic yarn industry and under their leadership we have been able to expand our operations and have established a significant presence in India. We also have qualified and experienced Key Managerial Personnel and Senior Management Personnel that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of December 31, 2023, our permanent employee base comprises of 2,723 personnel across our operations. In addition to our regular employees, we also engage technical consultants from time to time to seek advice on process control and ways of improving the quality of our products.

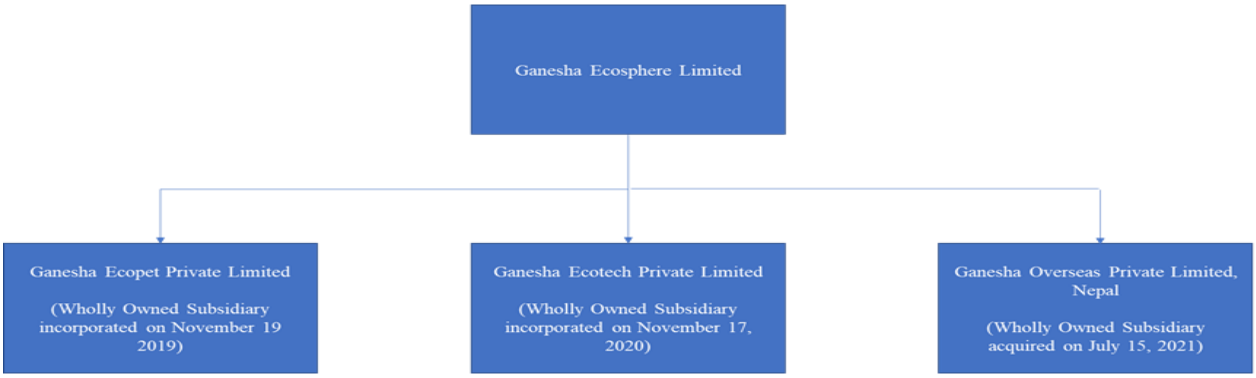
The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

(₹ in lakhs, except as otherwise stated)

Consolidated performance	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Six-month period ended September 30, 2023**
Revenue from operations	75,113.56	1,02,144.36	1,17,963.14	53,256.90
EBITDA	8,449.64	11,391.20	12,767.59	5,082.58
EBITDA Margin %	11.25%	11.15%	10.82%	9.54%
PAT	4,352.14	6,196.93	6,945.98	624.62
Profit After Tax Margin %	5.72%	6.03%	5.82%	1.16%
Adjusted Average RoCE	9.57%	10.90%	9.50%	NA
Average RoCE	11.14%	11.78%	10.79%	NA
Average RoE	8.75%	11.36%	11.47%	NA
Production volume (MT)*	1,01,451	1,11,250	1,15,136	56,811
Sales volume (MT)*	98,893	1,06,806	1,09,835	54,321
Capacity Utilization %*	84.60%	100.26%	108.21%	106.79%

**** Standalone Performance***

Corporate Structure:



Competitive Strengths

We believe that following are our principal competitive strengths:

Robust track record and large-scale operations in the PET recycling industry

We are the largest PET bottle recycler in India in terms of production capacity of manufacturers of RPSF. *(Source: IMARC Report*) With a track record of over two and a half decades of recycling of used PET scrap, we have been able to gather significant industry expertise, develop a wide sales and distribution network and strategic customer relationships and achieve brand recognition. We have been able to maintain our leadership position in RPSF segment on account of sizable capacity and diversified product portfolios. *(Source: IMARC Report)* With wide range of variants in our product portfolio, we have the expertise to develop products that meet the requirements of our downstream partners thereby making product development a significant and critical capability of our Company. Our early entry in a low penetrated market has helped us to grow with stability.

Besides us being the largest RPSF player in terms of production capacity *(Source: IMARC Report*), we have commissioned a facility at Warangal (Telangana) in the year 2023, wherein we started manufacturing rPET chips rPET Filament yarn/ Textile grade Chips, PPSF and RPSF. Manufacturing of rPET chips was primarily done to seize the demand for rPET bottle grade applications driven by the Plastic Waste Management (Amendment) Rules, 2022 which mandates the use of recycled plastic in rigid, flexible and multi-layered packaging from Fiscal 2026. We are among the first few players commencing B2B facility *(Source: IMARC Report*) and are discussing with various brands to meet their recycling targets.

Over the years, we have focused on creating robust manufacturing systems and processes. We adhere to global standards and have obtained various global certifications. This ensures that our processes comply with customer and industry specifications, health and safety, as well as environmental and social and governance requirements. As on the date of this Placement Document, certain of our manufacturing facilities have accreditations such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Oeko- Tex Standard 100, Global Recycled Standard 4.0, Ocean Bound Plastic Certificate under Ocean Bound Plastic Subprogram and quality certifications from BSCIC with respect to (i) quality management system; (ii) environmental management system; and (iii) occupational health and safety management system.

With the track record of over three decades in the industry, our Company has established a strong procurement network as well as a reasonably diversified client base. While the supplier network has helped us to get seamless supplies for its enhanced capacity over the years, steady demand from the established client base has facilitated us for satisfactory capacity utilisation levels and scale of operations. We believe our strong market position is supported by including long customer validation process and developing strategic and long-term relationships with our customers and high quality of products.

Strong PET waste supply network

As on December 31, 2023, we had more than 250 suppliers across India and Nepal. Our collection network enables the supply of PET waste from various sources, ranging from post-consumer scrap to industrial scrap. These vendors collect the used PET bottle and supply it our manufacturing facilities in flakes/bale form. For nine months period ended September 30, 2023, our collection network helped us mobilise an average of 350 tonnes of PET waste per day (quantity produced of RPSF, rPET chips and filament yarn divided by number of days), showcasing our ability to source adequate raw material to feed our production lines.

We believe that our diversified supplier base helps us in minimizing supplier risk on account of low supplier dependency. We do not have any long -term contracts with any of our raw material suppliers, however, we have maintained long term relationships with most of these major suppliers. Production quantity and cost of our offerings are dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply of our raw materials. We continually strive to maintain strong relationships with our suppliers in order to derive better insight into the markets for our raw materials, which helps us to manage our raw material supply chain, resulting in greater predictability of supply and, consequently, a greater ability to meet production schedules and achieve on-time delivery for our customers.

Relationship with established players in industry

Our customer base includes a diverse set of industries including yarn spinning, non -woven applications and filling applications as well as packaging applications. As on December 31, 2023, our Company has around 350 customers in its portfolio. With a widespread customer base and evolving industry and market trends, we believe that our products have found wide acceptance in the domestic and overseas markets. We further believe that our Company is well poised to benefit from this strong relationship with the industry players enabling us to provide better services to our customers. We constantly improve our product quality for meeting customer quality requirements.

We have sales offices at New Delhi, Ludhiana, Varanasi, Coimbatore and Kanpur which manages relationships with the customers and helps in finding new customers. During Fiscal 2023, exports formed 10.24% of our revenue from operations, exports were mainly to countries like Belgium, Spain, Italy, Morocco, Bangladesh, Turkey, Portugal, and Nepal. Our top five (5) customers contributed 12.69% of our consolidated revenues from operations for the period ended March 31, 2023, thus indicating a fairly diversified customer profile and non-reliance on a few customers for our revenues. Further, we sell our products to various customers including manufacturers, wholesalers and traders.

Experienced senior leadership and technically skilled and motivated employees

We believe that our qualified and experienced senior management team, technically skilled employee base and established Promoter background have contributed to the growth of our operations and the development of in-house processes and competencies.

Our Chairman, Founder and Promoter Shyam Sunder Sharmma has around three and a half decades of experience in the industry in which we operate. Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. They bring with them, extensive experience in sales and marketing, order management, design and engineering, testing, purchase, operations, human resources and finance. We believe that our management framework allows us to maintain the flexibility to address the markets and the geographies we operate in. For further information on our key managerial personnel, please refer to "*Board of Directors and Senior Management*" beginning on page 137.

With a strong quality control team working on new product development/quality improvement, the focus of our Company continues to be on maintaining high levels of quality in products through research and technology development across processes, products and applications. Our human resources policies are aimed towards recruiting and retaining talented employees and facilitating their integration into our Company and encouraging development of their skills. We believe the strength and quality of our technically skilled team and the nature of our organizational structure has been instrumental in implementing our business and growth strategies. We believe that our talented and motivated employees have been key to our success so far and will further enable us to capitalize on future growth opportunities.

Stable financial position indicating consistent improvement in total operating income and comfortable profitability margins

We have been delivering consistent financial performance and our revenue from operations has grown at a CAGR of 25.32% from ₹ 75,113.56 lakhs for Fiscal 2021 to ₹ 1,17,963.14 lakhs for Fiscal 2023 and was ₹ 53,256.9 lakhs for the six months ended September 30, 2023, while our EBITDA has grown at a CAGR of 22.92% from ₹ 8,449.64 lakhs for Fiscal 2021 to ₹ 12,767.59 lakhs for Fiscal 2023 and was ₹ 5,082.58 lakhs for the six months ended September 30, 2023. The following table sets forth certain information relating to certain key financial performance metrics as of the dates and for the periods indicated:

(₹ in lakhs, except as otherwise stated)

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
Revenue from operations	75,113.56	1,02,144.36	1,17,963.14	53,256.90
EBITDA	8,449.64	11,391.20	12,767.59	5,082.58

Consolidated performance	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023
EBITDA Margin %	11.25%	11.15%	10.82%	9.54%
PAT	4,352.14	6,196.93	6,945.98	624.62
Profit After Tax Margin %	5.72%	6.03%	5.82%	1.16%
Adjusted Average RoCE	9.57%	10.90%	9.50%	NA
Average RoCE	11.14%	11.78%	10.79%	NA
Average RoE	8.75%	11.36%	11.47%	NA
Production volume (MT)*	1,01,451	1,11,250	1,15,136	56,811
Sales volume (MT)*	98,893	1,06,806	1,09,835	54,321
Capacity Utilization %*	84.60%	100.26%	108.21%	106.79%

Standalone Performance

Our Strategies

We intend to grow our business by implementing the following strategies:

Increase margins and profitability on the sale of our products

We manufacture 1.00 to 70 denier RPSF in various colours/ shades customised around customer needs and preferences and plan to continue to make constant efforts towards development of new value-added products which shall be further supported by our proposed expansion in order to reduce our dependency on high volume low margin products. Moving towards the strategy of increasing the margins on our products, we have launched our own brand "**GoRewise**" which is likely to have a positive impact in getting acceptability of its products with a larger user base along with giving us a higher margin in comparison to the traditional RPSF business. In order to increase our margins and profitability, we also intend to focus on ramping up the Warangal facility which has 49,640 MTPA capacity for rPET Chips, rPET Filament yarn/ Textile grade Chips, PPSF and RPSF.

We intend to become the preferred supplier of eco-friendly rPET products to reputed brands in order to help them to meet their sustainability and EPR goals. We also envisage brownfield and greenfield expansion in B2B grade products space in the future including exploiting relevant inorganic opportunities and to meet the market demand and to establish a leadership position in the B2B products space.

Targeting new customer accounts and expanding existing customer business

We intend to increase our sales and customer penetration by targeting new customer accounts and expanding our existing customer accounts in our principal markets by offering our entire range of products. In order to fulfil this strategy, we seek to continue to leverage our relationships with our existing customer, who, presently, may be sourcing the products, we manufacture, from other vendors. We believe that the recently increased capacity of additional 49,640 MTPA at our Warangal manufacturing facility shall also provide us more flexibility in terms of product profile, new set of customers with better margin profile. While we believe our existing customers provide us with the necessary drivers to generate growth, we intend to continue to focus on new customers. We constantly improve our product quality for meeting stringent customer requirements thereby ensuring enhancement value to our customers. We also believe that we will be able to capitalize on our reputation for quality, consistent performance and customer satisfaction in our existing markets and product verticals to target new customers. We also plan to diversify our customer base focusing more on the technical textiles and household textiles segment. Company plans to reduce its focus from yarn spinning sector to non -woven and technical textile segment, where we believe the margins are better than spinning sector.

We also intend to increase our global presence through participating in national and international exhibitions and expos for showcasing our product to explore new markets and get new customers. Company plans to focus its efforts in the export market leveraging its product footprint in various countries.

Capitalise on market and regulatory driven opportunities

With increased Government focus on domestic manufacturing with the Government's 'Make in India' programme, we believe that packaging industry will grow substantially and thereby the demand for PET resins is further expected to increase, which shall have a beneficial effect on our business operations. Further, the increased use of PET resin would lead to generation of more waste which would then get into the waste stream and move towards recycling. *(Source: IMARC Report*) PET resins has witnessed robust growth over last five years increasing usage in various end user industries such as packaging & bottling, automobile, medical packaging, electrical and electronics. The increased demand has been driven by replacement of traditional packaging materials like glass, aluminium, paper, metal and growth in FMCG sector. *(Source: IMARC Report*)

The Plastic Waste Management (amendment) Rules 2022, will mandate the use of stipulated proportion of recycled plastic in packaging applications. The rules have stated the following targets.

Use of recycled content (calculated on the basis of the amount of plastic manufactured in a year)

Plastic Category	2025-26	2026-27	2027-28	2028-29
I – Rigid	30%	40%	50%	60%
II – Flexible	10%	10%	20%	20%
III – Multi-layered	5%	5%	10%	10%

This will help to reduce the demand for new plastic and encourage companies to recycle more of their waste.

Sensing the opportunity put forth by new regulations for handling the plastic scrap, we are working towards strengthening and widening our direct and indirect collection network across the country. With evolving industry and market trends coupled with changing regulations, our Company stays on-course and adapt to make its business competitive.

Our Products

Our PET recycling business value-chain involves a number of stakeholders, from scrap dealers to small traders to PET consumers. The recycling business model forms an integral part of this value-chain, with particular focus on how to maximize the PET waste sourcing, improve efficiency in processing and reduce non-PET contamination in recycling streams. Also, majority of our products, except dyed texturized/ twisted yarn and PPSF, are derived from recycling of PET waste at various levels of the value chain.

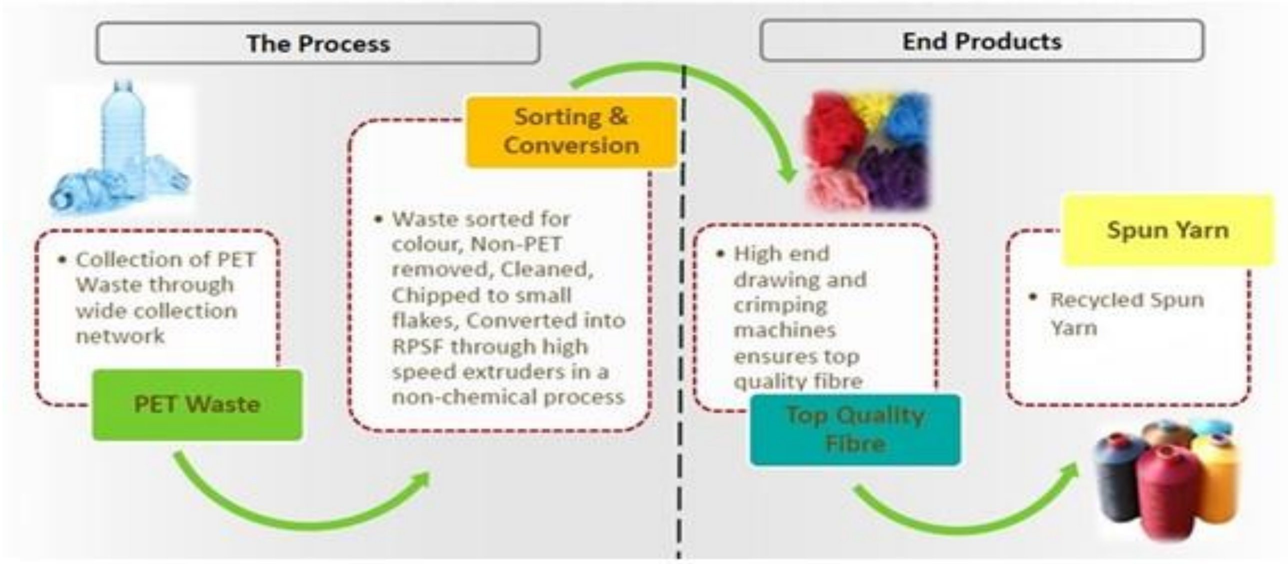
Our product areas comprise of RPSF, Spun Yarn, Dyed Texturised Yarn and recently ventured into rPET Chips, rPET Filament Yarn/ Textile grade Chips and Polypropylene Staple Fibre (PPSF) Our RPSF business is our largest product area and comprised 77.84% of our gross revenue from operations in Financial Year 2023.

Our gross sales by product area and as a percentage of revenue from operations for each of the last three Financial Years and the six months' period ended September 30, 2023 is presented in the following table:

(₹ in lakhs, except percentage of revenue from operations)

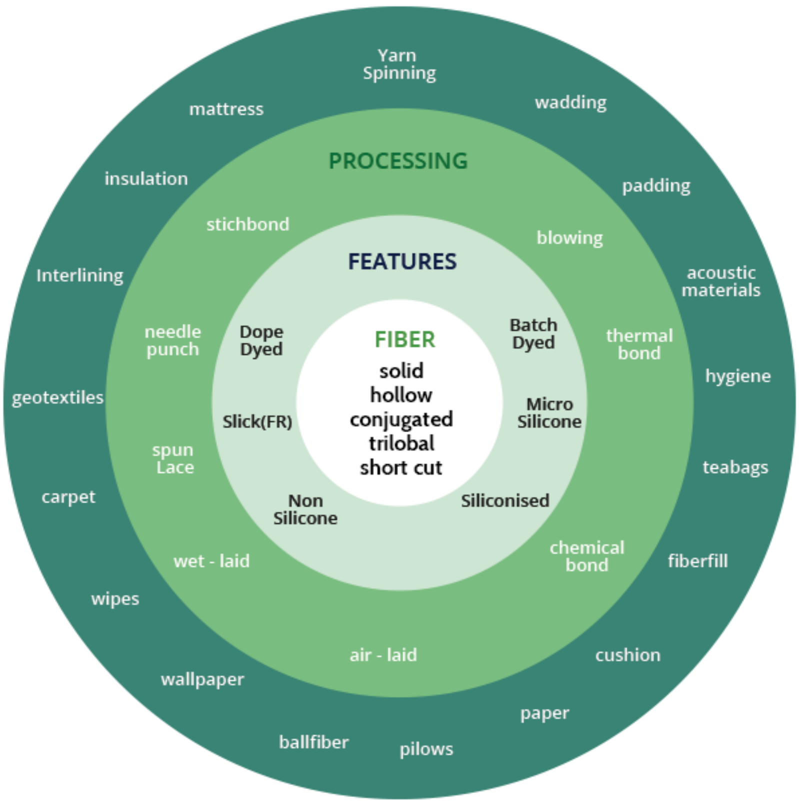
Products	Year ended March 31,							
	2021		2022		2023		Six months' period ended September 30, 2023	
	Revenue from operations	%	Revenue from operations	%	Revenue from operations	%	Revenue from operations	%
RPSF	58,392.84	77.74	79,515.83	77.85	91,817.53	77.84	39,823.80	74.78
Recycled spun yarn	11,652.18	15.51	16,099.30	15.76	13,984.25	11.85	5,854.90	10.99
Dyed Texturised Yarn	2,167.98	2.89	2,842.28	2.78	2,760.78	2.34	1,170.99	2.20
Others (including trading sale)	2,900.57	3.86	3,686.95	3.61	9,400.58	7.97	6,407.21	12.03
Revenue from operations	75,113.56	100.00	102,144.36	100.00	117,963.14	100.00	53,256.90	100.00

The figure below sets out the complete life cycle of manufacturing of our RPSF and Recycled spun yarn,



Regenerated Polyester Staple Fibre (RPSF)

RPSF is an energy saving and environment friendly product which helps to reduce the pollution and waste water discharge in the textile industry. It has excellent retention of fibre finish to ensure smooth and better productivity. Such yarn has better washing/sublimation/sunlight fastness, uniformity in colour and reduce control risk of production process. *(Source: IMARC Report*)

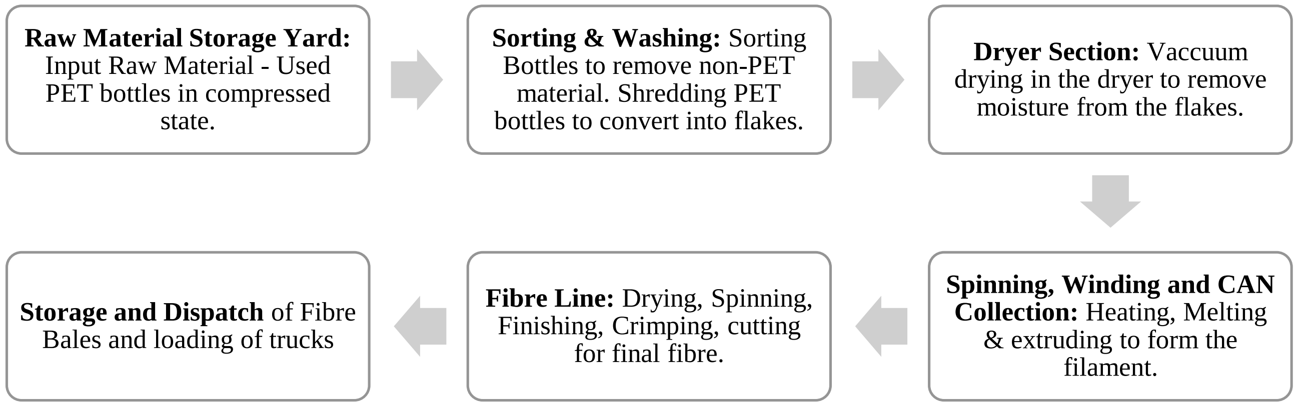


rPSF is crafted by melting down PET bottles and converting them into filaments. It has excellent retention of fibre finish to ensure smooth and better productivity. RPSF has many industrial applications because of its special characteristics, especially its resistance to stretching or shrinking and general strength as a fibre. *(Source: IMARC Report*) It also dries quickly, while remaining crisp and strong afterwards, so this material is easily washed. RPSF resists wrinkles, mildew and general surface damage. RPSF also finds applications in the numerous areas ranging from technical textiles, non-woven textiles, furniture, pillows, mattresses, soft toys and yarn spinning. *(Source: IMARC Report)*

We manufacture a wide range of RPSF. The different types of RSPF manufactured by our Company and their applications in the industries are as mentioned below:

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

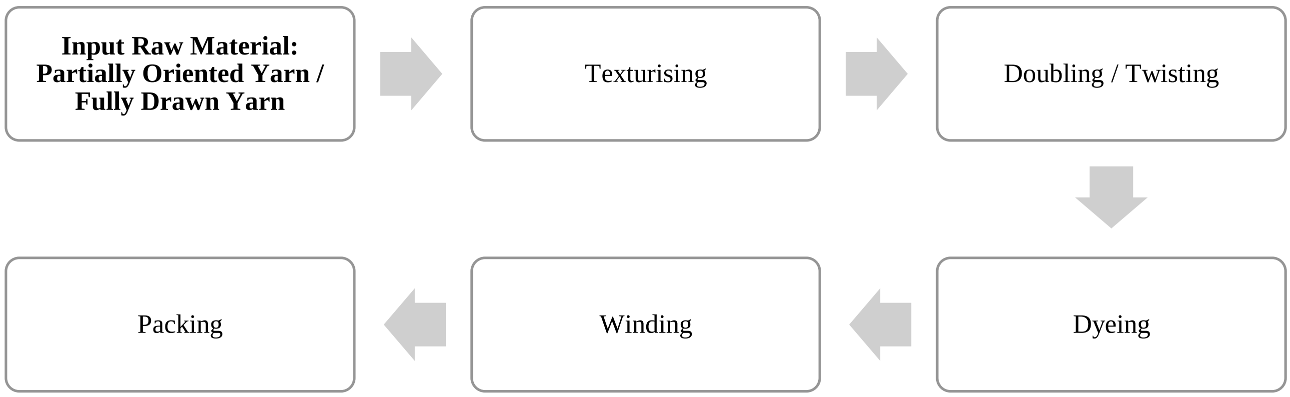
The manufacturing of RPSF involves the following broad steps:



Dyed Texturised Yarn

Dyed Texturised Yarns are created by taking one polyester filament, grouping them along then twisting or air-entangling them to make them workable. The polyester filament is then dyed and dried.

The broad steps involved in manufacturing Dyed Texturised Yarn is shown below:



We manufacture a wide range of Dyed Texturised Yarns and its variants. The different types of filament / twisted yarns manufactured by our Company find their application in Sarees, dress material and various kind of ropes and cords.

Recycled spun yarn

Spun yarns are produced much in the same way as cotton or wool yarn is produced. The long filaments are cut into small pieces called staple. These are then combined together and spun to create a yarn made up of thousands of short filaments.

The broad steps involved in manufacturing Recycled Spun Yarn is shown below:

Raw material Polyester Staple Fibre	Preparation of Fibre & Mixing	Carding	Drawing	Twisting/Roving	Ring Spinning	Winding	Packing

We produce a wide range of Recycled Spun Yarns and its variants. The different types of Recycled Spun Yarns produced by us and their applications in the industries are as mentioned below:

Description	Application	Industry
Milange	Body Warmers	Knitting
Single Yarn	Dress material	Clothing, knitting and hosiery
Doubled Yarn	Suiting, shirting, furnishing fabric	Clothing, knitting and hosiery

New segments:

Moving towards the strategy of increasing the margins on our products, we have launched our own brand "**GoRewise**" which is likely to have a positive impact in getting acceptability of its products with a larger user base along with giving us a higher margin in comparison to the traditional RPSF business. In order to increase our margins and profitability, we also intend to focus on ramping up the Warangal facility which has 49,640 MTPA capacity for rPET chips, rPET Filament yarn/ Textile grade Chips, PPSF and RPSF and which we believe will improve our profitability.

rPET Flakes: We manufacture high-quality and anti-contaminated rPET Flakes used for manufacturing high quality end products. It is available in PSF, Filament, and Bottle grade variants.

rPET Chips - Bottle Grade: Our rPET Chips are the second layer to our sustainable loop initiative. After going through a series of decontamination and recycling processes, our bottle grade rPET Chips can be traced back to its origin to fulfill your sustainability goals. Our rPET chips come with USFDA's no objection and EFSA's scientific opinion and are available in various IV customizations for different end-use applications like water, carbonated soft drinks, edible oils, detergent bottles, oils etc.

rPET Chips - Textile/Sheet Grade: Our rPET Chips are also available in Textile Grade, where the plastic waste goes through a series of decontamination and recycling process to produce rPET chips with high consistency to manufacture premium quality Filament Yarn and Film/Sheets. These chips come with global certifications like GRS & Oekotex and are available with a variety of customizations depending on end needs.

Recycled Polyester Filament, Fibres, & Yarns: Our Recycled Polyester is available in the form of performance fibres, Recycled Spun Yarns, and filament yarns - all of which are durable, customizable, eco-friendly, and available in many denier/dtex ranges and colours.

Raw Materials

We source our raw materials waste from a pool of vendors in India and Nepal. We believe that this helps us reduce our dependence on a few large vendors and thereby minimize risks of supply disruption and cost escalations.

Our total costs of materials consumed, purchases of stock in trade and changes in inventory were ₹77,866.51 lakhs, ₹65,721.59 lakhs and ₹47,552.78 lakhs in Financial Years 2023, 2022 and 2021, respectively. Our largest raw material purchase is PET bottle waste, which is used in the manufacturing of our major product category – recycled Polyester Staple Fibre. Apart from PET bottle waste, we also consume, in small proportion, POY waste, off-grade chips, lumps, wiry, etc. generating from virgin polyester plants. Other raw materials that we use in the manufacturing of our products are POY/ texturized/ twisted yarn, colours, chemicals and packing materials, infrastructure, power, water etc.

Manufacturing Facilities

We operate through six manufacturing units at Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Bilaspur (Uttar Pradesh), Warangal (Telangana) and Ramgram (Nepal) having an installed capacity of final products of 1,56,440 MTPA (excluding installed capacity of washed PET flakes) including 109,200 MTPA of RPSF, 7,200 MTPA of Recycled Spun Yarn, 3,000 MTPA of Dyed Texturised Yarn, 14,000 MTPA capacity of rPET Chips, 12,240 MTPA capacity of rPET Filament Yarn and 10,800 MTPA capacity of PPSF.

The table below sets out the product wise capacities and capacity utilization of our plants for six months' period ended September 30, 2023 and the last three financial years(excluding installed capacity of washed PET flakes):

Entity	Production Stream/ Name of Product	For the six-month period ended, September 30, 2023			As of, and for the period ended, March 31, 2023			As of, and for the period ended, March 31, 2022			As of, and for the period ended, March 31, 2021		
		Installed Capacity	Actual Production	Utilization^	Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization
		MTPA	MT	%	MTPA	MT	%	MTPA	MT	%	MTPA	MT	%
Ganesha Ecosphere Limited	RPSF	96,600	52,265	108.21	96,600	105,367	109.08	96,600@	99,949	103.47	108,600	92,377	85.06
Ganesha Ecosphere Limited	Dyed Texturised Yarn	3,000	704	46.93	3,000	1,509	50.30	3,000	1,629	54.30	3,000	1,361	45.37
Ganesha Ecosphere Limited	Recycled Spun Yarn	7,200	3,842	106.72	7,200	8,260	114.72	7,200	9,672&	134.33	7,200	7,713&	107.13
Ganesha Ecopet Private Limited, ReWarangal	B2B Chips (rPET)	14,000#	2,278	32.54	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ganesha Ecopet Private Limited, Warangal	B2B Filament Yarn/ Filament grade Chips	12,240#	886	14.48	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ganesha Ecotech Private Limited, Warangal	Polypropylene Staple Fibre	10,800	1,392	25.78	10,800*	504	28.00^	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ganesha Ecotech Private Limited, Warangal	RPSF	12,600	Production Line is under trial run	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
Total		**156440**	**61,366**		**129,600**	**115,640**		**106,800**	**111,250**		**118,800**	**101,451**	

^ *Capacity utilization has been worked out in time proportion of installed capacity to actual production period.*

**Commercially operational w.e.f. 01st February, 2023.*

\# *Commercially operational w.e.f. 01st April, 2023*

@ *12,000 MTPA capacity lost w.e.f. 04th June, 2021 due to a major fire accident*

& *Including production of Recycled Spun Yarn made by third party on job work basis of 951 MT during FY 2021 and 1,462 MT during FY 2022*

(Source: As certified by G. Chandra &Associates, Chartered Engineer dated January 27, 2024)

Research and Development and Quality Assurance

With numerous product variants in our Company's portfolio, we believe we have the expertise to develop products that meet the requirements of our downstream partners thereby making product development a significant and critical capability of our Company. With efficient R&D and quality control team working on new product development/quality improvement, the focus of our Company has always been to maintain high levels of quality.

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies as well as by our customers.

Our Company carries out production on batch wise basis, for which specific batch records are maintained, on a continuous and ongoing basis.

Some of our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

Certain information regarding our certifications are shown in the table below:

Certifications	**Certification Type**	**Description**
ISO 14001:2015	Environment Management System Certificate	Certificate No: I-ESC202211004
ISO 45001:2018	Occupational Health & Safety System Certificate	Certificate No: I-OSC202211003
ISO 9001:2015	Quality Management system Certificate	Certificate No: 305021122705Q
ISO 9001:2015	Quality Management System Certificate	Certificate No: I-QSC2022007
ISO 9001:2015	Quality Management System Certificate	Certificate No: 305023050151Q
Oeko-Tex Standard 100	Product Standard Certificates	Certificate No: 12.HIN.05117
Oeko-Tex Standard 100	Product Standard Certificates	Certificate No: 21.HIN.59481
Scope Certificate from Control Union	Global Recycled Standard (GRS) Version 4.0 Certificate	Certificate Number: CU822028GRS-2023-00056135
Ocean Bound Plastic Certificate	Ocean Bound Plastic Recycling Subprogram	C887752OBP.REC-01.2023

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from local state power distribution Companies. We have also installed Diesel Generating Sets in our manufacturing facilities, as standby power source, to ensure constant supply of power. We are also consuming clean renewable energy, in the form of solar power, across its production facilities in Temra, Bilaspur and Kanpur with a total installed capacity of 9.1 MWp of Rooftop Solar and partnered with an IPP for supply of 17.43 MWp solar power ~~to~~ for meeting part of our power requirements.

For further information, see "*Risk Factors - A shortage or non-availability of electricity, fuel or water and associated price fluctuations may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition***.**" beginning on page 44.

Logistics

We have short term agreements with several logistics providers in India who provide transportation of the raw materials we procure and our products to our customers. The transportation of all our raw material as well as finished products is made through road transport except in case of exports, where road, rail and sea transportation are involved. Logistics is a major part of our cost structure and there are frequent variations in fuel pricing. Therefore, instead of long term contracts, we prefer for short term contracts with third party transporters. In order to insure our products from unforeseen circumstances while in transit, we obtain transit insurances on selective basis against damage of goods while in transit.

Our Customers

Our Company has strong relationships with our customers who are spread across the country with approximately 88.76% of our revenue from operations coming from the domestic market and the balance from export sales for the financial year ending March 31, 2023. The RPSF manufactured by our Company is majorly consumed by yarn spinning units for making Recycled spun yarn. Besides yarn spinning, our Company is supplying RPSF to the manufacturers of non-woven carpets, automobile carpets, geo-textiles, filter fabric, insulation, fibre fill and a number of other non-woven and industrial textile products. We supply recycled spun yarn, manufactured by us, to customers from hosiery; knitting and power loom segment and our major customer base for Recycled Spun Yarn segment is situated at Kanpur, Meerut, Delhi, Surat, Varanasi and Ludhiana. Further, our Dyed Texturised/ Twisted Yarn is used by manufacturers from saree, power looms and rope & cords segment.

The table below sets forth details of revenues generated from our top 5 customers and our top 10 customers for the periods indicated.

Customer	Fiscal						Six months ended September 30, 2023	
	2021		2022		2023			
	Amount (In ₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (In ₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (In ₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (In ₹ lakhs)	Percentage of Revenue from Operations (%)
Top 5	7,950.07	10.58	11,667.90	11.42	14,964.59	12.69	5,739.85	10.78
Top 10	13,863.68	18.26	19,942.86	19.52	25,004.65	21.20	9,066.44	17.02

Human Resources

Employees and Contract Labour

We believe that a motivated and empowered employee base is key to our operations and business strategy and have developed a large pool of skilled and experienced personnel. As of December 31, 2023, we had 2,723 permanent full-time employees. Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations.

We also engage contract labourers in our manufacturing activities. The number of contract labourers vary from time to time based on the nature and extent of work involved in our on-going orders.

None of our workmen are a part of any trade union.

Training

We determine the necessary competence of the personnel performing tasks affecting the conformity to product requirements, and where applicable provide training or get them trained to achieve the necessary competence. We evaluate the effectiveness of the actions taken, and ensure that the personnel are aware of the relevance and importance of their activities and they contribute to the achievement of the quality objectives. We maintain appropriate records of education, skills, training, experience and effectiveness periodically and identify the training requirements based on the nature and scope of the job.

Health, Safety and Environment

We are committed to complying with applicable occupational health, safety and environmental regulations and other requirements in relation to the conduct of our operations. Some of our manufacturing facilities are certified for occupational health and safety management by BSCIC. We believe that accidents and occupational health illness cases and hazards can be significantly reduced through the proactive and systematic approach including risks and hazards identification, assessment, analysis and control and by providing appropriate training to employees and contractors. We work proactively towards minimizing the impact of hazards to people and the environment. Our manufacturing plants are equipped with occupational health and safety centre with primary medical facilities. We periodically carry out medical check-ups of all our employees as well as contract labourers engaged by us. We have also taken group medial insurance policy for the employees who are not covered under employees' state insurance facilities (ESI).

Competition

The industry segments that we operate in are highly competitive and include a number of well-established manufacturers as well as several small players in the un-organised sector. Other key players in the PET recycling industry are BLS Ecotech, J B Ecotex, Srichakra Polyplast, Aqua Fiber Industries Pashupati group, etc. *(Source: IMARC Report*)

Sales and Marketing

We have our sales offices at New Delhi, Ludhiana, Varanasi, Coimbatore and Kanpur and our sale orders are procured by our marketing staff with direct communication with the customers. Our marketing team keeps in constant touch with existing and potential customers for understanding their needs and preferences in addition to tracking the market trends on an ongoing basis. Apart from direct sales, some of our sales are also made through commission agents. With respect to our export sales, our Company procures orders by making overseas visits as well as through indenting agents. Our sales involve some credit period along with quantity and cash discounts.

Our Subsidiary Ganesha Ecopet Private Limited has entered into an agreement with an entity involved in the business of PET preform converter, for co-developing, co-marketing and supply of integrated end-to-end recycled plastic packaging solutions under our brand "**GoRewise**".

Exports:

A portion of our revenue is generated from export of our products to Asia and Europe. The table below provides details of our revenue from operations from exports in the periods indicated:

Particulars	Fiscal						Six months ended September 30, 2023	
	2021		2022		2023			
	Amount (₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (₹lakhs)	Percentage of Revenue from Operations (%)	Amount (₹lakhs)	Percentage of Revenue from Operations (%)	Amount (₹lakhs)	Percentage of Revenue from Operations (%)
Exports	6053.15	8.06	12971.06	12.70	12075.08	10.23	4,550.34	8.54

Property

Our registered office is situated at Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India, our administrative office is situated at 113/216-B, Swaroop Nagar, Kanpur-208002 and our marketing head office is located at. 2nd Floor, Block-D, Vatika Mindscape, Sector-27, Near Sarai Metro Station, Faridabad, Haryana-121003. Our registered office and marketing head office is owned by us, whereas the administrative office is on lease. We operate through six manufacturing units at Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), Temra (Uttar Pradesh), Bilaspur (Uttar Pradesh), Warangal (Telangana) and Ramgram (Nepal). Details of our manufacturing facilities are as follows:

#	Location	Name of the Entity	Owned / Leased
1	Kanpur Unit	Ganesha Ecosphere Limited	Owned

#	Location	Name of the Entity	Owned / Leased
2	Rudrapur Unit	Ganesha Ecosphere Limited	Leasehold
3	Bilaspur (Temra) Unit	Ganesha Ecosphere Limited	Owned
4	Bilaspur Washing Unit	Ganesha Ecosphere Limited	Owned
5	Ramgram, Nepal Unit	Ganesha Overseas Private Limited	Owned
6	Warangal Unit	Ganesha Ecotech Private Limited and Ganesha Ecopet Private Limited	Owned

Awards and Recognition

Our Company has received the following awards:

Year	*Award*
2023	Circular Economy of the Year at the Sustainability Conclave and Awards 2023

Information Technology

We have implemented various information technology ("**IT**") solutions and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. We intend to continue to focus on and make investments in our IT systems and processes, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

Intellectual Property

Our Company has registered the trademark "**GoRewise**" in respect of our rPET product manufacturing for varied uses under classes 1, 22, 23 and 24. Our Company has a registered the trademark '**Rivivere'** in respect of spun polyester fibre for textile use – spun yarn and textile product - unstitched cloth - pillow cover under classes 23 and 24. For risk relating to our intellectual property, please refer to "*Risk Factors*" beginning on page 36.

Insurance

We have obtained insurance in scope and amounts of coverage that we believe are customarily obtained by companies in businesses similar to ours for manufacturing-related risks and third-party liabilities.

We typically maintain standard fire and special perils insurance policies for our plants and machineries and buildings at our manufacturing units to cover risks such as fire and other ancillary perils. We also maintain burglary policy for our stocks such as raw materials, stock in process, finished goods, semi–finished goods, consumables etc. Under the marine cargo open policy, we are also provided risk cover for damage to capital goods while in transit within India or from anywhere in the world to India. In addition, we maintain various inland transit insurance policies that cover loss or damage to selective products and machineries purchased within India from suppliers while in transit to our plants. We also maintain a group mediclaim policy for our employees.

Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Corporate Social Responsibility

Our Company undertakes its CSR activities directly as well as through its CSR Trust i.e. "Ganesha Memorial Trust", which works towards supporting CSR projects in the communities around which it operates for promoting education among differently abled, eradicating hunger and promoting healthcare including preventive health. We focus on various corporate social responsibility programs and initiatives. We have also adopted a CSR Policy, through approval of the Board of Directors of our Company.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than fifteen Directors, unless otherwise determined by the Company in General Meeting. As of the date of this Placement Document, our Company has eight Directors, comprising of 3 Executive Directors which includes one Managing Director and Chief Executive Officer, one Joint Managing Director and one Executive Vice Chairman and 5 Non-Executive Directors which includes 4 Independent Directors (including one woman Independent Director).

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, date of birth, address, occupation, nationality, term and DIN	Age	Designation
Shyam Sunder Sharmma ***Date of Birth:*** July 02, 1943 ***Address***: 3/85, Vishnu Puri, Kanpur – 208 001, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN***: 00530921	80 years	Chairman and Non-Executive – Non Independent Director
Vishnu Dutt Khandelwal ***Date of Birth:*** March 06, 1949 ***Address***: 14/59, 801, Sangeeta Apartment, Civil Lines, Kanpur – 208 001, India ***Occupation:*** Business ***Nationality****:* Indian ***Term****:* Re-appointed for a period of five years with effect from June 19, 2023 to June 18, 2028 (liable to retire by rotation) ***DIN***: 00383507	74 years	Executive Vice Chairman
Sharad Sharma ***Date of Birth:*** May 30, 1966 ***Address***: 3/85, Vishnu Puri, Kanpur – 208 001, India ***Occupation:*** Business ***Nationality****:* Indian ***Term****:* Re-appointed for a period of five years with effect from February 1, 2019 to January 31, 2024 and further extended for a period of 5 years from February 01, 2024 to January 31, 2029 (liable to retire by rotation) ***DIN***: 00383178	57 years	Managing Director and Chief Executive Officer
Rajesh Sharma ***Date of Birth:*** September 05, 1966 ***Address***: Villa No. Alpha/64, Plot No – B, IIE Pant Nagar, Omaxe Riviera, Rudrapur Kichha, Udham Singh Nagar, Rudrapur – 263 153, India	57 years	Joint Managing Director

Name, date of birth, address, occupation, nationality, term and DIN	Age	Designation
Occupation**:* Business ***Nationality**:* Indian ***Term**:* Re-appointed for a period of five years with effect from June 19, 2023 to June 18, 2028 (liable to retire by rotation) ***DIN: 02228607		
Pradeep Kumar Goenka ***Date of Birth:*** September 15, 1954 ***Address***: 3/194, Vishnu Puri, Kanpur – 208 002, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Re-appointed for a second term of five (5) consecutive years with effect from September 5, 2019 ***DIN***: 00404746	69 years	Non - Executive Independent Director
Abhilash Lal ***Date of Birth:*** October 16, 1964 ***Address***: C-192, Belvedere Tower, DLF City, Phase-II, Gurgaon – 122 002, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Re-appointed for a second term of five (5) consecutive years with effect from September 5, 2019. ***DIN***: 03203177	59 years	Non – Executive Independent Director
Shobha Chaturvedi ***Date of Birth:*** July 08, 1956 ***Address***: Flat No. – 506, Srishti Rachna Apartment, 4/276, Parvati Bagla Road, Swaroop Nagar, Kanpur – 208 002, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Appointed for a term of five (5) years with effect from September 5, 2019. ***DIN***: 08553800	67 years	Non – Executive Independent Director
Narayanan Subramaniam ***Date of Birth:*** August 02, 1961 ***Address***: Apartment No. 303, Al Rihab Tower, Al Quasis P.O Box No. 127437, Dubai, United Arab Emirates ***Occupation**:* Professional ***Nationality**:* Indian	62 years	Non – Executive Independent Director

Name, date of birth, address, occupation, nationality, term and DIN	Age	Designation
Term**:* Appointed for a term of five (5) years with effect from August 24, 2023 ***DIN: 00166621		

Brief Profiles of our Directors

Shyam Sunder Sharmma is the Chairman and Non-Executive - Non Independent Director of our Company. He has been associated with our Company since 1989. He is a textile technocrat having management experience of over 36 years.

Vishnu Dutt Khandelwal is the Executive Vice Chairman of our Company. He has been associated with our Company since incorporation. His area of expertise includes marketing and financial management. He has over 36 years of experience in the textile yarn trading. He is responsible for overseeing the marketing and business development of the Company.

Sharad Sharma is a Managing Director and Chief Executive Officer of our Company. He has been associated with our Company since incorporation. He has over 36 years of experience in manufacturing, operations, sales and marketing. He is responsible for overall management and operations of the Company.

Rajesh Sharma is the Joint Managing Director of our Company. He has been associated with our Company since incorporation. He has 33 years of experience in plant administration and operations. He is responsible for looking after the management and operations of Rudrapur and Bilaspur manufacturing units of the Company.

Pradeep Kumar Goenka is a Non-Executive- Independent Director on the Board of our Company. He has been associated with our Company since 2006. He is a member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He has approximately 38 years of experience in the field of finance and related consultancy services.

Abhilash Lal is a Non-Executive-Independent Director on the Board of our Company. He has been associated with our Company since 2014. He is a mechanical engineer and holds postgraduate diploma in management from Indian Institute of Management, Bangalore. He has over 32 years of experience in financial services including banking, consulting, insurance, investments and advisory. He has worked for HSBC for over 11 years.

Dr. Shobha Chaturvedi is a Non-Executive- Independent Director on the Board of our Company. She has been associated with our Company since 2019. She holds a master degree in Chemistry from Kanpur University. She is Ph.D. in Pollution Abatement from H.B.T.I., Kanpur. She has retired from the post of Regional Officer, UP Pollution Control Board.

Narayanan Subramaniam is a Non-Executive- Independent Director on the Board of our Company with effect from August 24, 2023. He has also served on the Board of our Company as a Non-Executive- Independent Director from the year 2014 to 2019. He holds postgraduate diploma in management from Indian Institute of Management, Ahmedabad. He is also member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

Relationship with other Directors

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

Borrowing powers of our Board

Pursuant to the resolution dated September 29 2014, passed by our Shareholders under Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company are authorised to borrow any sum or sums of money from time to time, provided that the total funds so borrowed or to be borrowed shall not exceed ₹750,00,00,000/- (Rupees Seven Hundred and Fifty Crores Only).

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their shareholding in the Company, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them and benefits or any stock options to which they may be entitled to as per their terms of appointment, and the Whole-Time Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of the applicable law.

Except for Shyam Sunder Sharmma, Vishnu Dutt Khandelwal, Sharad Sharma and Rajesh Sharma, who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in any Equity Shares, if any held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them. Our Directors may also be regarded as interested in the Equity Shares held by the companies, firms, HUFs, and trusts in which they are interested as directors, members, partners, karta, trustees, etc.

Except as provided in "*Related Party Transactions*" beginning on page 35, there have been no related party transactions between the Company and any of the Directors during the three Fiscals immediately preceding the date of this Placement Document. Further, except as provided in "*Related Party Transactions*" beginning on page 35 our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Placement Document.

Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
Shyam Sunder Sharmma	Chairman and Non-Executive – Non Independent Director	19,38,927	8.88
Vishnu Dutt Khandelwal	Executive Vice- Chairman	7,20,200	3.30
Sharad Sharma	Managing Director and Chief Executive Officer	8,75,583	4.01
Rajesh Sharma	Joint Managing Director	10,95,529	5.02

Terms of Appointment of Whole-Time Directors

Vishnu Dutt Khandelwal

Vishnu Dutt Khandelwal is the Executive Vice Chairman of our Company. The following is a description of the current terms of appointment of Vishnu Dutt Khandelwal:

Particulars	Details
Salary	₹3,00,000 per month, upto a maximum of ₹5,00,000 per month
Perquisites	• Furnished Accommodation or House Rent allowance. • Reimbursement of expenses for utilisation of gas, electricity, water, medical expenses, leave travel concession for self and family including spouse and dependent children, if any, club fees. • Premium towards personal accident insurance and medi-claim and all other payments in the nature of perquisites and allowances. • 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. • Reimbursement of entertainment and other expenses actually incurred by the Executive Vice-Chairman in connection with the business of our Company. • Use of our Company's car for official purpose, mobile and basic telephone atresidence not to be included in the computation of perquisites. • Apart from above, reimbursement of medical expenses of exceptional nature incurred on the treatment of Executive Vice- Chairman and his family at the discretion of the Board.
Additional Remuneration	• In addition to Salary & Perquisites as specified, the Executive Vice Chairmanshall be entitled to receive additional remuneration based upon quarterly financial performance of our Company subject to the condition that the total remuneration payable shall not exceed 5% of the net profits and 10% of the net profits of our Company for the year payable to all the managerial personnel taken together. • Composition, mode and manner of payment of such additional remuneration to be finalized in consultation with the Executive Vice Chairman.

Sharad Sharma

Sharad Sharma is a Managing Director and Chief Executive Officer of our Company. The following is a description of the current terms of appointment of Sharad Sharma:

Particulars	Details
Salary	₹3,00,000 per month, upto a maximum of ₹5,00,000 per month
Perquisites	• Furnished accommodation or house rent allowance. • Reimbursement of expenses for utilisation of gas, electricity, water, medical expenses, leave travel concession for self and family including spouse and dependent children, if any, club fees. • Premium towards personal accident insurance and medi-claim and all other payments in the nature of perquisites and allowances. 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. • Reimbursement of entertainment and other expenses actually incurred by the Managing Director in connection with the business of our Company. • Use of our Company's car for official purpose, mobile and basic telephone at residence not to be included in the computation of perquisites. • Apart from above, reimbursement of medical expenses of exceptional nature incurred on the Managing Director's treatment and his family at the discretion of the Board.
Additional Remuneration	• In addition to salary& Perquisites as specified, the Managing Director shall be entitled to receive additional remuneration based upon quarterly financial performance of our Company subject to the condition that the total remuneration payable shall not exceed 5% of the net profits and 10% of the netprofits of our Company for the year payable to all managerial personnel takentogether. • Composition, mode and manner of payment of such additional remuneration to be finalized in consultation with the Managing Director.

Rajesh Sharma

Rajesh Sharma is the Joint Managing Director of our Company. The following is a description of the current terms of appointment of Rajesh Sharma:

Particular	Details
Salary	₹3,00,000 per month, upto a maximum of ₹5,00,000 per month
Perquisites	• Furnished accommodation or house rent allowance. • Reimbursement of expenses for utilisation of gas, electricity, water, medical expenses, leave travel concession for self and family including spouse and dependent children, if any, club fees. • Premium towards personal accident insurance and medi-claim and all other payments in the nature of perquisites and allowances. • 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. • Reimbursement of entertainment and other expenses actually incurred by the Joint Managing Director in connection with the business of our Company. • Use of our Company's car for official purpose, mobile and basic telephone at residence not to be included in the computation of perquisites. • Apart from above, reimbursement of medical expenses of exceptional nature incurred on the Joint Managing Director treatment and his family at the discretion ofthe Board.
Additional Remuneration	• In addition to salary & perquisites as specified, the Joint Managing Director shall be entitled to receive additional remuneration based upon quarterly financial performance of our Company subject to the condition that the total remuneration payable shall not exceed 5% of the net profits and 10% of the netprofits of our Company for the year payable to all managerial personnel taken together. • Composition, mode and manner of payment of such additional remuneration to be finalized in consultation with the Joint Managing Director.

Remuneration paid to Executive Directors

The following tables set forth the details of remuneration (inclusive of salary, perquisites and performance linked remuneration, if any) paid by our Company to the Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(In ₹ lakhs)

S. No.	Name of the Director	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 to December 31, 2023#
(1)	Vishnu Dutt Khandelwal	93.32	135.32	248.82	27.00
(2)	Sharad Sharma	93.40	135.40	248.90	27.00
(3)	Rajesh Sharma	93.40	135.40	248.90	27.00

#Excluding performance linked remuneration

Remuneration of the Non- Executive Directors

Our Non- Executive Directors are entitled to receive sitting fees and commission besides reimbursement of actual traveling and other expenses incurred for attending such meetings. Our Non – Executive Directors are entitled to receive ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting. Further, Non – Executive Directors are also eligible to receive commission up to 1% of the net profit of the Company. Such commission is distributed 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 ₹7,00,000/- for each such Director, as decided by the Board at its meeting held on August 4, 2022.

The following tables set forth the details of sitting fees and commission paid by our Company to the Non-Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(In ₹ lakhs)

S. No.	Name of the Director	Fiscal 2021#	Fiscal 2022#	Fiscal 2023#	From April 1, 2023 to December 31, 2023
(1)	Shobha Chaturvedi	5.25	6.20	7.20	0.25
(2)	Surendra Kumar Kabra*	5.45	6.40	5.55	0.10
(3)	Vishwa Nath Chandak**	4.24	5.60	1.85	NA
(4)	Pradeep Kumar Goenka	5.45	6.40	7.40	0.40
(5)	Abhilash Lal	5.45	4.80	7.40	0.40
(6)	Narayanan Subramaniam***	NA	NA	NA	0.10
(7)	Shyam Sunder Sharmma	28.25	27.95	28.20	0.25
(8)	Gopal Singh Shekhavat^	16.90	NA	NA	NA
(9)	Anoop Gupta$	2.70	NA	NA	NA
(10)	Seema Sharma@	2.60	NA	NA	NA

Notes:

***#** The remuneration of the Non-executive Directors is inclusive of the commission.*

**Ceased to be an Independent Director of the Company due to his demise on June 1, 2023.*

***Ceased to be an Independent Director w.e.f. September 30, 2022 upon completion of his term of office*

**** Appointed as a Non-Executive- Independent Director with effect from August 24, 2023*

^ Ceased to be a Director of the Company due to his demise on December 24, 2020

$ Ceased to be an Independent Director of the Company w.e.f. September 22, 2020 upon completion of second term of office.

@ Ceased to be a Director of the Company w.e.f. September 22, 2020 upon retirement by rotation.

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Key Managerial Personnel

Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Director, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Name	Designation
Gopal Agarwal	Chief Financial Officer
Bharat Kumar Sajnani	Company Secretary and Compliance Officer

Gopal Agarwal, aged 54 years, is a qualified chartered accountant and has rich experience in the fields of financial management, accounting, taxation and risk management having more than 31 years of professional experience. He has been associated with our Company since November 18, 1992 and is presently designated as the Chief Financial Officer of our Company. He also holds the directorship in Ganesha Overseas Private Limited, an overseas wholly owned subsidiary of the Company.

Bharat Kumar Sajnani, aged 42 years, is an M.Com., LLB and FCS having rich experience of more than 17 years in corporate laws, compliance and secretarial matters. He has been associated with our Company since 2006 and was appointed as our Company Secretary and Compliance Officer of our Company with effect from April 21, 2008.

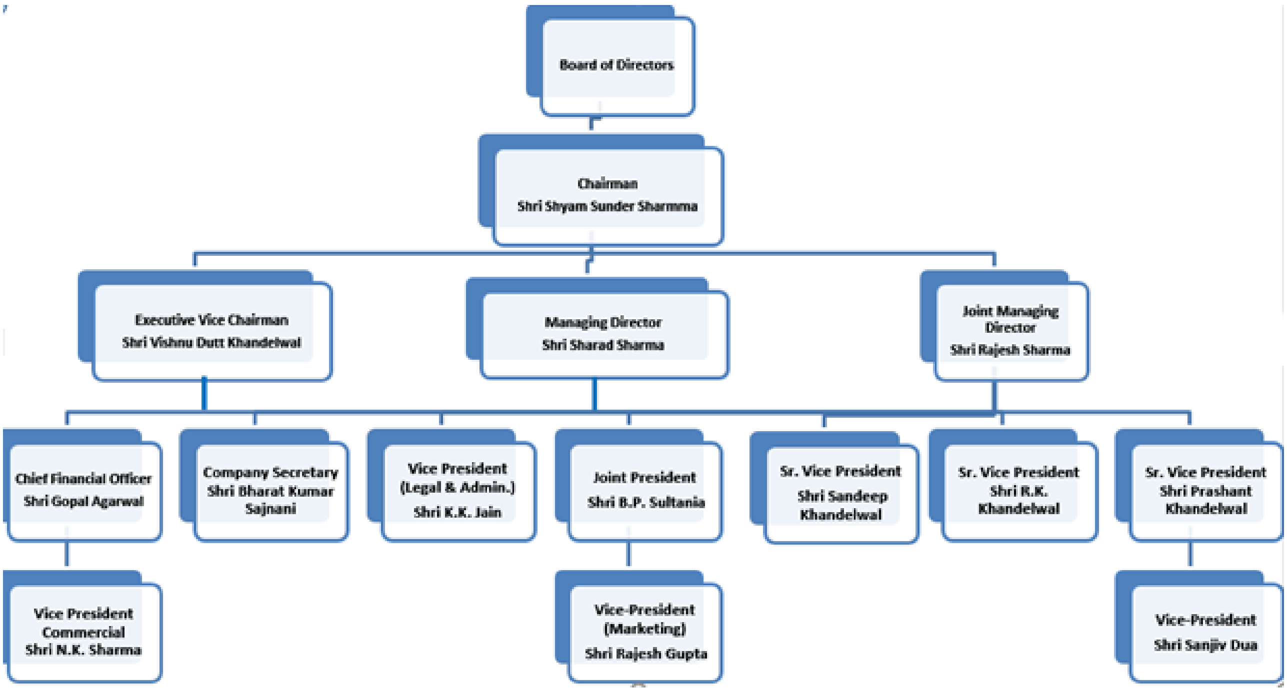
Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Placement Document are set forth below:

Name	Designation
B.P. Sultania	Joint President
R.K. Khandelwal	Senior Vice President
Sandeep Khandelwal	Senior Vice President
Prashant Khandelwal	Senior Vice President
N.K. Sharma	Vice President (Commercial)
Rajesh Kumar Gupta	Vice President (Marketing)
K.K. Jain	Vice President (Administration & Legal)
Sanjeev Kumar Dua	Vice President

Organisational Chart of our Company

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and Senior Management:



Relationship between Key Managerial Personnel and members of Senior Management

Sandeep Khandelwal, Senior Vice President is son of Vishnu Dutt Khandelwal, Executive Vice Chairman of our Company.

Other than as disclosed above and under "Board of Directors and Senior Management– *Relationship with other Directors*", none of our Key Managerial Personnel and members of our Senior Management are related either to each other or to the Directors:

Interest of Key Managerial Personnel and members of Senior Management

Other than as disclosed under "Board of Directors and Senior Management – *Interest of our Directors*", our Key Managerial Personnel and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. Our Key Managerial Personnel and members of Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as member of senior management.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations and applicable circulars or directions. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management & Strategic Planning Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Committee	Name and Designation of Members
Audit Committee	Pradeep Kumar Goenka (Chairman) Vishnu Dutt Khandelwal Abhilash Lal
Nomination and Remuneration Committee	Pradeep Kumar Goenka (Chairman) Shyam Sunder Sharmma Abhilash Lal
Stakeholders Relationship Committee	Pradeep Kumar Goenka (Chairman) Vishnu Dutt Khandelwal Sharad Sharma
Risk Management & Strategic Planning Committee	Shyam Sunder Sharmma (Chairman) Vishnu Dutt Khandelwal Sharad Sharma Pradeep Kumar Goenka Abhilash Lal
Corporate Social Responsibility Committee	Abhilash Lal (Chairman) Pradeep Kumar Goenka Vishnu Dutt Khandelwal Sharad Sharma

We have also formed a Capital Raising Committee comprising of Vishnu Dutt Khandelwal, Sharad Sharma, Narayanan Subramaniam and Abhilash Lal.

Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue.

Neither our Company, nor the Directors or Promoters are identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, see "*Financial Information*" and "*Related Party Transactions*" beginning on pages 195 and 35, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was originally incorporated as "Ganesh Polytex Limited" in Kanpur, Uttar Pradesh on October 30, 1987 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Our Company received the certificate for commencement of its business on April 12, 1988. Subsequently the name of our Company was changed to "Ganesha Ecosphere Limited" and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand consequent upon change of name of our Company on October 7, 2011.

Our Company's CIN is L51109UP1987PLC009090.

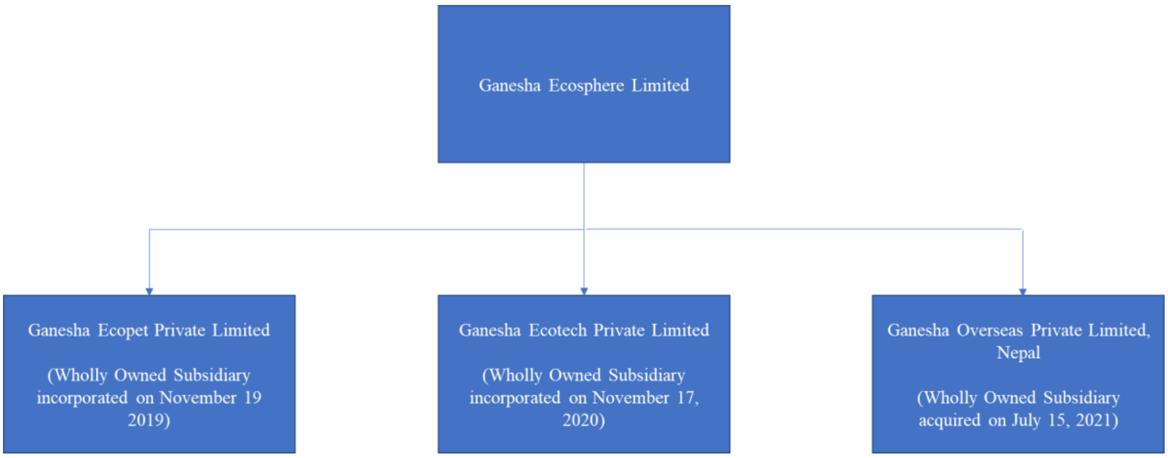
The Registered Office of our Company is located at Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India and Corporate Office is located at 113/216-B, First Floor, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India.

The Equity Shares have been listed and traded on the BSE since February 13, 1992 and on the NSE since March 9, 2015.

Organizational Structure

As of the date of this Placement Document, we have three Subsidiaries, of which two are Indian subsidiaries and one is a foreign subsidiary. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" beginning on pages 17 and 195, respectively.

Our organisational structure is set forth below.



We have entered into binding term sheet for dilution of 1.00% of stake, in each of our Indian wholly owned subsidiaries Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited and the transaction is yet to be consummated.

Holding company

As on date of this Placement document, our Company does not have any holding company.

Associate company and Joint Venture

As on the date of this Placement document, our Company does not have any associate company or joint ventures.

As on the date of this Placement Document, we do not have any Material Subsidiaries.

SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on December 31, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on December 31, 2023.

Category	Category of shareholder	Number of shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of equity shares held in dematerialized form
								No.(a)	As a % of total Shares held(b)	
(A)	Promoters and Promoter Group	21	92,37,013	92,37,013	42.31	92,37,013	42.31	22,13,809	23.97	92,37,013
(B)	Public	40,492	1,25,53,190	1,25,53,190	57.51	1,25,53,190	57.51		0.00	1,22,17,488
(C)	Non-Promoter-Non Public	1	39,194	39,194	0.00	39,194	0.18		0.00	39,194
(C1)	Shares underlying depository receipts	-	-	-	0.00		0.00		0.00	
(C2)	Shares held by employee trusts	1	39,194	39,194	0.18	39,194	0.18		0.00	39,194
	Total	40,514	2,18,29,397	2,18,29,397	100.00	2,18,29,397	100.00	22,13,809	10.14	2,14,93,695

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on December 31, 2023.

Category	Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Locked in shares		Number of equity shares held in dematerialized form
							No.(a)	As a % of total Shares held(b)	Class eg: X	Total	
A1)	A1) Indian										
(b)	Individuals/Hindu undivided Family		19	65,76,904	65,76,904	30.13	65,76,904	30.13		0.00	65,76,904
(c)	Any Other (specify)		2	26,60,109	26,60,109	12.19	26,60,109	12.19	22,13,809	83.22	26,60,109
	Sub Total A1		21	92,37,013	92,37,013	42.31	92,37,013	42.31	22,13,809	23.97	92,37,013
A2)	A2) Foreign					0.00		0.00		0.00	
	A=A1+A2		21	92,37,013	92,37,013	42.31	92,37,013	42.31	22,13,809	23.97	92,37,013

Statement showing shareholding pattern of the public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the public Shareholders as on December 31, 2023:

Category	Category of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of equity shares held in dematerialized form
								No.(a)	As a % of total Shares held(b)	
B1)	**Institutions (Domestic)**									
(a)	Mutual Funds	8	4351973	43,51,973	19.94	43,51,973	19.94		0	43,49,773
(b)	Alternate Investment Funds	1	10	10	0	10	0		0	10
(c)	Banks	1	100	100	0	100	0		0	
	Sub Total B1	**10**	**4352083**	**43,52,083**	**19.94**	**43,52,083**	**19.94**		**0**	**43,49,783**
B2)	Institutions (Foreign)									
(a)	Foreign Portfolio Investors Category I	9	169267	1,69,267	0.78	1,69,267	0.78		0	1,69,267
(b)	Foreign Portfolio Investors Category II	1	24000	24,000	0.11	24,000	0.11		0	24,000
	Sub Total B2	**10**	**193267**	**1,93,267**	**0.89**	**1,93,267**	**0.89**		**0**	**1,93,267**
B3)	**Central Government/ State Government(s)/ President of India**	**0**	**0**		**0**		**0**		**0**	
B4)	**Non-Institutions**									
(a)	Key Managerial Personnel	2	39133	39,133	0.18	39,133	0.18		0	39,033
(b)	Investor Education and Protection Fund (IEPF)	1	615814	6,15,814	2.82	6,15,814	2.82		0	6,15,814
(c)	Resident Individuals holding nominal share capital up to ₹ 2 lakhs	38920	4205394	42,05,394	19.26	42,05,394	19.26		0	38,73,892
(d)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	20	1474730	14,74,730	6.76	14,74,730	6.76		0	14,74,730
(e)	Non Resident Indians (NRIs)	733	217671	2,17,671	1.00	2,17,671	1.00		0	2,17,671
(f)	Bodies Corporate	243	1072918	10,72,918	4.92	10,72,918	4.92		0	10,71,418
(g)	Any Other (specify)	553	382180	3,82,180	1.75	3,82,180	1.75		0	3,81,880
	Sub Total B4	**40472**	**8007840**	**80,07,840**	**36.68**	**80,07,840**	**36.68**		**0**	**76,74,438**
	B=B1+B2+B3+B4	**40492**	**12553190**	**1,25,53,190**	**57.51**	**1,25,53,190**	**57.51**		**0**	**1,22,17,488**

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on December 31, 2023:

Category	Category of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Locked in shares	Number of Locked in shares	Number of equity shares held in dematerialized form
						No	As a % of total Shares held	
C1)	Custodian/DR Holder	0	0	0.00	0.00		0.00	
C2)	Employee Benefit Trust	0	0	0.00	0.00		0.00	
	Employee Benefit Trust	1	39194	39,194	0.18		0.00	39,194
	Sub Total C2	1	39194	39,194	0.18		0.00	39,194
	C= C1+C2	**1**	**39194**	**39,194**	**0.00**		**0.00**	**39,194**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that applied in the Issue were required to confirm and have been deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions" beginning on pages 166 and 173, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and Section 62 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by such Company. Some of these conditions are set out below:

- our Shareholders have passed a special resolution approving the Issue. Such special resolution *inter alia* must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the relevant date for the QIP;

- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue on the recognized Stock Exchanges, for a period of at least one year prior to the date of issuance of notice of postal ballot to our shareholders to pass the above-mentioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Placement Document. For details, please see the section titled "*Capital Structure*" beginning on page 71;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., this Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Promoters and Directors are not fugitive economic offenders; and

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP is not less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders passed on January 13, 2024 through postal ballot, our Company has offered a discount of ₹0.06 per Equity Share being equivalent to a discount of 0.01% on the Floor Price which is not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder's resolution approving the Issue, being January 13, 2024 through postal ballot and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see the section titled "*Pricing and Allocation – Designated Date and Allotment of Equity Shares*" in the chapter titled "Issue Procedure" beginning on page 151.

The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process - Application Form*" in the chapter titled "Issue Procedure" beginning on page 151.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on January 30, 2024.

We shall also make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form was delivered will be determined by our Company in consultation with the Book Running Lead Managers, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount is to be deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form were signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible

QIB were required to submit an unsigned copy of the Application Form, as long as the Application Amount was paid along with submission of the duly signed Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the Book Running Lead Managers.

5. Bidders were required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;

- number of Equity Shares Bid for;

- price at which they were agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

- Equity Shares held by the Bidder in our Company prior to the Issue; and

- a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Preliminary Placement Document and in the Application Form.

***NOTE**: Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were specifically required to state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid were made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not required to be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

6. Eligible QIBs were required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Ganesha Ecosphere Limited-QIP-Escrow Account*" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment was required to be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder was not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Refunds*" in the chapter titled "*Issue Procedure*", beginning on page 151.

7. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

8. The Eligible QIBs acknowledged that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consented to such disclosure, if any Equity Shares are allocated to it.

9. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund would not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them could not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.

10. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or before the Bid/ Issue Closing Date, our Company has, in consultation with the Book Running Lead Managers determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers, on behalf of our Company, sent the serially numbered CAN and the Preliminary Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder is valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so. The Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form. **Please note that the Allocation has been at the absolute discretion of our Company in consultation with the Book Running Lead Managers.**

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company was required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Preliminary Placement Document and consented to such disclosure, if any Equity Shares are allocated to it.

12. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

13. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

14. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

16. Our Company will then apply for the final trading approvals from the Stock Exchanges.

17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

18. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, were required to be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total post- Issue paid-up Equity Share capital of our Company on a fully diluted basis. Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The existing aggregate investment limit for FPIs in the Company is 100% of the paid up capital of the Company.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Managers and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply.

Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the Eligible QIB were deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***" and "***Selling Restrictions***" beginning on pages 1, 3 and 166, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book

Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "*belonging to the same group*" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the Book Running Lead Managers or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE,

WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form were required to include details of the relevant Escrow Account into which the Application Amounts were required to be deposited. The Application Amount were required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form were required to be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025, Maharashtra, India	Ritu Sharma / Sankita Ajinkya	Website: www.motilaloswalgroup.com Email: ganesha.qip@motilaloswal.com	+91 22 7193 4380
ITI Capital Limited	ITI House, 36, Dr. R K Shirodkar Road, Parel, Mumbai 400012, Maharashtra, India	Pallavi Shinde / Mayank Sangani	Website: www.iticapital.in Email: project.bappa@iticapital.in	+91 22 6911 3300

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue were required to pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "*Ganesha Ecosphere Limited-QIP-Escrow Account*" with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders were required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments were made only through electronic fund transfer. Payments through cheques or demand draft or cash shall be rejected. If the payment is not made favouring the "*Ganesha Ecosphere Limited-QIP-Escrow Account*" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Ganesha Ecosphere Limited-QIP-Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder were not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*Refunds*" in the chapter titled "Issue Procedure" beginning on page 151.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder were required to mention the details of the bank account from which the payment of Application Amount was made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company offered a discount of ₹0.06 per Equity Share being equivalent to a discount of 0.01% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a resolution dated January 13, 2024.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filing the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company were required to determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were required to be grouped together to determine the total demand. The Allocation to all such Eligible QIBs were made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size were required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Lead Managers, in their sole and absolute discretion, have decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. The CAN also includes details of amount to be refunded, if any, to such Bidders. Additionally, the CAN includes the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders have also been sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" beginning on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of this Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer of securities of listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in this Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filing the same with the Stock Exchanges as this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the

Companies Act, 2013. We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids is final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see "*Bid Process*" – "*Refund*" in the chapter titled "Issue Procedure" beginning on page 151.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "*Ganesha Ecosphere Limited-QIP-Escrow Account*" account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The Book Running Lead Managers has entered into the Placement Agreement dated January 30, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares. The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where such offers, and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 166 and 173, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the Book Running Lead Managers (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. These transactions may comprise a substantial portion of the Issue and no specific disclosure have been made of such positions. The Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" beginning on page 8.

From time to time, the Book Running Lead Managers, and its affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and its affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not, for a period commencing the date thereof and ending 60 days from the date of allotment of equity shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Book Running Lead Managers, do the following:

1. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares or any securities convertible into or exercisable for the Equity Shares, or

2. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or

3. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or

4. publicly announce any intention to enter into any transaction falling within 1 to 3 above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within 1 to 3 above.

In addition, our Company agrees that, without the prior written consent of the Book Running Lead Managers, we shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

However, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; (ii) the issuance of the Equity Shares pursuant to the conversion of equity warrants and grant of options under the GESL ESOP 2021, and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Promoter's lock-up

Under the Placement Agreement, to encourage the Placement Agents to enter into the Placement Agreement and continue their efforts in connection with the Placement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, our Company hereby agrees, without the prior written consent of the Placement Agents (which such consent shall not be unreasonably withheld), we will not, during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares pursuant to the Placement (the "**Lock-up Period**"), directly or indirectly:

a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, any Promoter and Promoter Group Shares (as defined herein below), including but not limited to any options or warrants to purchase any Promoter and Promoter Group Shares, or any securities convertible into or exercisable for, or that represent the right to receive, any Promoter and Promoter Group Shares or file any registration statement under the Securities Act with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or

b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter and Promoter Group Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or

c) deposit any of the Promoter and Promoter Group Shares, or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depositary in connection with a depositary receipt facility; or

d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter and Promoter Group Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above

Further, the above provisions will not be applicable for (a) any pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (b) any inter group transfer made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

The Issue is being made only to Eligible QIBs. The distribution of this Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" beginning on pages 1, 3 and 173, respectively.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Placement Document, and any offers made under this Placement Document, you represent to our Company and the Lead Manager that you will not provide this Placement Document or communicate any offers made under this Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Manager) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China except under applicable laws and regulations of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Member State"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Lead Manager and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Lead Manager, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in the Placement Document will not take place inside Oman. The Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*" and "*Transfer Restrictions*" on pages 3 and 173, respectively.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" beginning on page 166.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.
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THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by the company with the Stock Exchanges. The SCRA & SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday to Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**SEBI Takeover Regulations**") in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of certain provisions of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹5,550 lakhs comprising of 3,40,00,000 Equity Shares (of face value of ₹10 each) and 21,50,000Preference Shares (of face value of ₹100 each). As on the date of the Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹21,82,93,970 comprising of 2,18,29,397 Equity Shares (of face value of ₹10 each). The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles of Association of our Company provide that the Board may set aside, out of the profits of the Company, such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Equity Shares of the Company.

Capitalisation of profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company to issue fully paid up bonus shares to its members out of (a) the free reserves of our company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorized by articles, (b) it has been, on the recommendation of the board of directors, approved by the Shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of public deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues, (e) there are no partly paid shares. The issue of bonus shares once declared cannot be withdrawn.

Any issue of bonus shares by a listed company would be subject to the SEBI ICDR Regulations. The relevant SEBI ICDR Regulations prescribe that no company shall make a bonus issue of equity shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the equity shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the equity shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Articles of Association of our Company provide that the Company may resolve to apply the securities premium account and the capital redemption reserve account or any other permissible reserve account in paying up of unissued Equity Shares to be issued to the Shareholders of the Company as fully paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, and a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may issue the following kinds of shares: (a) Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Companies Act, 2013; and (b) Preference share capital. Further, subject to the provisions of the Companies Act, 2013 and the Articles of Association, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of the Companies Act, 2013) or at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. The Board may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares. Subject to the provisions of the Companies Act, 2013, the Company in its general meetings may, by an ordinary resolution, from time to time: (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share Is derived; or; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this article shall not be deemed to be a reduction of share capital within the meaning of the Companies Act, 2013. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in Section 103 of the Companies Act, 2013. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

Every member present in person shall have one vote on a show of hands, and on poll, the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Shares. Any member entitled to attend and vote at a general meeting may do so either personally or through his duly constituted attorney or through another person as a proxy on his behalf, for that meeting.

The instrument appointing a proxy is required to be lodged with the Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the registered office of our Company before the general meeting.

No member is entitled to exercise any voting rights at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which our Company has exercised any right of lien.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own shares or other specified securities subject to the provisions of the Companies Act and any related guidelines issued in connection therewith.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than 3 and not more than 15, unless otherwise determined by the Company in a General Meeting.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
Ganesha Ecosphere Limited
Villege Raipur, Rania Kalpi Road
Kanpur Dehat – 209304
Uttar Pradesh, India

(Referred as the "Company")

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025
Maharashtra, India

ITI Capital Limited
ITI House, 36, Dr. R K Shirodkar Road,
Parel, Mumbai 400 012
Maharashtra, India

(Collectively referred as the "Book Running Lead Managers" or "BRLMs")

Dear Sirs/Madams,

Sub: Qualified institutions placement of equity shares of face value of ₹10 each ("Equity Shares") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended (the "Companies Act") by Ganesha Ecosphere Limited (the "Company", and such qualified institutions placement, the "Issue")

1. This certificate is issued in accordance with our engagement letter dated January 03, 2024 with the Company in relation to the Issue.

2. We, the current statutory auditors of the Company, namely, M/s. Narendra Singhania & Co., Chartered Accountants, (Firm Registration Number: 009781N), have been requested by the Company to provide confirmation for possible tax benefits to the Company and its shareholders in context of the Issue of Equity Shares in accordance with the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013.

3. The accompanying statement in **Annexure – 1** (**"the Statement"**) contains the summary of possible tax benefits available to the Company and its shareholders under the direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975 and the Foreign Trade Policy 2023, each as amended (collectively the **"Indian Taxation Laws")** and the rules, regulations, circulars and notifications issued in connection with the Indian Taxation Laws, each as amended by the Finance Act, 2023 and as applicable to the assessment year 2024-25 relevant to the financial year 2023-24. There are no material subsidiary of the Company, as identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company and its shareholders to derive the possible tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company, its shareholders, and/or the face in the future, the Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.

4. This certificate of possible special tax benefits is required as per Schedule VII (18) of the SEBI ICDR Regulations. While the term 'tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to tax benefits available to the Company and its shareholders, the same would include those benefits as enumerated in the **Annexure - 1**. Any benefits under the Indian Taxation Laws other

than those specified in the **Annexure - 1** are considered to be general tax benefits available to the Company and its shareholders, and therefore not covered within the ambit of the Statement. Further, any benefits available under any other Laws within or outside India, except for those specifically mentioned in the **Annexure - 1**, have not been examined and covered by the Statement.

Management's Responsibility for the Statement

5. The preparation of Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

6. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**"), the Companies Act, 2013 and other applicable guidelines.

Auditor's Responsibility

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

9. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-Upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India.

10. We are also responsible to communicate any changes in writing in the information as stated in this certificate to the BRLMs and legal counsel until the date when the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges. In the absence of any such communication from us until the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges, the BRLMs and the legal advisors, can assume that there is no change to the information as stated in this certificate.

Opinion

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of the date of this certificate, to the Company and its shareholders, under the Regulatory Framework.

12. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Further, we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. Neither we are suggesting nor advising the investors to invest money based on the statement. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

13. We do not express any opinion or provide any assurance on whether:
    - The Company and its shareholders will continue to obtain these benefits in the future;
    - The conditions prescribed for availing the benefits have been/would be met; and
    - The revenue authorities/courts will concur with the views expressed herein.

14. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct,

and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the company.

Restriction on Use

15. We consent to the inclusion of the above information or any extract thereof in the Placement Documents to be filed by the Company with the BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**"), or any other authority and such other documents as may be prepared in connection with the Issue.

16. The aforesaid information may be relied upon by the BRLMs and legal counsels appointed in connection with the Issue and may be submitted to the Stock Exchanges and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue.

17. We also authorise BRLMs to deliver this letter to SEBI, the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

18. Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Placement Documents, as applicable

For Narendra Singhania & Co.
Chartered Accountants
Firm Registration Number: 009781N
Peer Review Number: 012986

Narendra Singhania
Partner
Membership Number: 087931
Place: New Delhi
Date: January 30, 2024

UDIN: 24087931BKENFK4211

Annexure – 1

Statement of possible tax benefits available to the company, its shareholders and its Subsidiary under the applicable tax laws in India

1. List of Direct and Indirect Tax Laws ("Tax Laws"):

Sl. No.	Details of tax laws
1	Income Tax Act, 1961 and Income Tax Rules, 1962 ("the Act")
2	The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 along with the Central Goods and Services Tax Rules, 2017, The Integrated Goods and Services Tax Rules, 2017 and the applicable State Goods and Services Tax Rules, 2017
3	The Custom Act, 1962, the Custom Tariff Act, 1975 and its relevant Rules
4	The Foreign Trade Policy 2023, the Handbook of Procedures and its relevant Rules

2. Statement of possible tax benefits available to the company and its shareholders under the applicable direct and indirect tax laws in India ("Tax Laws")

DIRECT TAXATION

Outlined below are possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This portion of the statement is as per Income Tax Act, 1961 ('the Act') as amended by the Finance Act, 2023 read with the relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India.

A. Possible Income-tax benefits available to the Company

Capital Gains

(i) Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital assets, being shares listed in a recognized Stock Exchanges in India held for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale/transfer of these assets are considered as long-term capital gains ("LTCG"). Capital gains arising on sale/transfer of these assets held for 12 months or less are considered as short term capital gains ("STCG").

(ii) Further, capital assets being shares of Company not being a share listed in a recognized stock exchange in India or an immovable property, being land or building or both, held for a period exceeding 24 months would be considered as long term capital assets.

(iii) In respect of any other capital assets, the holding period should exceed 36 months to be considered as long term capital assets.

(iv) As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government and sovereign gold bonds issued by Reserve Bank of India) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(v) As per the provisions of section 50 of the Act, capital gain on the transfer of an asset forming part of a block of assets in respect of which depreciation has been allowed under this Act shall be computed by reducing the net sales consideration from the block of asset. If the net sales consideration exceeds the written down value of the block of assets, such excess would result in STCG. If the net sales consideration is less than the written down value of the block of assets and the block of assets has been wiped out as a result of sale of asset, then it would result in STCL.

(vi) Section 112A of the Act provides for a concessional rate of tax with effect from April 1, 2019 (i.e. AY 2019-20). Any income, exceeding ₹ 1,00,000/- arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

(vii) Section 111A of the Act provides for a concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of income exemption, where applicable) arising from the transfer of a short-term capital asset (i.e., a capital asset held for the period of less than 12 months) being an Equity Share in a company or wherein STT is paid on both acquisition and transfer.

(viii) In accordance with section 112 of the Act, LTCG (other than taxable under section 112A) would be subject to tax at the rate of 20% (plus applicable surcharge, health & education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bond, then LTCG will be chargeable to tax at the rate lower of the following:

I. 20% (plus applicable surcharge, health & education cess) of the capital gains as computed after indexation of cost; or

II. 10% (plus applicable surcharge, health & education cess) of the capital gains as computed without indexation of cost

No deduction under Chapter VI-A of the Act shall be allowed from such income.

(ix) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG arising on the transfer of a Long Term Capital Asset would be exempted from tax if such capital gain is invested within 6 months from the date of such transfer in any bond, redeemable after 3 years and issue on or after 1st day of April 2007 by the National Highway Authority of India or by the Rural Electrification Corporation Limited or any bond notified by the Central Government on this behalf.
The total deduction with respect to investment in the long term specified assets is restricted to ₹ 50 lakhs.

Where the investment so made are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.

(x) Under section 54EE of the Act and subject to the conditions and to the extent specified therein, LTCG arising on the transfer of Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in unit or units, issued before 1st April 2019, of such fund as may be notified by the Central Government in this behalf.

The total deduction with respect to investment in the long term specified assets is restricted to ₹ 50 lakhs.

Where the investment so made are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.

(xi) As per section 10(34A) of the Act, any income arising to the Company being a shareholder on account of buy back of shares referred in section 115QA is exempt from tax.

Deductions from Gross total income

(i) As per the provisions of Section 80JJAA of the Act, deduction in respect of employment of new employee, in accordance with and subject to the conditions specified under the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA (as discussed above).

The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of Section 80JJAA of the Act and satisfies the conditions mentioned in the section.

(ii) As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month **prior** to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in an Indian subsidiary, it may avail above-mentioned benefit under section 80M of the Act.

Set-off and carried forward of losses

(i) As per section 70 of the Act, loss in respect of short term capital asset computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent year's STCG as well as LTCG, in terms of Section 74 of the Act.

(ii) Further, loss in respect of long term capital asset computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent year's LTCG, in terms of section 74 of the Act.

(iii) As per section 72 of the Act, business loss (other than loss on speculation business), if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.

(iv) Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any source of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to, the provisions of section 72(2) and section 72(3) of the Act.

Special Tax rate

(i) Section 115BAA of the Income Tax Act, 1961 (**'the Act'**), as inserted vide the Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate rate of 22% (plus applicable surcharge and health & education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming specified incentives/deductions or set-off of losses, depreciation, etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of MAT would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to giving away any other income tax benefits under the Act (other than the deduction available under section 80JJAA of the Act) and fulfilling the prevailing provisions under the Act.

The Company has opted for the concessional tax regime and will pay the taxes at the concessional rate of 22% plus surcharge of 10% and Health & Education Cess of 4%.

B. Possible income-tax benefits available to the Shareholders of the Company

(i) There are no possible income tax special tax benefits available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).

(ii) Separately, any dividend income received by shareholders would be subject to tax deduction at source by the Company under section 194 of the Act @10%. However, in the case of individual shareholders, this would apply only in case the dividend income exceeds ₹ 5,000. Further, dividend income is now taxable in the hands of shareholders.

(iii) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile.

INDIRECT TAXATION

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ The Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 along with the Central Goods and Services Tax Rules, 2017/ The Integrated Goods and Services Tax Rules, 2017 and the applicable State Goods and Services Tax Rules, 2017 (**"GST Acts"**), The Customs Act, 1962 (**"Custom Act"**), the Customs Tariff Act, 1975 (**"Customs Tariff Act"**), as amended by the Finance Act, 2023, Foreign Trade Policy 2023 including the relevant rules, regulations, notifications and circulars issued there under, applicable for the Financial Year 2023-24, presently in force in India.

A. Possible indirect tax benefits available to the Company

(i) The Company exports goods without payment of GST under a Letter of Undertaking.

(ii) The said goods are also supplied by the Company in domestic market which attracts GST at the prescribed rates.

(iii) Apart from the above, the Company gets a benefit under Scheme of Remission of Duties or Taxes on Export products (RoDTEP), as notified by the Department of Commerce vide DGFT Notification No. 19/2015-20 dated August 17, 2021, Export Promotion Capital Goods Scheme (EPCG) in terms of Chapter 5 of the Foreign Trade Policy 2023, Advance Authorisation and the Duty Drawback Scheme and the Duty-Free Import Authorisation (DFIA).

(iv) There are no other possible special tax benefits available to the company under GST Act, Custom Act, Customs Tariff Act as amended by the Finance Act, 2023 and Foreign Trade Policy including the relevant rules, regulations, notifications and circulars issued there under.

B. Possible indirect tax benefits available to the Shareholders

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST.

Apart from above, the shareholders of the Company are not eligible for any possible special tax benefits under the provisions of the GST Acts, Custom Act, Customs Tariff Act as amended by the Finance Act, 2023 and Foreign Trade Policy including the relevant rules, regulations, notifications, and circulars issued there under.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Subsidiaries, our Directors and our Promoters; (iii) outstanding civil proceedings against our Company, our Subsidiaries, our Promoters and our Directors which involve an amount equivalent to or above ₹69.46 lakhs, which is 1.00% of profit after tax of the consolidated financial statements for Fiscal 2023 ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and our Subsidiaries; and (v) any other outstanding litigation involving our Company , our Subsidiaries, our Directors and our Promoters wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Except as disclosed in the Placement Document (i) There is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interests thereon; (c) deposits and interests thereon; and (d) loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

As on the date of this Placement Document, there are no outstanding civil proceedings by our Company exceeding the Materiality Threshold.

B. Civil Proceedings filed against our Company

As on the date of this Placement Document, there are no outstanding civil proceedings against our Company exceeding the Materiality Threshold.

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

1) Our Company has filed 5 (five) complaints against various parties' "**Respondents**" under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 ("**NI Act**") for dishonour of cheques issued by the Respondents to our Company in the ordinary course of business. The matters are at pending for proceeding before the Additional Chief Metropolitan Magistrate, Kanpur and Metropolitan Magistrate, Kanpur at different stages. The aggregate amount involved in these matters is ₹ 57,82,189.

B. Criminal Matters filed against our Company

A. Shyam Pratap Singh "**Complainant**", an employee of our Company was absent from work from January 30, 2017 and Our Company sent him a letter dated September 29, 2017 for his unauthorized absence. The Complainant neither sent a reply to the aforesaid letter nor reported to work. Our Company initiated a domestic inquiry against the Complainant and sent him notices dated October 9, 2017 and October 25, 2017, to be present for investigation before the investigation officers on October 17, 2017 and November 1, 2017 respectively. The Complainant refused the acceptance of these letters nor was presented himself for the hearings of the investigations. Therefore, vide letter dated November 16, 2017 our Company sent the Complainant a show cause notice and after receiving no revert, terminated his services vide letter dated November 25, 2017. The Complainant filed for wrongful termination against our Company before the Labour Court -1 Kanpur and alleged that his termination was against Natural law of justice of *audi alteram partem*. The Additional Labour Commissioner, Kanpur Region vide order dated November 21, 2019 referred the case to Labour Court 1- Kanpur. The matter is pending before Labour Court 1- Kanpur for adjudication. However, the Complainant on August 27, 2021 committed suicide. An FIR dated August 31, 2021 bearing number 0365 has been lodged against our Company. The matter has already been investigated by the Police and final report has been filed.

Actions taken by statutory or regulatory authorities against our Company

1) The Government of India "**GOI**" introduced the Atmanirbhar Bharat Rojgar Yojna ("**ABRY Scheme**") in December, 2020, to incentivize creation of new employment opportunities during the COVID-19 recovery phase. The GOI, under the ABRY Scheme was providing assistance to the employers of establishments registered with the Employee's Provident Fund Organization "**EPFO**" to recruit unemployed persons, including re-employment of those who were rendered unemployed during the Pandemic. As per the ABRY Scheme, in a company having less than 1000 employees, both the employee's and employers' contribution would be paid by the Central Government whereas, in a company having more than 1000 employees, only the employee's contribution will be paid by the Central Government. Our Bilaspur unit was inspected by EPFO Officer on July 25, 2023 and vide order dated August 29, 2023, made an observation that our Company has more than 1000 employees and is liable for employers' contribution of an amount of ₹ 37,47,008 under the ABRY Scheme. There was no demand raised for our Company's EPFO dues from the period January 1, 2021 to June 30, 2021 on the EPFO portal and also there are no penalties being raised on the EPFO portal currently. However, vide letter dated August 8, 2023 our Company has expressed its willingness to pay the outstanding dues and requested the EPFO authorities for providing mechanism to our Company for making payment of the outstanding dues. The EPFO vide letter dated January 1, 2024 bearing reference number 5004/EPF/UP/RO/BY/COMPLIANCE/53922 has raised a demand of ₹ 37,47,008 and provided for a mechanism to make the payment to our Company.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims (Net of Provision):

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Direct Tax	5	116.91
Indirect Tax	8	670.80

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Subsidiaries.

B. Civil Proceedings filed against our Subsidiaries

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Subsidiaries.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

1) Our subsidiary Ganesha Ecotech Private Limited "**GEPL**" entered into an escrow agreement dated June 5, 2021 with HDFC Bank (Branch- Krishna Towers, 15/63- Civil Lines, Kanpur-208001, Uttar Pradesh) "**Escrow Bank/ Respondent**" for its green field project at Kakatiya Mega Textile Park, Warangal. The Respondent being the escrow agent was responsible for funds in the escrow account no. 57500000668415 "**Escrow Account**" opened with the Escrow Bank for the aforesaid green field project. A fraudulent transaction of ₹ 2,45,67,422 took place from our - GEPL Escrow Account. Our Subsidiary lodged an FIR no. 0501 dated August 26, 2021 under section 154 of the Code of Criminal Procedure, 1973. Police arrested the accused Arbaj Khan and tracing the accused Robert Otozeme, Mehandi Hasan a Nigerian citizen in the matter. The matter is pending for trial before Metropolitan Magistrate Court-1 Kanpur Nagar.

B. Criminal Matters filed against our Company

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Subsidiaries.

Actions taken by statutory or regulatory authorities against our Subsidiaries

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Subsidiaries.

Tax proceedings involving our Subsidiaries

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Assessment Proceedings under section 142(1) of the Income Tax Act, 1961	2	-
Indirect Tax	-	-

3. Litigation involving our Directors

Material civil proceedings involving our Directors

A. Civil Proceedings filed by our Directors

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Directors.

B. Civil Proceedings filed against our Directors

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Directors.

Criminal proceedings involving our Directors

A. ***Criminal Matters filed by our Directors***

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Directors.

B. ***Criminal Matters filed against our Directors***

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Directors.

Actions taken by statutory or regulatory authorities against our Directors

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Directors.

4. Litigation involving our Promoters

Material civil proceedings involving our Promoters

B. Civil Proceedings filed by our Promoters

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Promoters.

C. Civil Proceedings filed against our Promoters

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Promoters.

Criminal proceedings involving our Promoters

A. ***Criminal Matters filed by our Promoters***

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. ***Criminal Matters filed against our Promoters***

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Promoters.

Actions taken by statutory or regulatory authorities against our Promoters

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Except as disclosed in "*Criminal Matters filed by our Subsidiaries"*, there have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document:

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

Our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution. However, there are certain disputed demands, which have not been accepted by the Company and have been disputed at appropriate authorities/forum which are as follows:

S No.	Reporting Period	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
1	2022-23	Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.61	0.48	FY 2010-11 to 2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
2	2022-23	Integrated Goods and Service Tax Act, 2017	Goods and Service Tax	188.96	-	FY 2020-21	Joint Commissioner, Moradabad, Uttar Pradesh

S No.	Reporting Period	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
3	2022-23	Income Tax Act, 1961	Income Tax Demand u/s 143(3)	35.92	7.50	FY 2015-16	Commissioner of Income Tax (Appeals), Kanpur
4	2021-22	Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.60	0.48	FY 2010-11 to 2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
5	2021-22	Income Tax Act, 1961	Income Tax Demand u/s 143(3)	35.92	7.50	FY 2015-16	Commissioner of Income Tax (Appeals), Kanpur
6	2020-21	Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.60	0.48	FY 2010-11 to 2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
7	2020-21	UPVAT Act, 2008	Value Added Tax	5.05	2.73	FY 2015-16	Additional Commissioner (Appeals) Grade-II, Kanpur
8	2020-21	Income Tax Act, 1961	Income Tax Demand u/s 143(3)	35.92	7.50	FY 2015-16	Commissioner of Income Tax Appeals), Kanpur

8. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

9. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.

The Uttarakhand Pollution Control Board "**UKPCB**" vide Letter No.-UKPCB/HO/UEN.183-361.UO/-2/225 SC-37, dated March 12, 2020, directed our Company to deposit an amount of ₹ 100 lakhs as environmental compensation for use of Pet Cokes, which our Company is not permitted to use as per UKPCK due to lack requisite permissions by UKPCB. The direction was issued consequent to decision of National Green Tribunal ("**NGT**") in case of Aryavarta Foundation V/s M/s Vapi Green Enviro Ktd. & Ors. (original appeal no.-1038/2018 dated 14.11.2019- "**NGT Order**") pertaining to environmental damage in certain industrial clusters in SIDCUL, where our unit is situated but not a part of industrial cluster.

The NGT order was appealed in the Supreme Court and Hon'ble Supreme Court vide order dated February 25, 2022, remanded the matter back to the NGT, for allowing all parties to present their case before the Tribunal. The NGT vide order dated August 29, 2022 directed the concerned pollution control board i.e. UKPCB to impose penalty after taking into consideration the guidelines issued by the NGT. The UKPCB has so far not issued any penalty letter to our Company.

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

Except the matter of emphasis as mentioned in "***Auditor's Observations***" in the chapter titled "*MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS"* beginning on page 75, there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document.

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, Narendra Singhania & Co, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution passed by our Shareholders at the AGM held on September 30, 2022 for a period of five years, from Fiscal 2023 to Fiscal 2027.

Our Statutory Auditors have audited the Annual Consolidated Financial Statements which are included in this Placement Document in "*Financial Information*" beginning on page 195.

The Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and are included in this Placement Document in "*Financial Information*" beginning on page 195.

FINANCIAL INFORMATION

Particulars	Page Nos.
Unaudited Consolidated Financial Results for the six months period ended September 30, 2023 (including comparatives for the six months period ended September 30, 2022)	F – 1
Fiscal 2023 Audited Consolidated Financial Statements	F – 16
Fiscal 2022 Audited Consolidated Financial Statements	F – 75
Fiscal 2021 Audited Consolidated Financial Statements	F – 137

Financial Statements

For the period ended September 30, 2023 and September 30, 2022

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

Review Report to
The Board of Directors of
Ganesha Ecosphere Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Ganesha Ecosphere Limited** ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended September 30, 2023 and year to date results for the period from April 1, 2023 to September 30, 2023 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including relevant circulars issued by the SEBI from time to time ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder, and as per the presentation requirements of the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Company Name	Nature
1.	Ganesha Ecosphere Limited	Parent
2.	Ganesha Ecopet Private Limited	Wholly owned subsidiary of Ganesha Ecosphere Limited
3.	Ganesha Ecotech Private Limited	Wholly owned subsidiary of Ganesha Ecosphere Limited
4.	Ganesha Overseas Private Limited, Nepal	Wholly owned subsidiary of Ganesha Ecosphere Limited
5.	Ganesha Employees' Welfare Trust	Entity controlled by the Parent

NARENDRA SINGHANIA & CO. NEW DELHI Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors and management reviewed financial results referred to in paragraph 6, 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

6. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results (before eliminating inter-company transactions) reflect total assets of Rs. 75,530.49 Lakh as at September 30, 2023 and total revenues of Rs. 3,229.45 Lakh and Rs. 8,434.03 Lakh, total net loss after tax of Rs. 936.83 Lakh and Rs. 1,360.86 Lakh, total comprehensive loss of Rs. 935.69 Lakh and Rs. 1,358.57 Lakh, for the quarter ended September 30, 2022 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash Inflows (net) of Rs. 2,913.95 Lakh for the period from April 1, 2023 to September 30, 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

7. We also did not review the interim financial results of a subsidiary included in the Statement which is located outside India, whose interim financial results (before eliminating inter-company transaction) reflect total assets of Rs. 4,806.04 Lakh as at September 30, 2023 and total revenues of Rs. 1,149.21 Lakh and Rs. 2,057.20 Lakh, total net loss after tax of Rs. 91.85 Lakh and Rs. 165.00 Lakh, total comprehensive loss of Rs 91.85 Lakh and Rs. 165.00 Lakh, for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash outflows (net) of Rs. 47.41 Lakh for the period from April 1, 2023 to September 30, 2023, as considered in the statement. These interim financial results have not been reviewed by the auditor of the aforesaid subsidiary 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 interim financial results are not material to the Group.

8. We also did not review the financial statements of a Trust controlled by the Parent included in the Statement, whose financial statements reflect total assets of Rs. 218.44 Lakh as at September 30, 2023 and total revenue of Rs. Nil and Rs. Nil, total net Profit/(loss) after tax of Rs. 0.78 Lakh and Rs. (0.01) Lakh, total comprehensive Profit/(loss) of Rs. 0.78 Lakh and Rs. (0.01) Lakh, for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash inflows (net) of Rs. 0.70 Lakh for the period from April 1, 2023 to September 30, 2023, as considered in the Statement. These interim financial results have not been reviewed by the auditor of the aforesaid trust 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 interim financial results are not material to the Group.

NARENDRA SINGHANIA & CO. NEW DELHI Chartered Accountants

Our conclusion on the Statement is not modified in respect of the matters stated in paragraph 6, 7 and 8 with respect to our reliance on the work done and the reports of the other auditors and the management reviewed financial results of the subsidiary located outside India and Trust.

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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: November 04, 2023

UDIN: 23092687BGYDWX6279

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. 0512-2154183, 2555505-06, +91 9198708383, Fax No. 0512-2555293

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023

(₹ in Lakh)

Particulars	Quarter ended			Half Year ended		Financial Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)			(Unaudited)		(Audited)
I Revenue from operations	27,844.83	25,412.07	31,294.04	53,256.90	60,552.74	117,963.14
II Other income	323.33	293.84	180.07	617.17	272.20	1,338.73
III Total income (I+II)	**28,168.16**	**25,705.91**	**31,474.11**	**53,874.07**	**60,824.94**	**119,301.87**
IV EXPENSES						
Cost of materials consumed	16,984.60	17,081.89	18,339.17	34,066.49	37,591.39	74,670.08
Purchases of stock-in-trade	287.36	679.15	691.24	966.51	1,144.69	6,039.42
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	728.98	(1,918.16)	1,803.15	(1,189.18)	2,179.33	(2,842.99)
Employee benefits expense	1,832.57	1,768.28	1,597.62	3,600.85	3,095.08	6,720.20
Finance costs	1,163.43	1,138.57	346.90	2,302.00	620.87	1,693.78
Depreciation and amortization expense	1,244.23	1,220.86	667.58	2,465.09	1,338.60	2,915.08
Power & fuel	2,805.35	2,680.43	2,658.20	5,485.78	5,037.62	10,052.53
Other expenses	2,673.57	2,570.30	2,712.12	5,243.87	5,314.05	10,556.31
Total expenses (IV)	**27,720.09**	**25,221.32**	**28,815.98**	**52,941.41**	**56,321.63**	**109,804.41**
V Profit/ (Loss) before tax (III-IV)	**448.07**	**484.59**	**2,658.13**	**932.66**	**4,503.31**	**9,497.46**
VI Tax expense:						
(1) Current tax	455.30	287.86	669.92	743.16	1,201.86	2,525.73
(2) Deferred tax	(286.98)	(148.14)	18.51	(435.12)	4.71	25.75
VII Profit/ (Loss) for the period (V-VI)	**279.75**	**344.87**	**1,969.70**	**624.62**	**3,296.74**	**6,945.98**
VIII Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss						
Re-measurement gain on defined benefit obligations	13.43	13.45	1.01	26.88	2.03	47.95
(ii) Income tax relating to Items that will not be reclassified to profit or loss	(3.28)	(3.27)	(0.25)	(6.55)	(0.51)	(12.09)
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-	-
IX Total Comprehensive Income for the period (VI + VII) (Comprising Profit and Other Comprehensive Income for the period)	**289.90**	**355.05**	**1,970.46**	**644.95**	**3,298.26**	**6,981.84**

GANESHA ECOSPHERE LTD. * KANPUR *

X Paid-up equity share capital (Face value of Rs 10/- each)	2,182.94	2,182.94	2182.94	2182.94	2,182.94	2,182.94
XI Other Equity (excluding Revaluation Reserves)	-	-	-	-	-	61,605.46
XII Earnings per equity share (not annualized*)						
(1) Basic (in ₹)	1.29*#	1.58*#	9.01*#	2.87*#	15.10*#	31.88#
(2) Diluted (in ₹)	1.29*#	1.58*#	9.01*#	2.87*#	15.10*#	31.88#

Notes:

1. The above consolidated financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

2. The above unaudited consolidated financial results, after review by the Audit Committee, have been approved and taken on record by the Board of Directors at its meeting held on November 04, 2023.

3. The Statutory Auditors have carried out limited review of the above consolidated financial results for the quarter and half year ended September 30, 2023 as required under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 .

4. The Group is engaged in the manufacturing of the products of same type/ class and as such there are no reportable segments as per Ind-AS 108: 'Operating Segments', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

5. Previous periods' figures have been regrouped/ reclassified where considered necessary to conform to current period's classification/ disclosure.

Pursuant to the Ganesha Ecosphere Employees' Stock Option Scheme, 2021, Ganesha Employees' Welfare Trust is holding 39,194 equity shares of the Parent Company, which have been reduced while computing basic and diluted earnings per share.

For Ganesha Ecosphere Limited

GANESHA ECOSPHERE LTD. * KANPUR *

(Shyam Sunder Sharmma)
Chairman
DIN: 00530921

Date: 04.11.2023
Place: Kanpur

		(₹ in Lakh)
Consolidated Balance Sheet		
Particulars	**Half year ended 30.09.2023 Unaudited**	**Financial year ended 31.03.2023 Audited**
ASSETS		
1. Non-current assets		
Property, plant and equipment	63,505.44	51,160.86
Capital work-in-progress	15,353.00	23,506.66
Investment Property	947.36	947.36
Right-of-use assets (ROU)	119.33	120.14
Goodwill	13.46	13.46
Intangible assets	23.95	50.05
Financial assets:		
(i) Investments in equity	592.62	592.62
(ii) Loans	2.46	3.49
(iii) Others	552.77	776.09
Other non-current assets	4,505.33	2,506.45
Total non-current assets	**85,615.72**	**79,677.18**
2. Current assets		
Inventories	29,285.25	28,023.09
Financial assets:		
(i) Investments	4,940.88	4,858.95
(ii) Trade receivables	12,438.20	11,475.89
(iii) Cash and cash equivalents	3,349.82	426.72
(iv) Bank balances other than (iii) above	430.27	195.54
(v) Loans	3.07	5.13
(vi) Others	302.07	199.75
Current tax assets (net)	40.33	373.61
Other current assets	9,033.55	7,041.20
Total current assets	**59,823.44**	**52,599.88**
Total assets	**145,439.16**	**132,277.06**
EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	2,182.94	2,182.94
Other equity	61,837.95	61,605.46
Total equity	**64,020.89**	**63,788.40**
2. LIABILITIES		
2A. Non-current liabilities		
Financial liabilities:		
(i) Borrowings	35,654.44	31,175.57
Deferred tax liabilities (net)	1,329.18	1,757.77
Provisions	877.43	647.50
Government grants	1,860.37	1,663.84
Total non-current liabilities	**39,721.42**	**35,244.68**
2B. Current liabilities		
Financial liabilities:		
(i) Borrowings	28,985.12	19,370.78
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	199.74
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,562.36	7,158.46
(iii) Other financial liabilities	4,577.70	5,299.63
Other current liabilities	2,092.26	722.83
Government grants	92.95	93.46
Provisions	199.54	399.08
Current tax liabilities (net)	186.92	-
Total current liabilities	**41,696.85**	**33,243.98**
Total equity and liabilities	**145,439.16**	**132,277.06**

For Ganesha Ecosphere Limited

(Shyam Sunder Sharmma)
Chairman
DIN: 00530921

Date: 04.11.2023
Place: Kanpur

GANESHA ECOSPHERE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the half year ended september 30, 2023

(₹ in Lakh)

	Particulars	Half year ended 30th September, 2023	Half year ended 30th September, 2022
A.	**Cash flow from operating activities:**		
	Profit before exceptional item and tax as per statement of profit and loss	932.66	4,503.31
	Adjustments for:		
	Depreciation and amortization expenses	2,465.09	1,338.58
	(Profit)/ loss on sale/ discard of property, plant and equipment (net)	(13.07)	0.32
	Allowances for doubtful trade receivables and advances	(0.93)	(1.05)
	Liabilities written back	(2.13)	(16.27)
	Loss on foreign currency fluctuations and translations (net)	3.55	26.46
	Finance costs	2,243.21	522.35
	Interest income	(362.88)	(219.69)
	Lease rental charges from investment property	(20.00)	-
	Profit on sale of Investments	-	3.89
	Fair value gain on financial assets	(81.93)	(24.36)
	Amortization of Government grants	(61.06)	(26.48)
	Operating profit before working capital changes	**5,102.51**	**6,107.06**
	Movements in working capital:		
	Increase in trade receivables	(489.67)	(292.54)
	Increase in other receivables and prepayments	(1,994.77)	(1,055.48)
	Increase in inventories	(1,238.85)	(3,465.38)
	(Decrease)/ increase in trade payables	(2,267.56)	1,255.95
	Increase in other payables	1,468.42	329.28
	Increase in provisions	57.28	45.08
	Cash generated from operations	**637.36**	**2,923.97**
	Direct taxes paid (net of refunds)	(222.94)	(941.28)
	Net cash flow generated from operating activities (A)	**414.42**	**1,982.69**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(9,200.31)	(13,308.09)
	Purchase of intangible assets	-	(1.85)
	Proceeds from sale of property, plant and equipment	22.26	8.41
	Movement in fixed deposits (net)	(3.64)	10.44
	Interest received	549.36	132.92
	Lease rental charges from investment property	20.00	-
	Current investment made	-	(88.50)
	Current investment redemption	-	1,088.73
	Net cash flow used in investing activities (B)	**(8,612.33)**	**(12,157.94)**
C.	**Cash flow from financing activities**		
	Purchase of Treasury shares	-	(118.68)
	Proceeds from non-current borrowings (other than related parties)	11,720.94	3,909.51
	Repayment of non-current borrowings (other than related parties)	(6,891.71)	(308.73)
	Proceeds from current borrowings (net) (other than related parties)	7,981.84	4,283.20
	Proceeds from related parties borrowings (net)	1,270.00	1,126.50
	Dividend paid to equity shareholders	(435.81)	-
	Interest paid	(2,524.25)	(484.47)
	Net cash flow generated from financing activities (C)	**11,121.01**	**8,407.33**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**2,923.10**	**(1,767.92)**
	Cash and cash equivalents at the beginning of the period	426.72	2,210.31
	Cash and cash equivalents at the end of the period	**3,349.82**	**442.39**

Note: The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.

For Ganesha Ecosphere Limited

Date: 04.11.2023

Place: Kanpur

(Shyam Sunder Sharmma)

Chairman

DIN: 00530921

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

Review Report to
The Board of Directors of
Ganesha Ecosphere Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Ganesha Ecosphere Limited** ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended September 30, 2022 and year to date results for the period from April 1, 2022 to September 30, 2022 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including relevant circulars issued by the SEBI from time to time ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder, and as per the presentation requirements of the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Company Name	Nature
1.	Ganesha Ecosphere Limited	Parent
2.	Ganesha Ecopet Private Limited	Wholly owned subsidiary of Ganesha Ecosphere Limited
3.	Ganesha Ecotech Private Limited	Wholly owned subsidiary of Ganesha Ecosphere Limited
4.	Ganesha Overseas Private Limited, Nepal	Wholly owned subsidiary of Ganesha Ecosphere Limited (with effect from July 15, 2021)
5.	Ganesha Employees' Welfare Trust	Entity controlled by the Parent

NARENDRA SINGHANIA & CO. NEW DELHI Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors and management reviewed financial results referred to in paragraph 6, 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

6. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results (before eliminating inter-company transactions) reflect total assets of Rs. 48,061.78 Lakh as at September 30, 2022 and total revenues of Rs. Nil and Rs. Nil, total net loss after tax of Rs. 9.79 Lakh and Rs. 13.98 Lakh, total comprehensive loss of Rs. 9.79 Lakh and Rs. 13.98 Lakh, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash outflows (net) of Rs. 1,410.79 Lakh for the period from April 1, 2022 to September 30, 2022, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

7. We also did not review the interim financial results of a subsidiary included in the Statement which is located outside India, whose interim financial results (before eliminating inter-company transaction) reflect total assets of Rs. 4,542.91 Lakh as at September 30, 2022 and total revenues of Rs. Nil and Rs. Nil, total net loss after tax of Rs. 4.41 Lakh and Rs. 10.58 Lakh, total comprehensive loss of Rs. 4.41 Lakh and Rs. 10.58 Lakh, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash outflows (net) of Rs. 480.12 Lakh for the period from April 1, 2022 to September 30, 2022, as considered in the statement. These interim financial results have not been reviewed by the auditor of the aforesaid subsidiary 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 interim financial results are not material to the Group.

8. We also did not review the financial statements of a Trust controlled by the Parent included in the Statement, whose financial statements reflect total assets of Rs. 284.50 Lakh as at September 30, 2022 and total revenue of Rs. Nil and Rs. Nil, total net loss after tax of Rs. Nil and Rs. 0.01 Lakh, total comprehensive loss of Rs. Nil and Rs. 0.01 Lakh, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash inflows (net) of Rs. 71.27 Lakh for the period from April 1, 2022 to September 30, 2022, as considered in the Statement. These interim financial results have not been reviewed by the auditor of the aforesaid trust 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 interim financial results are not material to the Group.

NARENDRA SINGHANIA & CO. NEW DELHI Chartered Accountants

Our conclusion on the Statement is not modified in respect of the matters stated in paragraph 6, 7 and 8 with respect to our reliance on the work done and the reports of the other auditors and the management reviewed financial results of the subsidiary located outside India and Trust.

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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: November 14, 2022

UDIN: 22092687BDBKPJ6756

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. 0512-2154183, 2555505-06, +91 9198708383, Fax No. 0512-2555293

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2022

(₹ in Lakh)

Particulars	Quarter ended			Half Year ended		Financial Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	(Unaudited)			(Unaudited)		(Audited)
I Revenue from operations	31,294.04	29,258.70	24,789.03	60,552.74	44,627.18	102,144.36
II Other income	180.07	92.13	241.98	272.20	434.35	691.46
III Total income (I+II)	**31,474.11**	**29,350.83**	**25,031.01**	**60,824.94**	**45,061.53**	**102,835.82**
IV EXPENSES						
Cost of materials consumed	18,339.17	19,252.22	15,421.74	37,591.39	29,869.12	65,501.77
Purchases of stock-in-trade	691.24	453.45	203.80	1,144.69	1,002.45	2,101.42
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1,803.15	376.18	358.68	2,179.33	(2,708.79)	(1,881.60)
Employee benefits expense	1,597.62	1,497.46	1,402.22	3,095.08	2,672.82	5,788.47
Finance costs	346.90	273.97	191.60	620.87	494.64	976.12
Depreciation and amortization expense	667.58	671.02	705.71	1,338.60	1,413.45	2,840.13
Power & fuel	2,658.20	2,379.42	2,137.03	5,037.62	4,011.75	8,486.28
Other expenses	2,712.12	2,601.93	2,572.22	5,314.05	4,810.03	10,756.82
Total expenses (IV)	28,815.98	27,505.65	22,993.00	56,321.63	41,565.47	94,569.41
V Profit/ (Loss) before exceptional items and tax (III-IV)	2,658.13	1,845.18	2,038.01	4,503.31	3,496.06	8,266.41
VI Exceptional Items						
- Loss by Fire (net of tax)	-	-	-	-	2,513.22	-
VII Profit/ (Loss) before tax (V-VI)	2,658.13	1,845.18	2,038.01	4,503.31	982.84	8,266.41
VIII Tax expense:						
(1) Current tax	669.92	531.94	367.23	1,201.86	367.23	2,263.57
(2) Deferred tax	18.51	(13.80)	244.89	4.71	473.49	(194.09)
IX Profit/ (Loss) for the period (VII-VIII)	1,969.70	1,327.04	1,425.89	3,296.74	142.12	6,196.93
X Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss						
Re-measurement gain/ (loss) on defined benefit obligations	1.01	1.02	10.71	2.03	21.41	4.07
(ii) Income tax relating to Items that will not be reclassified to profit or loss	(0.25)	(0.26)	(2.70)	(0.51)	(5.39)	(1.02)
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-	-
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)	1,970.46	1,327.80	1,433.90	3,298.26	158.14	6,199.98

GANESHA ECOSPHERE LTD. * KANPUR *

XII Paid-up equity share capital (Face value of Rs 10/- each)	2,182.94	2,182.94	2182.94	2182.94	2,182.94	2,182.94
XIII Other Equity (excluding Revaluation Reserves)	-	-	-	-	-	55,178.21
XIV Earnings per equity share (not annualized*)						
(1.a) Basic (in ₹) after exceptional item	9.01*#	6.09*#	6.53*	15.10*#	0.65*	28.39
(1.b) Basic (in ₹) before exceptional item	9.01*#	6.09*#	6.53*	15.10*#	12.16*	28.39
(2.a) Diluted (in ₹) after exceptional item	9.01*#	6.09*#	6.53*	15.10*#	0.65*	28.39
(2.b) Diluted (in ₹) before exceptional item	9.01*#	6.09*#	6.53*	15.10*#	12.16*	28.39

Notes:

1. The above consolidated financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015, prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

2. The above consolidated financial results, after review by the Audit Committee, have been approved and taken on record by the Board of Directors at its meeting held on November 14, 2022.

3. The Statutory Auditors have carried out limited review of the above consolidated financial results for the quarter and half year ended September 30, 2022 as required under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 .

4. The Group is engaged in the manufacturing of the products of same type/ class and as such there are no reportable segments as per Ind-AS 108: 'Operating Segments', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

5. Previous periods' figures have been regrouped/ reclassified where considered necessary to conform to current period's classification/ disclosure.

The Parent Company has constituted Ganesha Employees' Welfare Trust to acquire, hold and allocate/transfer equity shares of the parent company to eligible employees pursuant to the Ganesha Ecosphere Employees' Stock Option Scheme, 2021. As on September 30, 2022, the Trust has 39,194 equity shares of the Company, which have been reduced while computing basic and diluted earnings per share.

GANESHA ECOSPHERE LTD. KANPUR

For Ganesha Ecosphere Limited

(Shyam Sunder Sharmma)
Chairman

Date: 14.11.2022
Place: Kanpur

(₹ in Lakh)

Consolidated Balance Sheet		
Particulars	Half year ended 30.09.2022 Unaudited	Financial year ended 31.03.2022 Audited
ASSETS		
1. Non-current assets		
Property, plant and equipment	29,363.29	29,793.58
Capital work-in-progress	39,435.92	27,647.43
Right-of-use assets (ROU)	120.94	121.75
Goodwill	13.46	13.46
Intangible assets	72.54	96.76
Financial assets:		
(i) Investments	-	-
(ii) Loans	5.33	5.13
(iii) Others	778.87	835.29
Other non-current assets	4,195.80	4,711.36
Deferred tax Assets (Net)	52.99	-
Total non-current assets	**74,039.14**	**63,224.76**
2. Current assets		
Inventories	23,100.63	19,646.70
Financial assets:		
(i) Investments	5,907.76	6,887.51
(ii) Trade receivables	11,536.68	11,615.13
(iii) Cash and cash equivalents	442.39	2,210.31
(iv) Bank balances other than (iii) above	167.73	92.86
(v) Loans	6.69	6.51
(vi) Others	252.50	273.11
Current tax assets (net)	340.89	601.47
Other current assets	6,915.85	4,785.49
Assets classified as held for sale/disposal	39.95	126.15
Total current assets	**48,711.07**	**46,245.24**
Total assets	**122,750.21**	**109,470.00**
EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	2,182.94	2,182.94
Other equity	58,357.78	55,178.21
Total equity	**60,540.72**	**57,361.15**
2. LIABILITIES		
2A. Non-current liabilities		
Financial liabilities:		
(i) Borrowings	27,543.37	23,648.62
(ii) Other financial liabilities	-	-
Deferred tax liabilities (net)	1,778.15	1,719.94
Provisions	1,027.82	704.96
Government grants	1,624.92	1,548.55
Total non-current liabilities	**31,974.26**	**27,622.07**
2B. Current liabilities		
Financial liabilities:		
(i) Borrowings	17,260.44	12,133.39
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	301.54
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,288.71	6,110.83
(iii) Other financial liabilities	4,786.41	5,012.43
Other current liabilities	845.99	596.08
Government grants	53.68	52.69
Provisions	-	279.82
Current tax liabilities (net)	-	-
Total current liabilities	**30,235.23**	**24,486.78**
Total equity and liabilities	**122,750.21**	**109,470.00**

For Ganesha Ecosphere Limited

GANESHA ECOSPHERE LTD. ★ KANPUR ★

(Shyam Sunder Sharmma)
Chairman

Date: 14.11.2022
Place: Kanpur

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakh)

	Particulars	Half year ended 30th September, 2022	Half year ended 30th September, 2021
A.	**Cash flow from operating activities:**		
	Profit before exceptional item and tax as per statement of profit and loss	4,503.31	3,496.06
	Adjustments for:		
	Depreciation and amortization expenses	1,338.58	1,413.45
	Loss on sale/ discard of property, plant and equipment (net)	0.32	1.66
	Allowances for doubtful trade receivables and advances	(1.05)	(30.88)
	Bad debts/ advances written off	-	7.18
	Liabilities written back	(16.27)	(0.02)
	Loss/ (gain) on foreign currency fluctuations and translations (net)	26.46	(150.93)
	Finance costs	522.35	426.32
	Interest income	(219.69)	(130.93)
	Profit on sale of Investments	3.89	(163.56)
	Fair value gain on financial assets	(24.36)	(84.30)
	Amortization of Government grants	(26.48)	(22.21)
	Operating profit before working capital changes	**6,107.06**	**4,761.84**
	Movements in working capital:		
	(Increase)/ decrease in trade receivables	(292.54)	993.58
	(Increase)/ decrease in other receivables and prepayments	(1,055.48)	209.50
	(Increase)/ decrease in inventories	(3,465.38)	(2,329.20)
	Increase in trade payables	1,255.95	120.38
	Increase in other payables	329.28	409.77
	Increase in provisions	45.08	47.11
	Cash generated from operations	**2,923.97**	**4,212.98**
	Direct taxes paid (net of refunds)	(941.28)	(444.08)
	Net cash flow generated from operating activities (A)	**1,982.69**	**3,768.90**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(13,308.09)	(8,919.12)
	Purchase of intangible assets	(1.85)	(4.06)
	Proceeds from sale of property, plant and equipment	8.41	16.16
	Investment in body corporate	-	(711.25)
	Movement in fixed deposits (net)	10.44	(2,512.51)
	Interest received	132.92	(6.37)
	Current investment made	(88.50)	(6,254.04)
	Current investment redemption	1,088.73	1,866.69
	Net cash flow used in investing activities (B)	**(12,157.94)**	**(16,524.50)**
C.	**Cash flow from financing activities**		
	Purchase of Treasury shares	(118.68)	-
	Proceeds from non-current borrowings (other than related parties)	3,909.51	15,034.96
	Repayment of non-current borrowings (other than related parties)	(308.73)	(364.98)
	Proceeds from current borrowings (net) (other than related parties)	4,283.20	(362.05)
	Proceeds from related parties borrowings (net)	1,126.50	430.25
	Dividend paid to equity shareholders	-	(436.58)
	Interest paid	(484.47)	(411.31)
	Net cash flow generated from financing activities (C)	**8,407.33**	**13,890.29**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(1,767.92)**	**1,134.69**
	Cash and cash equivalents at the beginning of the period	2,210.31	242.19
	Cash on acquisition of subsidiary	-	188.58
	Cash and cash equivalents at the end of the period	442.39	1,565.46

Note: The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.

For Ganesha Ecosphere Limited

GANESHA ECOSPHERE LTD. * KANPUR *

(Shyam Sunder Sharmma)
Chairman

Date: 14.11.2022
Place: Kanpur

Financial Statements

For Financial Year Ended March 31, 2023

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, 2023, 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, 2023, 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.

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.

Key Audit Matter	How our audit addressed the key audit matter
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, 2023 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, 2023 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, 2023 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 statement of two subsidiaries included in the Statement, whose financial statement (before eliminating inter-company transactions) reflect total assets of ₹60,268.03 Lakh as at March 31, 2023 and total income of ₹4,971.64 Lakh, total net loss after tax of ₹97.77 Lakh, total comprehensive loss of ₹97.99 Lakh and cash outflows (net) of ₹1,445.42 Lakh for the year ended on that date, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in term 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.

   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 subsidiary included in the Statement which is located outside India, whose financial statement (before eliminating inter-company transaction) reflect total assets of ₹4,638.58 Lakh as at March

31, 2023 and total income of ₹734.90 Lakh, net loss after tax of ₹72.89 Lakh, total comprehensive loss of ₹72.89 Lakh and cash outflows (net) of ₹397.24 Lakh for the year ended on that date, as considered in the Statement. These financial statements are not audited by the auditor of the aforesaid subsidiary 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 Subsidiary, and our report in terms of Section 143(3)(i) of the Act, is based solely on such unaudited financial statements.

We also did not audit the financial statement of a Trust controlled by the Parent included in the Statement, whose financial statement (before eliminating inter-company transaction) reflect total assets of ₹217.67 Lakh as at March 31, 2023 and total income of ₹0.68 Lakh, total net profit after tax of ₹0.53 Lakh, total comprehensive profit of ₹0.53 Lakh and cash inflows (net) of ₹4.43 Lakh for the year ended on that date, as considered in the Statement. These financial statement have not been reviewed by the auditor of the aforesaid trust 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, 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 matters with respect to our reliance on the financial statement 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, 2023 and covered under the Act we report that:

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, 2023 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	ii(b)
2.	Ganesha Ecotech Pvt Ltd	U37100UP2020PTC138065	Subsidiary	ii(b)

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, 2023 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, 2023 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, 2023.

(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;

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, 2023.

iv.) (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 46.0;

(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 46.0;

(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.

v.) The dividend declared or paid during the year by the parent company is in compliance with Section 123 of the Act.

vi.) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023
UDIN - 23087931BGQHNG2857

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, 2023)

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, 2023 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, 2023, 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: New Delhi
Date: May 25, 2023

UDIN: 23087931BGQHNG2857

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	51,160.86	29,793.58
(b) Capital work-in-progress	3.2	23,506.66	27,647.43
(c) Investment Property	3.3	947.36	-
(d) Right of use assets (ROU)	3.4	120.14	121.75
(e) Goodwill		13.46	13.46
(f) Intangible assets	4.1	50.05	96.76
(g) Financial assets:			
(i) Investment in equity	5.1	592.62	-
(ii) Loans	5.2	3.49	5.13
(iii) Others	5.3	776.09	835.29
(h) Other non-current assets	6.0	2,506.45	4,711.36
Sub-total		**79,677.18**	**63,224.76**
(2) Current assets			
(a) Inventories	7.0	28,023.09	19,646.70
(b) Financial assets:			
(i) Investments	8.1	4,858.95	6,887.51
(ii) Trade receivables	8.2	11,475.89	11,615.13
(iii) Cash and cash equivalents	8.3	426.72	2,210.31
(iv) Bank balances other than (iii) above	8.4	195.54	92.86
(v) Loans	8.5	5.13	6.51
(vi) Others	8.6	199.75	273.11
(c) Current tax assets (net)	10.0	373.61	601.47
(d) Other current assets	9.0	7,041.20	4,785.49
(3) Assets held for sale/ disposal	11.0	-	126.15
Sub-total		**52,599.88**	**46,245.24**
TOTAL ASSETS		**1,32,277.06**	**1,09,470.00**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	61,605.46	55,178.21
Sub-total		**63,788.40**	**57,361.15**
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	31,175.57	23,648.62
(b) Deferred tax liabilities (net)	18.0	1,757.77	1,719.94
(c) Government grants	14.2	1,663.84	1,548.55
(d) Provisions	17.1	647.50	704.96
Sub-total		**35,244.68**	**27,622.07**
(2B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	19,370.78	12,133.39
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	199.74	301.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	7,158.46	6,110.83
(iii) Other financial liabilities	15.2	5,299.63	5,012.43
(b) Government grants	14.1	93.46	52.69
(c) Other current liabilities	16.0	722.83	596.08
(d) Provisions	17.2	399.08	279.82
Sub-Total		**33,243.98**	**24,486.78**
TOTAL EQUITY AND LIABILITIES		**1,32,277.06**	**1,09,470.00**
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: New Delhi
Date: May 25,2023

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
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	INCOME			
	Revenue from operations	19.0	1,17,963.14	1,02,144.36
	Other income	20.0	1,338.73	691.46
	Total income		**1,19,301.87**	**1,02,835.82**
II	EXPENSES			
	Cost of materials consumed		74,670.08	65,501.77
	Purchases of stock-in-trade		6,039.42	2,101.42
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(2,842.99)	(1,881.60)
	Employee benefits expenses	22.0	6,720.20	5,788.47
	Finance costs	25.0	1,693.78	976.12
	Depreciation and amortization expense	24.0	2,915.08	2,840.13
	Other expenses	23.0	20,608.84	19,243.10
	Total expenses		**1,09,804.41**	**94,569.41**
III	**Profit before tax (I-II)**		**9,497.46**	**8,266.41**
IV	**Tax expense**	26.0		
	Current tax		2,525.73	2,263.57
	Deferred tax charge/ (credit)		25.75	(194.09)
	Total tax expense		**2,551.48**	**2,069.48**
V	**Profit for the year (III-IV)**		**6,945.98**	**6,196.93**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement gain on defined benefit obligation		47.95	4.07
	Less: Income-tax relating to above item	26.0	(12.09)	(1.02)
			35.86	**3.05**
VII	**Total comprehensive income for the year (V+VI)**		**6,981.84**	**6,199.98**
VIII	**Earnings per share**			
	Basic (face value of ₹10 per equity share)	28.0	31.82	28.39
	Diluted (face value of ₹10 per equity share)		31.82	28.39
	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: New Delhi
Date: May 25,2023

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
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities:**			
	Profit before tax as per statement of profit and loss		9,497.46	8,266.41
	Adjustments for:			
	Depreciation and amortization expense		2,915.08	2,840.13
	(Profit)/ loss on sale/ discard of property, plant and equipment (net)		(134.90)	3.29
	Allowance for doubtful trade receivables and advances		32.64	(22.61)
	Bad debts/ advances written off/ (recovered)		-	(4.94)
	Liabilities no longer required written back		(16.27)	(26.65)
	Loss/ (gain) on foreign currency fluctuations and translations (net)		6.37	(153.06)
	Interest expense		1,547.81	886.80
	Interest income		(1,096.73)	(353.24)
	Lease rental charges from invesment property		(8.99)	-
	Profit on sale of investments		(21.73)	(147.91)
	Fair value loss/(gain) on financial assets		11.71	(106.44)
	Amortization of Government grants		(59.82)	(44.90)
	Operating profit before working capital changes		**12,672.63**	**11,136.88**
	Movements in working capital:			
	Decrease/ (increase) in trade receivables		116.26	(1,040.76)
	Increase in other receivables and prepayments		(1,089.79)	(2,687.25)
	Increase in inventories		(8,376.41)	(2,181.51)
	Increase in trade payables		941.40	2,888.66
	(Decrease)/ increase in other payables		(51.09)	606.44
	Increase in provisions		109.75	109.04
	Cash generated from operations		**4,322.75**	**8,831.50**
	Direct taxes paid (net of refunds)		(2,297.85)	(2,349.76)
	Net cash flow generated from operating activities (A)		**2,024.90**	**6,481.74**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment		(20,488.97)	(27,655.44)
	Purchase of intangible assets		(5.48)	(7.77)
	Purchase of bonds		-	(4,305.23)
	Proceeds from bonds		-	4,305.23
	Proceeds from sale of property, plant and equipment		1,876.45	345.33
	Purchase of investment property		(442.16)	-
	Loan to body corporate		-	21.00
	Fixed deposits made		(49.67)	(3,139.43)
	Fixed deposits matured		53.25	4,239.93
	Interest received		965.04	162.60
	Lease rental charges from invesment property		8.99	-
	Purchase of investments		(677.23)	(6,125.51)
	Proceeds from sale of investments		2,123.20	6,705.49
	Net cash flow used in investing activities (B)		**(16,636.58)**	**(25,453.80)**

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**			
	Purchase of treasury shares		(118.68)	(93.86)
	Proceeds from non-current borrowings (other than related parties)		10,964.34	36,002.89
	Repayment of non-current borrowings (other than related parties)		(3,513.60)	(15,428.73)
	Proceeds from current borrowings (net) (other than related parties)		8,107.35	1,082.77
	(Repayment of)/proceeds from related parties as borrowings (net)		(822.50)	514.00
	Dividend paid to equity shareholders		(435.91)	(436.59)
	Interest paid		(1,352.91)	(888.88)
	Net cash flow generated from financing activities (C)		**12,828.09**	**20,751.60**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(1,783.59)**	**1,779.54**
	Cash and cash equivalents at the beginning of the year		2,210.31	242.19
	Cash on acquisition of subsidiary		-	188.58
	Cash and cash equivalents at the end of the year	8.3	**426.72**	**2,210.31**
	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: New Delhi
Date: May 25,2023

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
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(₹ in Lakh)

As at April 1, 2021	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2022	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2023	**2,182.94**

B. Other equity

(₹ in Lakh)

Particulars	Reserves and surplus						Total
	Capital redemption reserve	Capital reserve	Securities premium	Treasury Shares (refer note 44.0)	General reserve	Retained earnings	
Balance as at April 1, 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**
Profit for the year	-	-	-	-	-	6,945.98	6,945.98
Other comprehensive income for the year	-	-	-	-	-	35.86	35.86
Total comprehensive income for the year	-	-	-	-	-	**6,981.84**	**6,981.84**
Dividend paid	-	-	-	-	-	(435.91)	(435.91)
Shares purchased during the year	-	-	-	(118.68)	-	-	(118.68)
Balance as at March 31, 2023	**450.00**	**225.28**	**13,952.72**	**(212.54)**	**264.13**	**46,925.87**	**61,605.46**

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: New Delhi
Date: May 25,2023

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
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

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), Polypropylene Staple Fibre, Recycled bottle and filament grade Chips, Recycled FDY, Recycled Spun Yarn and Dyed Texturised Yarn.

The consolidated financial statements as at March 31, 2023 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.

(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.

(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.

(vii) Lease rental

Lease rental income is recognized on time proportion accrual basis.

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 and it is classified under other operating 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.

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, 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 followings, where depreciation is provided on Straight Line Method ('SLM'):

a) 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);

b) Buildings and plant & equipment in subsidiary companies.

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.

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) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. The cost of the investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued

l) 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.

m) 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.

n) 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.

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.

Group as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a systematic basis as per the lease terms.

o) 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. 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.

(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.

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.

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.

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.

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.

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.

(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

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), vide notification dated March 31, 2023, which amends existing standards, and are effective from April 1, 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications only. The Group does not expect the amendment to have any significant impact in the current or future reporting periods and on foreseeable future transactions.

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, 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	-	(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**
Additions	583.39	3,615.41	20,722.11	16.99	165.95	147.04	25,250.89
Disposals	-	(3.26)	(31.23)	(0.32)	(38.94)	(0.49)	(74.24)
Transfer to investment property (refer note 40.0)	(947.36)	-	-	-	-	-	(947.36)
As at March 31, 2023	**4,136.21**	**12,978.16**	**57,330.94**	**143.29**	**571.23**	**602.75**	**75,762.58**
Accumulated depreciation							
As at April 1, 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**
Charge for the year	-	340.34	2,410.27	7.40	81.58	84.34	2,923.93
Disposals	-	(3.10)	(25.15)	-	(33.21)	(0.46)	(61.92)
As at March 31, 2023	**-**	**3,616.94**	**20,153.91**	**109.81**	**374.41**	**346.65**	**24,601.72**
Net block							
As at March 31, 2022	**4,500.18**	**6,086.31**	**18,871.27**	**24.21**	**118.18**	**193.43**	**29,793.58**
As at March 31, 2023	**4,136.21**	**9,361.22**	**37,177.03**	**33.48**	**196.82**	**256.10**	**51,160.86**

3.2 Capital work-in-progress (CWIP)

(₹ in Lakh)

CWIP ageing schedule	Amount of CWIP for the period				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
As at March 31, 2022					
Projects in progress	26,256.28	1,271.58	119.57	-	**27,647.43**
As at March 31, 2023					
Projects in progress	12,185.31	10,875.74	443.95	1.66	**23,506.66**

3.3 Investment Property

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount as at March 31, 2022	-	-
Transfer from property, plant and equipment (at cost)	-	-
-Freehold Land	947.36	-
Disposals during the year	-	-
Net carrying amount as at March 31, 2023	**947.36**	**-**

Notes:

a) Title deed of investment property is in the name of the Company.

b) Land has been given on operating lease of 29 years (refer note 40.0) and is under mortgage, by deposit of title deeds, to the lenders of the lessee as per the terms of the lease.

c) No borrowing cost has been capitalized and no impairment loss has been recognized in respect of the above investment property.

d) Fair value of investment property is ₹1,230 Lakh (March 31, 2022: NA)

e) The amount recognized in the Statement of Profit & Loss in respect of the investment property is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Rental Income from investment property	8.99	-
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	-	-
Profit arising from investment property	**8.99**	**-**

3.4 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2021	**126.59**
Additions	-
Disposals	-
As at March 31, 2022	**126.59**
Additions	-
Disposals	-
As at March 31, 2023	**126.59**
Accumulated amortization	
As at April 1, 2021	3.23
Charge for the year	1.61
Disposals	-
As at March 31, 2022	**4.84**
Charge for the year	1.61
Disposals	-
As at March 31, 2023	**6.45**
Net block as at March 31, 2022	**121.75**
Net block as at March 31, 2023	**120.14**

3.5 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).

3.6 Refer note 30.1 for contractual commitment for the acquisition of property, plant and equipment

3.7 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

3.8 All the title deeds of the immovable properties are held in the name of the Group except the following:

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Office building	277.84	Vatika IT Parks Private Limited	No	March 18, 2023	The possession and original agreement to sale of the property is in the name of the Company. Title deed registration is held up due to some local regulations.

3.9 There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

3.10 There is no project which has temporarily been suspended.

3.11 Group has capitalized borrowing cost of ₹2,283.95 lakh (March 31, 2022: Nil) to the projects which have become operational on February 1,2023

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Total
Gross block			
As at April 1, 2021	**14.63**	**310.92**	**325.55**
Additions	-	8.42	8.42
Disposals	-	-	-
As at March 31, 2022	**14.63**	**319.34**	**333.97**
Additions	-	5.48	5.48
Disposals	-	-	-
As at March 31, 2023	**14.63**	**324.82**	**339.45**
Accumulated amortization			
As at April 1, 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**
Amortization for the year	-	52.19	52.19
Disposals	-	-	-
As at March 31, 2023	**14.63**	**274.77**	**289.40**
Net block			
As at March 31, 2022	**-**	**96.76**	**96.76**
As at March 31, 2023	**-**	**50.05**	**50.05**

Net book value

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
4.1 Intangible assets	**50.05**	**96.76**

4.2 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

4.3 There is no intangible asset under development and hence, related disclosures are not applicable.

5.0 Non-current financial assets

5.1 Investment in equity*

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Investment in equity instrument of others (unquoted, valued at fair value through other comprehensive income)				
In equity shares of ₹10 each fully paid up of Amplus R.J. Solar Private Limited (under solar power purchase arrangement for captive consumption)	59,26,200	592.62	-	-
Total		**592.62**		**-**

** Aggregate amount of unquoted investments in equity of others ₹592.62 Lakh (March 31, 2022: Nil). There is no impairment loss in the value of investment.*

5.2 Loans

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to others		
Loans to employees	3.49	5.13
Total	**3.49**	**5.13**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	3.49	5.13
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	3.49	**5.13**
Less: Allowance for doubtful loans	-	-
Total	**3.49**	**5.13**

Refer note 35.0 for information about credit risk and market risk of loans.

5.3 Others

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with remaining maturity of more than twelve months*	274.54	384.76
Security deposits	501.55	450.53
Total	**776.09**	**835.29**

**held as lien by banks against letter of credits, bank guarantees & other credit facilities amounting to ₹270.72 Lakh (March 31, 2022: ₹367.59 Lakh).*

6.0 Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	2,473.10	3,795.19
Prepaid expenses	33.35	72.30
Balance with Government Authorities	-	843.87
Total	**2,506.45**	**4,711.36**

7.0 Inventories

(at lower of cost and net realisable value)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	11,348.51	9,762.65
Raw materials (in-transit)	16.44	-
Work-in-progress*	1,005.50	1,020.07
Finished goods*	11,269.79	5,156.07
Finished goods (in-transit)	1,135.17	1,383.93
Stock-in-trade	1,191.59	578.51
Stock-in-trade (in-transit)	47.23	8.40
Stores and spares	2,008.86	1,737.07
Total	**28,023.09**	**19,646.70**

**including trail run inventory of project running under trial production as at the end of the year,*

Cost of inventories amounting to ₹497.57 Lakh (March 31, 2022: ₹94.34 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, 2023		As at March 31, 2022	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
a) Investment in mutual funds (unquoted):				
ICICI Pru Long Short Fund Series I - Class B42 (units of ₹100 each)	-	-	9,99,950.002	1,012.74
SBI Equity Hybrid Fund Direct Growth (units of ₹10 each)	2,70,140.493	582.22	2,70,140.493	593.93
Sub-total		**582.22**		**1,606.67**
b) Investment in bonds & debentures (unquoted):				
9.56% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	88.000	931.64	88.000	931.64
10.5% Indusind 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
8.50% SBI Series II perpetual Bond (units of ₹10,00,000 each)	22.000	229.72	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	50.000	522.35
8.50% Canara Bank Series III Perpetual Bond (units of ₹10,00,000 each)	50.000	510.35	50.000	510.35
9.04% Bank of India Series VI Perpetual Bond (units of ₹10,00,000 each)	50.000	509.56	50.000	509.55
8.30% Canara Bank Series II Perpetual Bond (units of ₹10,00,000 each)	27.000	274.22	27.000	274.45
Sub-total		**4,276.73**		**5,280.84**
Total		**4,858.95**		**6,887.51**

Refer note 34.0 and 35.0 for information about fair value measurement, credit risk and market risk of investments.

8.2 Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	11,565.44	11,673.54
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**11,475.89**	**11,615.13**
Break-up:		
Receivables considered good - secured	879.27	1,323.30
Receivables considered good - unsecured	10,596.62	10,291.83
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Receivables considered doubtful - unsecured	89.55	58.41
	11,565.44	**11,673.54**
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**11,475.89**	**11,615.13**

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. Trade receivable of ₹1,497.45 lakh (March 31, 2022: Nil) are due from firms/ private companies in which any director of the Group is a partner, a director or a member (refer note 33.0).

3) No trade receivables are due from any other related party.

4) Refer note 34.0 & 35.0 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, 2023	As at March 31, 2022
Balances with banks:		
- On current accounts	401.03	384.02
- Deposits with original maturity of less than three months	-	1,812.50
Cheques on hand	-	-
Cash on hand	25.69	13.79
Total	**426.72**	**2,210.31**

8.4 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend (earmarked)	55.43	59.40
Deposits with original maturity of more than three months*	140.11	33.46
Total	**195.54**	**92.86**

held under lien with banks against letter of credits and with power distribution boards amounting to ₹118.28 Lakh (March 31, 2022: ₹31.58 Lakh)

8.5 Loans

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees	5.13	6.51
Total	**5.13**	**6.51**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	5.13	6.51
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**5.13**	**6.51**
Less: Allowance for doubtful loans	-	-
Total	**5.13**	**6.51**

Note: Refer note 35.0 for information about credit risk and market risk of loans.

8.6 Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest receivable on fixed deposits and others	188.07	257.81
Security deposits	11.68	14.31
Mark To market of derivative financial instruments	-	0.99
Total	**199.75**	**273.11**

9.0 Other current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to suppliers	437.97	772.89
Advances to employees and others	27.24	28.67
Prepaid expenses	265.61	269.55
Balances with Government authorities	3,622.18	423.00
Insurance claim receivable (refer note 43.0)	2,512.20	3,099.85
Export incentives receivable	176.00	191.53
Sub-total	**7,041.20**	**4,785.49**
Unsecured, considered doubtful		
Advances to suppliers	26.03	24.53
Less: Allowance for doubtful advances	(26.03)	(24.53)
Sub-total	**-**	**-**
Total	**7,041.20**	**4,785.49**

10.0 Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Income-tax	373.61	601.47
Total	**373.61**	**601.47**

11.0 Assets held for sale/ disposal

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Discarded fixed assets held for sale/ disposal	-	47.76
Discarded inventory held for disposal	-	78.39
Total	**-**	**126.15**

12.1 Share capital

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
3,40,00,000 (March 31, 2022: 3,40,00,000) equity shares of ₹10 each	3,400.00	3,400.00
21,50,000 (March 31, 2022: 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, 2022: 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	As at March 31, 2023 (Nos.)	As at March 31, 2022 (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, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10/- each fully paid up				
GPL Finance Limited	22,13,809	10.14	22,13,809	10.14
Shyam Sunder Sharmma	19,38,927	8.88	19,38,927	8.88
DSP Equity Fund	17,65,462	8.09	14,95,952	6.85
SBI Mutual Fund	13,94,163	6.39	15,16,934	6.95
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02

12.1 Share capital *(Contd.)*

iv) **Shares held by the promoters at the end of the year:**

Name of the Promoters	As at March 31, 2023			As at March 31, 2022		
	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	0.00
Seema Sharma	3,03,560	1.39	0.00	3,03,560	1.39	0.00
Ratna Sharma	2,67,871	1.23	0.00	2,67,871	1.23	0.24
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	0.00	2,04,501	0.94	0.36
Yash Sharma	1,32,445	0.61	0.00	1,32,445	0.61	0.00
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	0.00	41,940	0.19	0.36
Rajesh Sharma HUF	23,250	0.11	0.00	23,250	0.11	0.00
Harsh Sharma	1,17,498	0.54	0.00	1,17,498	0.54	16.92
Hemant Sharma	77,568	0.36	0.00	77,568	0.36	1.97
Charu Khandelwal	21,449	0.10	0.00	21,449	0.10	8.99
Naveen Sharma	10,002	0.05	0.00	10,002	0.05	100.00
Kunjika Kaushal	6,237	0.03	0.00	6,237	0.03	100.00
GPL Finance Ltd.	22,13,809	10.14	0.00	22,13,809	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**		**92,37,013**	**42.31**	

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

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	13,952.72
Treasury Shares	(212.54)	(93.86)
General reserve	264.13	264.13
Retained earnings	46,925.87	40,379.94
Total	**61,605.46**	**55,178.21**
(a) Capital redemption reserve		
Opening balance	450.00	450.00
Adjustment during the year	-	-
Closing balance	**450.00**	**450.00**

12.2 Other equity *(Contd.)*

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
(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)	**Treasury Shares**		
	Opening balance	(93.86)	-
	Shares purchased during the year	(118.68)	(93.86)
	Closing balance	**(212.54)**	**(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	40,379.94	34,620.80
	Adjustment during the year:		
	Net profit for the year	6,945.98	6,196.93
	Other comprehensive income (net) for the year	35.86	3.05
	Dividend paid	(435.91)	(436.59)
	Other	-	(4.25)
	Closing balance	**46,925.87**	**40,379.94**
	Total (a to f)	**61,605.46**	**55,178.21**

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.

13.0 Borrowings

(₹ in Lakh)

Particulars	Non-current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current borrowings				
Term loans (secured):				
- from banks	30,913.43	21,436.98	1,645.78	667.92
- from State Government (refer footnote (iv) below)	248.20	247.56	22.00	-
- from others	13.94	-	6.06	-
Foreign currency loan from bank (secured)	-	1,964.08	-	434.50
Loan from body corporate (unsecured)	-	-	-	625.00
Total	**31,175.57**	**23,648.62**	**1,673.84**	**1,727.42**
Current borrowings				
Working capital loans from banks				
- Rupee loans (secured)	17,443.44	9,329.97		
Current maturities of long-term borrowings	1,673.84	1,727.42		
Loans repayable on demand (unsecured):				
- from directors	185.50	892.00		
- from directors' relatives	-	63.00		
- from related parties & others	68.00	121.00		
Total	**19,370.78**	**12,133.39**		

Notes:

i) Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.

ii) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.

iii) Refer note 35.0 for liquidity risk.

iv) 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, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	50,546.35	35,782.01
Less: Cash and cash equivalents	(426.72)	(2,210.31)
Interest payable	184.09	128.26
Net debt	**50,303.72**	**33,699.96**

(₹ in Lakh)

Particulars	Current and non-current borrowings (including current maturities)	Cash and cash equivalents	Interest payable	Total
Net debt as at April 1, 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

13.0 Borrowings *(Contd.)*

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**
Cash flows	14,735.59	1,783.59	-	16,519.18
Other non-cash movements:				
- fair value adjustments	22.64	-	(22.64)	-
Interest expense	6.11	-	3,845.04	3,851.15
Interest paid	-	-	(3,766.57)	(3,766.57)
Net debt as at March 31, 2023	**50,546.35**	**(426.72)**	**184.09**	**50,303.72**

13.1 a) Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
1	Term loan having balance outstanding amounting to ₹471.72 Lakh (including foreign currency loan outstanding of ₹ Nil) (March 31, 2022: ₹611.16 Lakh (including foreign currency loan outstanding ₹599.65 lakh), 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 and personal guarantees of some of the executive directors of the holding company and others.	Repayable in 21 quarterly installments starting from March, 2022 and last installment falling due in March, 2027. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
2	Term loan having balance outstanding amounting to ₹1,426.78 Lakh (including foreign currency loan outstanding of ₹ Nil) (March 31, 2022: ₹1,867.12 Lakh including foreign currency loan outstanding of ₹1,798.93 Lakh), 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, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of holding company and others.	Repayable in 17 quarterly installments starting from April 2022 and last installment falling due in April 2026. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
3	Term loan having balance outstanding amounting to ₹333.41 Lakh (March 31, 2022: ₹746.44 Lakh), is secured by way of exclusive charge on assets of holding company financed from loan. The loan is further secured by way of personal guarantees of the executive directors of holding company and others.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due in March, 2024. Average rate of interest 9.73% p.a. as at the year end (March 31, 2022: 6.78% p.a.).
4	Loan from U.P. Government, balance outstanding amounting to ₹111.72 Lakh (March 31, 2022: ₹111.72 Lakh), 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, 2022: ₹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.

	Nature of security	Terms of repayment
6	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakh (March 31, 2022: ₹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, 2022: ₹194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
8	Term loan from other, balance outstanding amounting to ₹20.00 Lakh (March 31, 2022: ₹ Nil), is secured by way of exclusive charge on assets of holding company financed through this loan.	Repayable in 36 monthly installments starting from April, 2023 and last installment falling due in March, 2026. Rate of interest 9.0% p.a. as at the year end (March 31, 2022: Nil).
9	Term loans from Banks, balance outstanding amounting to ₹27,598.56 Lakh (March 31, 2022: ₹20,497.50 Lakh), 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 quarterly installments starting from December, 2022 and last installment falling due in June, 2033. Rate of interest ranging from 7.80 - 9.75% p.a. (March 31, 2022: 7.00 - 8.25% p.a.)
10	Term loan from Bank, balance outstanding amounting to ₹2,728.74 Lakh (March 31, 2022: ₹781.26 Lakh), 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, 2022: 10.62% p.a.)
11	Unsecured loan from body corporate, balance outstanding amounting to ₹ Nil (March 31, 2022: ₹ 625.00 Lakh)	Repaid in May, 2022. Rate of interest N.A. (March 31, 2022: 5.58% p.a.)

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 ₹17,443.44 Lakh (March 31, 2022: ₹9,329.97 Lakh) are secured by hypothecation of current assets of the Group (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 Group, 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 7.25% to 9.85% p.a. (March 31, 2022: Rate of interest ranging from 5.35% to 8.25% p.a.)
2	Unsecured loans from directors and other related parties amounting to ₹253.50 Lakh (March 31, 2022: ₹1,076.00 Lakh).	Repayable on demand. Rate of interest 6.50% p.a. as at the year end (March 31, 2022: 5.50% 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.

14.0 Government grants

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	1,601.24	444.77
Received during the year*	215.87	1,201.37
Released to the statement of profit and loss	(59.81)	(44.90)
At the end of the year	**1,757.30**	**1,601.24**
14.1 Current	93.46	52.69
14.2 Non-current	1,663.84	1,548.55

** There are unfulfilled export commitments of ₹27,096.71 Lakh (March 31, 2022: ₹23,340.00 Lakh) as at the balance sheet date to government grant received under the EPCG Scheme.*

15.1 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	199.74	301.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,158.46	6,110.83
Total	**7,358.20**	**6,412.37**

Note:

a) Refer note 35.0 for information about liquidity risk and market risk of trade payables.

b) Refer note 39.0 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:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	199.74	301.54
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 amounts 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.

15.2 Other current financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure	1,548.67	1,280.38
Interest accrued	184.09	128.26
Unclaimed dividends*	55.43	59.41
Mark to market of derivative financial instruments	0.17	-
Other payables	3,511.27	3,544.38
Total	**5,299.63**	**5,012.43**

** During the year, the Group has transferred ₹9.26 Lakh (March 31, 2022: ₹10.56 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, 2023	As at March 31, 2022
Advances from customers	240.41	92.09
Statutory dues payables	482.42	503.99
Total	**722.83**	**596.08**

17.0 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits		
17.1 Non-current		
Leave obligations	98.20	98.41
Gratuity (refer note 29.1)	549.30	606.55
Total	**647.50**	**704.96**
17.2 Current		
Leave obligations	79.31	57.97
Gratuity (refer note 29.1)	319.77	221.85
Total	**399.08**	**279.82**

18. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	(774.17)	(451.73)
Deferred tax liabilities	2,531.94	2,171.67
Deferred tax liabilities (net) Total	**1,757.77**	**1,719.94**

18.a Movement of deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net)		
As at the beginning of the year	1,719.94	1,913.08
Charge/ (credit) to statement of profit and loss*	37.83	(193.14)
Total	**1,757.77**	**1,719.94**

**Deferred tax on remeasurement of defined benefit obligation of ₹12.09 Lakh has been charged to other comprehensive income (March 31, 2022: ₹1.02 Lakh).*

18.b Components of deferred tax (assets)/ liabilities

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax liability			
Property, plant and equipment		2,361.74	2,048.41
Others		170.20	123.26
	Sub-total	**2,531.94**	**2,171.67**
Deferred tax asset			
Expenses allowed in the year of payment		(299.13)	(380.83)
Unabsorbed losses		(265.61)	(45.66)
Provision for doubtful trade receivables and advances		(29.09)	(20.88)
Others		(180.34)	(4.36)
	Sub-total	**(774.17)**	**(451.73)**
Deferred tax liabilities (net)	**Total**	**1,757.77**	**1,719.94**

19.0 Revenue from operations

(₹ in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products			
Finished goods (including process waste)		1,10,680.48	98,457.40
Stock-in-trade		5,701.60	2,313.26
	Sub-total	**1,16,382.08**	**1,00,770.66**
Other operating revenues			
Sale of waste and scrap		367.31	360.95
Job work receipts		4.97	8.44
Insurance claims received		5.42	74.42
Export incentives		384.17	461.95
Allowance for doubtful trade receivables written back (net)		3.25	35.21
Income from recycling certification		731.76	399.42
Liabilities no longer required written back		16.27	26.65
Others		67.91	6.66
	Sub-total	**1,581.06**	**1,373.70**
	Total	**1,17,963.14**	**1,02,144.36**

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, 2023	For the Year Ended March 31, 2022
Revenue from contracts with customers		1,16,494.19	1,00,882.05
Less:			
Performance and price discounts		100.09	59.39
Other discounts		12.02	52.00
Revenue from sale of products	**Total**	**1,16,382.08**	**1,00,770.66**

20.0 Other income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest income	1,101.15	353.24
Government grants	59.82	44.90
Gain on foreign currency fluctuations and translations (net)	-	28.34
Profit on sale of investments	21.73	147.91
Fair value gain on financial assets	-	106.44
Profit on sale/ discard of property, plant and equipment (net)	134.90	-
Lease rental charges	8.99	-
Miscellaneous income	12.14	10.63
Total	**1,338.73**	**691.46**

21.0 Changes in inventories of finished goods, stock-in -trade and work-in-progress

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the end of the year*		
Finished goods	10,485.77	6,540.00
Stock-in-trade	1,238.83	586.91
Work-in-progress	973.16	1,020.07
Sub-total	**12,697.76#**	**8,146.98**
Inventories at the beginning 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 of trial run production		
Finished goods	1,656.20	(2.31)
Work-in-progress	51.59	(66.81)
Sub-total	**1,707.79**	**(69.12)**
Less: Loss of finished & process goods inventory due to fire.	-	835.01
Total	**(2,842.99)**	**(1,881.60)**

**including goods-in-transit.*

 # excluding trail run inventory of project running under trail production as at the end of the year.

22.0 Employee benefits expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and wages	6,182.84	5,307.58
Contribution to provident and other funds (refer note 29.2)	276.01	246.19
Gratuity expense (refer note 29.1)	133.31	126.61
Staff welfare expenses	128.04	108.09
Total	**6,720.20**	**5,788.47**

23.0 Other expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Manufacturing expenses:		
Consumption of stores and spares	2,731.14	2,369.52
Power and fuel	10,052.53	8,486.28
Processing charges	-	796.98
Repairs and maintenance:		
- Plant and machinery	477.51	451.72
- Buildings	52.79	104.03
Sub-total	**13,313.97**	**12,208.53**
Administrative expenses		
Rent (refer note 31.0)	116.85	110.72
Rates and taxes	17.14	9.68
Insurance	320.50	164.37
Repairs and maintenance - others	123.56	93.15
CSR expenditure	147.50	158.60
Travelling and conveyance	200.43	132.13
Communication costs	50.81	40.94
Printing and stationery	45.82	38.91
Legal and professional fee	67.88	102.22
Cost auditors' remuneration	1.20	1.10
Directors' sitting fee	1.60	1.85
Payment to auditor (refer details below)	29.13	17.08
Money lost in cyber fraud	-	213.78
Allowances for doubtful trade receivables and advances	35.88	12.60
Loss on sale/ discard of property, plant and equipment (net)	-	3.29
Fair value (loss)/ gain on financial assets	11.71	-
Miscellaneous expenses	182.64	125.10
Vehicle running and maintenance	102.76	89.73
Commission to non-executive directors	56.00	55.50
Security service charges	180.67	152.70
Loss on foreign currency fluctuations and translations (net)	33.37	-
Insurance claim settlement loss written off (refer note no. 43.0)	509.64	-
Sub-total	**2,235.09**	**1,523.45**
C. Selling expenses		
Freight and forwarding charges	4,465.55	5,055.68
Other selling and distribution expenses	594.23	455.44
Sub-total	**5,059.78**	**5,511.12**
Total	**20,608.84**	**19,243.10**
Break up of payment to auditor:		
As auditor:		
- Audit fee	20.64	12.56
- Tax audit fee	3.00	1.00
- Limited review fee	4.80	3.24
In other capacity		
- Other services (certification fee)	0.08	0.20
- Reimbursement of expenses	0.61	0.08
Total	**29.13**	**17.08**

24.0 Depreciation and amortization expense

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment		2,862.37	2,788.49
Amortization of intangible assets		51.10	50.03
Amortization of ROU assets		1.61	1.61
	Total	**2,915.08**	**2,840.13**

25.0 Finance costs

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest		1,547.81	886.80
Exchange differences regarded as an adjustment to borrowing cost		49.70	-
Other borrowing costs (including bank charges)		96.27	89.32
	Total	**1,693.78**	**976.12**

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, 2023	For the Year Ended March 31, 2022
A) Profit and loss section			
Current tax			
In respect of current year		2,481.61	2,270.08
In respect of earlier years		44.12	(6.51)
	Sub-total	2,525.73	2,263.57
Deferred tax			
Relating to origination and reversal of temporary differences		25.75	(194.09)
	Sub-total	25.75	(194.09)
Income tax expense reported in the statement of profit and loss	**Total**	**2,551.48**	**2,069.48**
B) Other comprehensive income ('OCI') section			
Deferred tax related to items recognized in OCI during the year:			
Re-measurement gain on defined benefit obligations		(12.09)	(1.02)
Income-tax charged to OCI	**Total**	**(12.09)**	**(1.02)**

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, 2023	For the Year Ended March 31, 2022
Accounting profit before income-tax	9,497.46	8,266.41
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	2,390.32	2,080.49
Adjustments in respect of current income-tax of earlier years	44.12	(6.51)
Permanent disallowances	37.89	40.36

26.0 Tax Expense *(contd.)*

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Impact of tax due to loss in components	50.71	65.00
Impact on tax for elimination adjustments in components	54.32	138.19
Recognition of net deferred tax assets	(31.57)	(49.61)
Remeasurement of net deferred tax liabilities	-	(226.90)
Others	5.69	28.46
Total income-tax expense	**2551.48**	**2,069.48**

Consequent to reconciliation items shown above, the effective tax rate is 26.865% (March 31, 2022: 25.035%).

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, 2023	As at March 31, 2022
Non-current assets		
Property, plant and equipment	51,160.86	29,288.37
Capital work-in-progress	23,506.66	27,383.39
Right of use assets	120.14	121.75
Intangible assets	3.71	4.99
Non-current financial assets	779.58	839.79
Other non-current assets	2,506.45	3,102.94
Total non-current assets pledged as security	**78,077.40**	**60,741.23**
Current assets		
Financial assets		
Investments	4,858.95	6,887.51
Trade receivables	11,475.89	11,615.13
Cash and cash equivalents	426.72	2,210.13
Bank balances	140.11	33.46
Others	204.88	279.62
Non financial assets		
Inventories	28,023.09	18,908.65
Current tax assets	373.61	601.47
Others	7,041.20	4,911.64
Total current assets pledged as security	**52,544.45**	**45,447.61**
Total assets pledged as security	**1,30,621.85**	**1,06,188.84**

28.0 Earnings per share

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Earning per share has been computed as under:		
Profit for the year (₹ in Lakh)	6,945.98	6,196.93
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)	31.82	28.39
Earnings per share (₹) - Diluted (face value of ₹ 10 per share)	31.82	28.39

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, 2023	For the Year Ended March 31, 2022
Opening defined benefit obligation	**828.40**	**750.66**
Current service cost	102.13	101.05
Interest expense	47.02	38.34
Benefits paid	(54.73)	(59.21)
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.38)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(29.78)	(13.27)
Actuarial (gains) / losses arising from experience adjustments	(8.59)	10.83
Closing defined benefit obligation	**869.07**	**828.40**

Net liability recognized in balance sheet: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	869.07	828.40
Fair value of plan assets	-	-
Funded status (deficit)	(869.07)	(828.40)
Net liability recognized in balance sheet	**869.07**	**828.40**
Break-up of defined benefit obligation		
Current liability	319.77	221.85
Non-current liability	549.30	606.55
Total	**869.07**	**828.40**

Net defined benefit expense recognized as employee benefit expenses in the Statement of Profit & Loss

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current service cost	87.69	88.54
Net interest cost	45.62	38.07
Total	**133.31**	**126.61**

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

Net defined benefit expense recognized in pre-operative expenses capitalized as well as pending allocation: (₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	14.44	12.51
Net interest cost	1.37	0.27
Total	**15.81**	**12.78**

Remeasurement (gain)/ loss recognized in other comprehensive income and in pre-operative expenses capitalized as well as pending allocation

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.38)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(29.78)	(13.27)
Actuarial (gains) / losses arising from experience adjustments	(8.59)	10.83
Total	**(53.75)**	**(2.44)**

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20% to 7.30%	5.65% to 6.70%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	30% to 40%	30.00%
Withdrawal rate (above 58 years)	10% to 15%	10% to 15%
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, 2023	1.00%	(18.88)	19.94
	March 31, 2022	1.00%	(23.68)	25.25
Salary escalation rate	March 31, 2023	1.00%	18.66	(18.11)
	March 31, 2022	1.00%	23.17	(22.39)
Mortality rate	March 31, 2023	1.00%	Negligible	Negligible
	March 31, 2022	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.

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

Maturity profile of demand of defined benefit obligation is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	313.08	221.85
1 - 2 Year	197.21	163.36
2 - 3 Year	125.76	125.28
3 - 4 Year	75.43	95.52
4 - 5 Year	61.51	64.17
Above 5 years	96.08	158.22
Total	**869.07**	**828.40**

Fair value and changes in fair value of plan assets during the year ended March 31, 2023:

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 ₹276.01 Lakh (March 31, 2022: ₹246.19 Lakh) and expenses included under pre-operative expenses (capitalized as well as pending allocation) during the year is ₹5.22 Lakh (March 31, 2022: ₹1.73 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

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	9,075.62	11,608.43
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	27,010.41	23,340.00
c) Corporate guarantee provided to lenders of the lessee in respect of investment property (Land), which is restricted to the value of the land (refer note 33.2).	947.36	-
Total	**37,033.39**	**34,948.43**

30.2 Contingent liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Matters with tax authorities		
- Income-tax matters	35.92	35.92
- GST matters	188.96	-
- VAT matters	2.61	2.61
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 UPCB and not sustainable.	100.00	100.00
c) Bills discounted under letters of credit and outstanding	81.35	234.48
d) Claims against the Group not acknowledged as debt (interest thereon not ascertainable at present)	52.96	49.23
Total	**461.80**	**422.24**

31.0 Leases - short term 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 ₹121.45 Lakh for the year ended March 31, 2023 (March 31, 2022: ₹114.90 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 3.4 of the financial statements.

The Group does not have any lease liability and thus there are no liquidity risks.

32.0 Segment information

32.1Primary 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, polyester yarn and other polyester intermediates, 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. 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:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from sale of products		
- India	1,04,307.00	87,799.62
- Outside India	12,075.08	12,971.04
Total	**1,16,382.08**	**1,00,770.66**

33.0 Related party disclosures

Name of related parties and nature of relationship:

33.1A. 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 Surendra Kumar Kabra	Independent Director
Shri Pradeep Kumar Goenka	Independent Director
Shri Vishwa Nath Chandak	Independent Director (till September 30, 2022)
Shri Abhilash Lal	Independent Director
Smt. Shobha Chaturvedi	Independent Director
Shri Gopal Agarwal	Chief Financial Officer
Shri Bharat Kumar Sajnani	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
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
GESL Spinners Private Limited

D. Entities over which key managerial personnel are able to exercise significant influence

Ganesh Memorial Trust

33.2 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	Entities over which key management personnel are able to exercise significant influence
Managerial remuneration	March 31, 2023	746.92	-	-	-
	March 31, 2022	406.12	-	-	-
Commission and sitting fee	March 31, 2023	57.60	-	-	-
	March 31, 2022	57.35	-	-	-
Salary and allowances	March 31, 2023	70.15	54.69	-	-
	March 31, 2022	48.72	39.44	-	-
Interest paid	March 31, 2023	42.05	0.34	4.77	-
	March 31, 2022	54.17	3.78	5.87	-
Sale of capital goods, stock in trade and management services	March 31, 2023	-	-	4,188.40	-
	March 31, 2022	-	-	-	-
Lease rent received on investment property	March 31, 2023	-	-	8.99	-
	March 31, 2022	-	-	-	-
Corporate guarantees given to banks*	March 31, 2023	-	-	947.36	-
	March 31, 2022	-	-	-	-
Contribution to trust for CSR expenditure	March 31, 2023	-	-	-	54.74
	March 31, 2022	-	-	-	-
Unsecured loan accepted	March 31, 2023	192.50	-	-	-
	March 31, 2022	877.00	-	47.00	-
Unsecured loan repaid	March 31, 2023	899.00	63.00	91.00	-
	March 31, 2022	410.00	-	-	-
Amount outstanding at balance sheet date					
Unsecured loan payable	March 31, 2023	185.50	-	30.00	-
	March 31, 2022	892.00	63.00	121.00	-
Amounts payable	March 31, 2023	163.50	1.95	0.43	-
	March 31, 2022	402.97	1.87	1.48	-
Amounts receivable	March 31, 2023	-	-	1,497.45	-
	March 31, 2022	-	-	-	-

**A corporate guarantee has been given by Ganesha Ecotech Pvt. Ltd. (group company) to lender banks of GESL Spinners Pvt. Ltd. in respect to the Land given on lease to it. The guarantee amount is restricted to the value of land.*

33.3 No amount has been written off or written back during the year in respect of debts due from or to related parties.

34.0 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

A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.

B. 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.

34.0 Financial instruments *(Contd.)*

C. 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.

D. 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.

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, 2023		As at March 31, 2022	
			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	4,858.95	4,858.95	6,887.51	6,887.51
2. Financial assets designated at fair value through other comprehensive income (FVTOCI)			-	-	-	-
Investment in equity	C	Level 3	592.62	592.62	-	-
3. Financial assets designated at amortized cost						
a) Trade receivables	D	Level 3	11,475.89	11,475.89	11,615.13	11,615.13
b) Cash and cash equivalents	D	Level 3	426.72	426.72	2,210.31	2,210.31
c) Other bank balances	D	Level 3	195.54	195.54	92.86	92.86
d) Loans	C, D	Level 3	8.62	8.62	11.64	11.64
e) Other financial assets	C, D	Level 3	975.84	975.84	1,108.40	1,108.40
		Total	**18,534.18**	**18,534.18**	**21,925.85**	**21,925.85**

34.0 Financial instruments *(Contd.)*

Financial liabilities (₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			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	0.17	0.17	-	-
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	50,546.35	50,546.35	35,782.01	35,782.01
b) Trade payables	D	Level 3	7,358.20	7,358.20	6,412.37	6,412.37
c) Other financial liabilities	D	Level 3	5,299.46	5,299.46	5,012.43	5,012.43
		Total	**63,204.18**	**63,204.18**	**47,206.81**	**47,206.81**

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

35.0 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 Group 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.

35.0 Financial risk management *(Contd.)*

The allowance for lifetime expected credit loss on trade receivables is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Allowance for expected credit loss		
Opening balance	58.41	170.38
Impairment loss recognized (net of reversals)	31.14	(111.97)
Closing balance	**89.55**	**58.41**

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 ₹24,137.50 Lakh (March 31, 2022: ₹12,500.00 Lakh), repayable on demand which carry floating rate of interest.

b) Contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2023	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	1,673.84	2,057.55	7,098.32	22,019.70	32,849.41
Current borrowings	17,696.94	-	-	-	17,696.94
Trade payables	7,358.20	-	-	-	7,358.20
Other financial liabilities	5,299.63	-	-	-	5,299.63
Total	**32,028.61**	**2,057.55**	**7,098.32**	**22,019.70**	**63,204.18**

As at March 31, 2022	0-1 years	1-2 years	2-5 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**

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.

35.0 Financial risk management *(Contd.)*

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, 2023	As at March 31, 2022
a) Nominal value of forward contracts		
Forward contracts to sell USD	440.27	1259.19
Forward contracts to sell EURO	133.05	-
Forward contracts to buy USD	-	2,440.24
	573.32	**3,699.44**

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

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, 2023			As at March 31, 2022		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	308.63	235.35	543.98	808.74	584.17	1,392.91
Financial liabilities						
Trade and other payables	(130.69)	(116.75)	(247.44)	(135.47)	(32.85)	(168.32)
Net assets/ (liabilities)	**177.94**	**118.60**	**296.54**	**673.27**	**551.32**	**1,224.59**

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, 2023		As at March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	1.78	(1.78)	6.73	(6.73)
EURO	1.19	(1.19)	5.51	(5.51)
Increase / (decrease) in profit before tax	**2.97**	**(2.97)**	**12.24**	**(12.24)**

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, 2023		As at March 31, 2022	
	(₹ in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	543.70	1.08%	1,948.56	5.45%
Variable rate borrowings	50,002.65	98.92%	33,833.45	94.55%
Total	**50,546.35**	**100.00%**	**35,782.01**	**100.00%**

35.0 Financial risk management *(Contd.)*

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, 2023	As at March 31, 2022
50 basis points increase would decrease the profit before tax by	(250.01)	(169.17)
50 basis points decrease would Increase the profit before tax by	250.01	169.17

36.0 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:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	50,546.35	35,782.01
Debt (A)	**50,546.35**	**35,782.01**
Total equity (B)	63,788.40	57,361.15
Equity and debt (C =A+B)	**1,14,334.75**	**93,143.16**
Gearing ratio (A/C)	**44.21%**	**38.42%**

37.0 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 31,2023

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	102.42%	65,335.13	105.56%	7,331.93	100.61%	36.08	105.53%	7,368.01
Indian Subsidiaries								
Ganesha Ecopet Private Limited	2.28%	1,454.48	-0.24%	(16.88)	0.00%	0.00	-0.24%	(16.88)

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)
Ganesha Ecotech Private Limited	4.48%	2,855.14	-1.16%	(80.89)	-0.61%	(0.22)	-1.16%	(81.11)
Foreign Subsidiary								
Ganesha Overseas Private Limited	2.19%	1,394.97	-1.05%	(72.89)	0.00%	0.00	-1.04%	(72.89)
Total eliminations/ adjustments	-11.37%	(7,251.32)	-3.10%	(215.29)	0.00%	0.00	-3.08%	(215.29)
Total	**100.00%**	**63,788.40**	**100.00%**	**6,945.98**	**100.00%**	**35.86**	**100.00%**	**6,981.84**

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**

38.0 Trade receivables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	8,588.81	2,779.43	107.65	-	-	-	11,475.89
- considered doubtful	-	-	-	34.68	1.80	53.07	89.55
	8,588.81	**2,779.43**	**107.65**	**34.68**	**1.80**	**53.07**	**11,565.44**
Less: Allowance for doubtful debts							(89.55)
Total							**11,475.89**

38.0 Trade receivables ageing schedule *(Contd.)*

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	9,212.78	2,332.30	50.84	18.76	0.45	-	11,615.13
- considered doubtful		-	1.32	0.78	21.82	34.49	58.41
	9,212.78	**2,332.30**	**52.16**	**19.54**	**22.27**	**34.49**	**11,673.54**
Less: Allowance for doubtful debts							(58.41)
Total							**11,615.13**

39.0 Trade payables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	199.74	-	-	-	-	199.74
ii) Other than MSME	723.09	6,373.70	58.49	2.33	0.85	7,158.46
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**922.83**	**6,373.70**	**58.49**	**2.33**	**0.85**	**7,358.20**

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	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	768.69	5,339.91	0.98	1.25	-	6,110.83
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**1,070.23**	**5,339.91**	**0.98**	**1.25**	**-**	**6,412.37**

40.0 Investment Property

Group had undertook setting up of a yarn spinning project which was decided to discontinue later on. The assets created, except land was sold and land was given on long term lease of 29 years to GESL Spinners Pvt. Ltd. (a related party). Accordingly Land has been declassified from property, plant and equipment and categorised as investment property.

41.0 Future lease rent receivable

The future minimum lease rent receivable under non-cancellable operating lease as under: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	20.00	-
Later than one year but not later than five years	80.00	-
Later than five years	545.67	-

42.0 Events occurring after the balance sheet date

a. The Board of Directors of the holding company have recommended dividend of ₹2 per fully paid up equity share of ₹10 each, aggregating to ₹436.59 Lakh for the financial year 2022-23 (March 31, 2022: ₹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.

b. Group has commenced commercial production of Recycled Pet Chips and Recycled Filament Yarn (FDY) w.e.f. April 01,2023 at Warangal plant of subsidiary company.

43.0 Insurance claim receivable

Group's claim to the insurance company against damage due to fire of ₹3,009.85 lakh at Kanpur Polyester Staple Fibre (PSF) manufacturing unit of the holding company on June 4, 2021 has been settled by the insurance company at ₹2,500.21 lakh during May, 2023. Accordingly, the Group has provided for the short recovery of insurance claim of ₹509.64 lakh.

44.0 Ganesha Ecosphere Employees' Stock Option Scheme-2021

Pursuant to the "Ganesha Ecosphere Employees' Stock Option Scheme - 2021", Ganesha Employees' Welfare Trust purchased 19,859 equity shares of the holding company during the year from the secondary open market at cost of ₹597.63 per share (March 31, 2022: 19,335 equity shares at cost of ₹485.42 per share). However, no offer was made to eligible employees under the scheme till March 31, 2023. The financial statements of the above trust have been included in the consolidated financial statements of the Group in accordance with the requirement of Ind AS and cost of such treasury shares has been presented as a deduction in other equity.

45.0 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) One of the subsidiary company of the Group has given corporate guarantee of ₹947.36 lakh (March 31, 2022: Nil) to the lenders of the lessee (a related party) in respect of investment property (Land) leased to them. The guarantee is restricted to the value of land and has been provided as per the terms of the lease.

46.0 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.

(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 .

47.0 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: New Delhi
Date: May 25, 2023

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
Place: Kanpur
Date : May 25, 2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Financial Statements

For Financial Year Ended March 31, 2022

GANESHA ECOSPHERE LTD.

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

GANESHA ECOSPHERE LTD.

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

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

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

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Gopal Agarwal
Chief Financial Officer
FCA: 075080

GANESHA ECOSPHERE LTD.

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

GANESHA ECOSPHERE LTD.

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.

(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.

(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.

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.

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.

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.

(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.

(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.

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.

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.

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.

(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.

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**

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.

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	-	-

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

(₹ in Lakh)

Particulars	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

(₹ 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*	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

(₹ 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	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**

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		
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 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 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

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

(₹ 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
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**

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.

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:

i) Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.

ii) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.

iii) Refer note 36.0 for liquidity risk.

iv) 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)	-

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 currecy 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.

	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.

14.0 Government grants

(₹ in Lakh)

Particulars	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

(₹ in Lakh)

Particulars	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:

a). Refer note 36.0 for information about liquidity risk and market risk of trade payables.

b). 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:

(₹ in Lakh)

Particulars	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.

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) Total	**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)

(₹ 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*	(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

(₹ 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	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

(₹ 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	73.64
Others	6.66	2.49
Sub-total	**1,373.70**	**887.98**
Total	**1,02,144.36**	**75,113.56**

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**	**1,00,770.66**	**74,225.58**

20.0 Other income

(₹ in Lakh)

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

(₹ in Lakh)

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**

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**

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**	**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**	**(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%).

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

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**

29.0 Gratuity and other post-employment benefit plans (contd.)

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)**

Remeasurement (gain)/ loss recognized in capital work-in-progress:

(₹ in Lakh)

Particulars	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:

(₹ 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%	(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.

29.0 Gratuity and other post-employment benefit plans (contd.)

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	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

(₹ in Lakh)

Particulars	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**

30.0 Commitments and contingencies (to the extent not provided for) (contd.)

30.2 Contingent liabilities

(₹ in Lakh)

Particulars	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 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 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:

(₹ 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**

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 Shekhavat	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 Sajnani	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

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

A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.

B. 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.

C. 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.

D. 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.

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.

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:

(₹ 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 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.

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.

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:

(₹ in Lakh)

Particulars	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**

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**

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 uncertainities 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.

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.

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

Financial Statements

For Financial Year Ended March 31, 2021

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, 2021, 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, 2021, 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.

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)	
The Group recognises revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications including incoterms in case of exports, create complexity and judgement in determining timing of revenue recognition. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115. Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the consolidated financial statements.	1. We have considered the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from Contracts with Customers'. 2. We have assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. 3. We have performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, we have checked that the revenue has been recognised when the conditions for revenue recognitions are satisfied. 4. We have selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. 5. We have performed analytical procedures of revenue to identify any unusual trends.

Key Audit Matter	How our audit addressed the key audit matter
	6. We have obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers is in accordance with the requirements of relevant accounting standards. 7. We have assessed the relevant disclosures made within the consolidated financial statements.
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, 2021 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, 2021 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, 2021 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

We did not audit the financial statements and other financial information of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 6,956.30 Lakh as at March 31, 2021, total revenue of ₹ Nil, total net loss after tax of ₹ 32.30 Lakh and total comprehensive loss of ₹ 32.30 Lakh for the year ended March 31, 2021 respectively, and net cash inflows of ₹ 14.48 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other information of the subsidiaries 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 the other auditors.

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.

Report on Other Legal and Regulatory Requirements

1. 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, 2021 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, 2021 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, 2021.

(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 15.2;

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, 2021.

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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

UDIN - 21092687AAAAAY8816

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, 2021)

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, 2021 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, 2021, 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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

UDIN - 21092687AAAAAY8816

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	30,880.91	30,031.40
(b) Capital work-in-progress	3.2	1,746.22	214.27
(c) Right of use assets (ROU)	3.3	123.36	124.97
(d) Intangible assets	4.1	139.59	185.65
(e) Financial assets:			
(i) Loans	5.1	24.72	2.21
(ii) Others	5.2	309.13	72.59
(f) Other non-current assets	6.0	2,343.10	1,321.03
Sub-total		**35,567.03**	**31,952.12**
(2) Current assets			
(a) Inventories	7.0	17,251.95	14,480.94
(b) Financial assets:			
(i) Investments	8.1	7,213.14	8,322.48
(ii) Trade receivables	8.2	10,555.13	9,736.70
(iii) Cash and cash equivalents	8.3	242.19	127.67
(iv) Bank balances other than (iii) above	8.4	1,273.92	359.26
(v) Loans	8.5	2.05	1.41
(vi) Others	8.6	781.97	110.11
(c) Current tax assets (net)	10.0	511.14	414.34
(d) Other current assets	9.0	1,299.89	1,018.60
(3) Assets held for sale/ disposal	11.0	27.25	35.57
Sub-total		**39,158.63**	**34,607.08**
TOTAL ASSETS		**74,725.66**	**66,559.20**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	49,512.93	45,565.37
Sub-total		**51,695.87**	**47,748.31**
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities:			
(i) Borrowings	13.0	3,212.17	5,212.64
(b) Deferred tax liabilities (net)	18.1	1,913.08	1,712.51
(c) Government grants	14.2	400.21	439.60
(d) Provisions	17.1	611.15	719.29
Sub-total		**6,136.61**	**8,084.04**
(2B) Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	13.0	8,809.20	3,138.69
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	61.79	43.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	3,459.64	3,368.74
(iii) Other financial liabilities	15.2	3,404.45	3,689.48
(b) Government grants	14.1	44.57	44.27
(c) Other current liabilities	16.0	844.88	298.69
(d) Provisions	17.2	268.65	143.46
Sub-Total		**16,893.18**	**10,726.85**
TOTAL EQUITY AND LIABILITIES		**74,725.66**	**66,559.20**
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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

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

Gopal Agarwal
Chief Financial Officer

Place: Kanpur
Date: May 22, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**INCOME**			
	Revenue from operations	19.0	75,113.56	88,883.39
	Other income	20.0	943.01	740.12
	Total income		**76,056.57**	**89,623.51**
II	**EXPENSES**			
	Cost of materials consumed		46,035.61	55,700.26
	Purchases of stock-in-trade		1,876.54	1,425.72
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(359.37)	(2,575.27)
	Employee benefits expenses	22.0	4,800.95	6,001.80
	Finance costs	25.0	881.28	777.36
	Depreciation and amortization expense	24.0	2,716.18	2,805.36
	Other expenses	23.0	14,310.19	17,161.08
	Total expenses		**70,261.38**	**81,296.31**
III	**Profit before tax (I-II)**		**5,795.19**	**8,327.20**
IV	**Tax expense**	26.0		
	Current tax		1,253.26	1,957.14
	Deferred tax charge/ (credit)		189.79	(414.46)
	MAT credit reversed		-	416.59
	Total tax expense		**1,443.05**	**1,959.27**
V	**Profit for the year (III-IV)**		**4,352.14**	**6,367.93**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement gain/ (loss) on defined benefit obligation		42.82	15.77
	Less: Income-tax relating to above item	26.0	(10.78)	(3.97)
			32.04	**11.80**
VII	**Total comprehensive income for the year (V+VI)**		**4,384.18**	**6,379.73**
VIII	**Earnings per share**			
	Basic (face value of ₹ 10 per equity share)	28.0	19.94	29.17
	Diluted (face value of ₹ 10 per equity share)		19.94	29.17
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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

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

Gopal Agarwal
Chief Financial Officer

Place: Kanpur
Date: May 22, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

(₹ in Lakh)

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities:**			
	Profit before tax as per statement of profit and loss		5,795.19	8,327.20
	Adjustments for:			
	Depreciation and amortization expense		2,716.18	2,805.36
	Loss on sale/ discard of property, plant and equipment (net)		18.53	53.02
	Allowance for doubtful trade receivables and advances		(12.75)	(110.37)
	Bad debts/ advances written off		42.51	66.71
	Liabilities no longer required written back		(73.64)	(1.11)
	Loss on foreign currency fluctuations and translations (net)		50.36	100.96
	Interest expense		718.86	628.06
	Interest income		(210.83)	(384.64)
	Profit on sale of investments		(161.80)	(208.51)
	Fair value gain on financial assets		(510.71)	(48.13)
	Government grants against interest expense		-	(50.00)
	Amortization of Government grants		(52.79)	(42.99)
	Operating profit before working capital changes		**8,319.11**	**11,135.56**
	Movements in working capital:			
	Increase in trade receivables		(831.89)	(804.55)
	(Increase)/ decrease in other receivables and prepayments		(1,218.80)	723.10
	Increase in inventories		(2,771.02)	(1,507.38)
	Increase in trade payables		161.28	653.00
	Increase in other payables		371.37	79.31
	Increase in provisions		59.88	172.21
	Cash generated from operations		**4,089.93**	**10,451.25**
	Direct taxes paid (net of refunds)		(1,350.06)	(2,452.55)
	Net cash flow generated from operating activities (A)		**2,739.87**	**7,998.70**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment		(5,922.43)	(3,139.14)
	Purchase of intangible assets		(5.22)	(30.00)
	Proceeds from sale of property, plant and equipment		125.41	17.72
	Loan to body corporate		(21.00)	-
	Fixed deposits made		(2,004.83)	(3,295.35)
	Fixed deposits matured		2,552.18	2,725.05
	Interest received		246.02	333.92
	Purchase of investments		(4,401.02)	(13,694.88)
	Proceeds from sale of investments		4,482.87	9,932.00
	Net cash flow used in investing activities (B)		**(4,948.02)**	**(7,150.68)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021 (continued)

(₹ in Lakh)

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
C.	**Cash flow from financing activities**			
	Proceeds from non-current borrowings (other than related parties)		944.79	3,240.39
	Repayment of non-current borrowings (other than related parties)		(2,888.42)	(4,034.01)
	Proceeds from/ (repayment of) current borrowings (net) (other than related parties)		5,616.51	(545.66)
	(Repayment of)/ (proceeds from) related parties as borrowings (net)		(182.50)	83.00
	Dividend paid to equity shareholders		(436.59)	(436.59)
	Dividend distribution tax paid		-	(89.74)
	Government grants against interest expense		-	50.00
	Interest paid		(731.12)	(601.46)
	Net cash flow generated from/ (used in) financing activities (C)		**2,322.67**	**(2,334.07)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**114.52**	**(1,486.05)**
	Cash and cash equivalents at the beginning of the year		127.67	1,613.72
	Cash and cash equivalents at the end of the year	8.3	**242.19**	**127.67**
	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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

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

Gopal Agarwal
Chief Financial Officer

Place: Kanpur
Date: May 22, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity share capital (₹ in Lakh)

As at April 1, 2019	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2020	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2021	**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, 2019	**450.00**	**225.28**	**13,952.72**	**264.13**	**24,819.84**	**39,711.97**
Profit for the year	-	-	-	-	6,367.93	6,367.93
Other comprehensive income for the year	-	-	-	-	11.80	11.80
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**6,379.73**	**6,379.73**
Dividend paid	-	-	-	-	(436.59)	(436.59)
Dividend distribution tax	-	-	-	-	(89.74)	(89.74)
Balance as at March 31, 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**

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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

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

Gopal Agarwal
Chief Financial Officer

Place: Kanpur
Date: May 22, 2021

1.0 Corporate information

Ganesha Ecosphere Limited ("the holding 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, 2021 relate to Ganesha Ecosphere Limited (the holding company) and its subsidiaries, Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited (collectively referred to as 'the Group'). Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited were incorporated on November 19, 2019 and November 17, 2020 respectively and the holding company holds 100% shareholding of these subsidiaries.

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.

(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.

(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 recognised as a separate asset, but only when the claim receivable is virtually 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.

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.

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.

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.

(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.

(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 assets

i. Initial recognition and measurement

The financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not measured at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are accounted for using the trade date accounting.

ii. Classification and subsequent measurement

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

iii. Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

iv. Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b) Financial liabilities

i. Initial recognition and measurement

All financial liabilities are initially recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the statement of profit and loss as finance cost.

ii. Classification and subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition

A financial liability (or part of a financial liability) is derecognized from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps, currency swaps and forward and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss in the period when they arise.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realize the asset and settle the liability 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.

(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) Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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, 2019	**1,237.19**	**8,722.71**	**35,031.52**	**164.67**	**336.46**	**302.27**	**45,794.82**
Additions	1,265.13	-	485.62	0.82	17.46	40.30	1,809.33
Disposals	-	-	(98.52)	(41.99)	(7.01)	(21.59)	(169.11)
As at March 31, 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**
Accumulated depreciation:							
As at April 1, 2019	**-**	**2,350.49**	**11,849.72**	**116.92**	**248.25**	**193.29**	**14,758.67**
Charge for the year	-	333.29	2,327.11	12.37	43.50	40.51	2,756.78
Disposals	-	-	(42.98)	(41.32)	(6.99)	(20.52)	(111.81)
As at March 31, 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**
Net block:							
As at March 31, 2020	**2,502.32**	**6,038.93**	**21,284.77**	**35.53**	**62.15**	**107.70**	**30,031.40**
As at March 31, 2021	**3,830.67**	**5,717.15**	**21,055.80**	**27.76**	**130.87**	**118.66**	**30,880.91**

3.2 Capital work-in-progress

(₹ in Lakh)

As at March 31, 2020	**214.27**
As at March 31, 2021	**1,746.22**

(Including pre-operative expenses of ₹ 82.97 Lakh (Previous year ₹ 0.91 Lakh)

3.3 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2019	**-**
Additions*	126.59
Disposals	-
As at March 31, 2020	**126.59**
Additions	-
Disposals	-
As at March 31, 2021	**126.59**
Accumulated amortization:	
As at April 1, 2019	**-**
Charge for the year	1.62
Disposals	-
As at March 31, 2020	**1.62**
Charge for the year	1.61
Disposals	-
As at March 31, 2021	**3.23**
Net block as at March 31, 2020	**124.97**
Net block as at March 31, 2021	**123.36**

* additions during the previous year represents reclassification of operating lease of leasehold land from current and non-current portion of prepaid expenses as at April 1, 2019 on account of adoption of Ind AS 116 (refer note 31.0)

3.4 Freehold land has been purchased under the "Agreement for Sale" from Telangana State Industrial Infrastructure Corporation Limited at Kakatiya Mega Textile Park, District Warangal (Rural), Telangana and possession has also been handed over. However, as per terms of allotment letters, Sale Deed will be executed and registered after implementation of project and commencement of commercial production.

3.5 All property, plant and equipment, ROU assets and some capital work-in-progress, except freehold land at Warangal (Telangana) 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 27.0).

3.6 Refer note 30.1(a) for contractual commitment for the acquisition of property, plant and equipment.

3.7 There is no impairment loss during the year ending March 31, 2021 and March 31, 2020.

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Total
Gross block			
As at April 1, 2019	14.63	277.17	291.80
Additions	-	30.00	30.00
Disposals	-	(1.46)	(1.46)
As at March 31, 2020	**14.63**	**305.71**	**320.34**
Additions	-	5.21	5.21
Disposals	-	-	-
As at March 31, 2021	**14.63**	**310.92**	**325.55**
Accumulated amortization			
As at April 1, 2019	14.63	74.48	89.11
Amortization for the year	-	46.96	46.96
Disposals	-	(1.38)	(1.38)
As at March 31, 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**
Net block			
As at March 31, 2020	**-**	**185.65**	**185.65**
As at March 31, 2021	**-**	**139.59**	**139.59**

Net book value

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
4.1	Intangible assets	139.59	185.65

4.2 There is no impairment loss during the year ending March 31, 2021 and March 31, 2020.

5.0 Non-current financial assets

5.1 Loans (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to a body corporate (given for meeting business requirement)	21.00	-
Loans to employees	3.72	2.21
Total	**24.72**	**2.21**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	24.72	2.21
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	24.72	**2.21**
Less: Allowance for doubtful loans	-	-
Total	**24.72**	**2.21**

Refer note 35.0 for information about credit risk and market risk of loans.

5.2 Others (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits with remaining maturity of more than twelve months*	309.13	72.59
Total	**309.13**	**72.59**

*held as lien by banks against bank guarantees & other credit facilities amounting to ₹ 308.28 Lakh (March 31, 2020: ₹ 72.59 Lakh).

6.0 Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	1,785.51	983.22
Security deposits	378.40	324.73
Prepaid expenses	134.40	13.08
Balance with Government authorities	44.79	-
Total	**2,343.10**	**1,321.03**

7.0 Inventories

(At lower of cost and net realisable value) (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	8,516.46	6,254.07
Work-in-progress	791.24	571.27
Finished goods	5,331.21	5,812.99
Finished goods (in-transit)	598.57	187.32
Stock-in-trade	310.25	86.13
Stock-in-trade (in-transit)	-	14.19
Stores and spares	1,704.22	1,554.97
Total	**17,251.95**	**14,480.94**

Cost of inventories amounting to ₹ 286.38 Lakh (March 31, 2020: ₹ 457.40 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, 2021		As at March 31, 2020	
		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	1,10,653.476	2,617.33
	HDFC Banking & PSU Debt Fund (units of ₹ 10 each)	-	-	6,04,013.125	99.79
	Axis Dynamic Bond Fund (units of ₹ 10 each)	22,15,143.608	549.60	22,15,143.608	508.39
	Franklin India Banking & PSU Debt Fund (units of ₹ 10 each)	-	-	12,78,715.147	210.74
	DSP Banking & PSU Debt Fund (units of ₹ 10 each)	68,95,850.711	1,322.89	29,60,314.030	524.35
	ICICI Pru Coprporate Bond Fund (units of ₹ 10 each)	-	-	9,98,611.929	207.97
	L&T Triple Ace Bond Fund (units of ₹10 each)	18,69,535.585	1,114.97	18,69,535.585	1,033.23
	Kotak Banking & PSU Debt Fund (units of ₹ 10 each)	-	-	10,80,116.566	514.64
	SBI Equity Hybrid Fund Growth (units of ₹ 10 each)	2,70,140.493	500.23	2,70,140.493	341.57
	Axis Banking & PSU Debt Fund (units of ₹ 100 each)	10,892.881	224.33	10,892.881	208.20
	Sub-total		**5,261.12**		**6,266.21**
b)	**Investment in bonds & debentures (unquoted):**				
	IIFL Secure Trust July 2019 Series A PTC (units of ₹ 1,00,000 each)		-	219.000	6.27
	Indsind Bank Series III-2019 10.5% NCD Perpetual Bonds (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	-	-
	7.74% SBI Series I Perpetual Bond (units of ₹ 10,00,000 each)	40.000	401.71	-	-
	9.5% UBI Series XX Perpetual Bond (units of ₹ 10,00,000 each)	30.000	308.57	-	-
	IIFL Secured Redeemable Non-Convertible Debenture Series D8 (units of ₹ 1,00,000 each)	150.000	150.00	-	-
	8.5% BOB Series XIII Perpetual Bond (units of ₹ 10,00,000 each)	50.000	503.13	-	-
	Sub-total		**1,952.02**		**356.27**
c)	**Fixed deposits with financial institutions**		-		1,700.00
	Sub-total		**-**		**1,700.00**
	Total		**7,213.14**		**8,322.48**

Refer note 34.0 and 35.0 for information about fair value measurement, credit risk and market risk of investments.

8.2 Trade receivables

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	10,725.51	9,922.19
Less: Allowance for doubtful trade receivables	(170.38)	(185.49)
Total	**10,555.13**	**9,736.70**
Break-up:		
Receivables considered good - secured	1,050.43	431.71
Receivables considered good - unsecured	9,504.70	9,304.99
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Receivables considered doubtful - unsecured	170.38	185.49
	10,725.51	**9,922.19**
Less: Allowance for doubtful trade receivables	(170.38)	(185.49)
Total	**10,555.13**	**9,736.70**

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 34.0 & 35.0 for information about fair value measurement, credit risk and market risk of trade receivables.

8.3 Cash and cash equivalents (₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- On current accounts	210.18	121.60
- Deposits with original maturity of less than three months	11.08	-
Cheques on hand	14.01	-
Cash on hand	6.92	6.07
Total	**242.19**	**127.67**

8.4 Bank balances other than cash and cash equivalents (₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend (Earmarked)	64.32	65.77
Deposits with original maturity of more than three months*	1,209.60	293.49
Total	**1,273.92**	**359.26**

*held as lien by banks against bank guarantees and letter of credits amounting of ₹ 1,144.41 Lakh (March 31, 2020: ₹ 293.49 Lakh)

8.5 Loans (₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to employees	2.05	1.41
Total	**2.05**	**1.41**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	2.05	1.41
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**2.05**	**1.41**
Less: Allowance for doubtful loans	-	-
Total	**2.05**	**1.41**

Note: Refer note 35.0 for information about credit risk and market risk of loans.

8.6 Other financial assets (₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable from suppliers	701.70	-
Interest receivable on fixed deposits and others	80.27	110.11
Total	**781.97**	**110.11**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

9.0 Other current assets

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	17.11	15.61
Advances to suppliers	785.32	547.19
Advances to employees and others	19.00	37.45
Prepaid expenses	281.18	200.83
Balances with Government authorities	166.37	140.55
Interest receivable - others	30.91	26.50
Export incentives receivable	-	50.47
Sub-total	**1,299.89**	**1,018.60**
Unsecured, considered doubtful		
Advances to suppliers	32.90	30.55
Less: Allowance for doubtful advances	(32.90)	(30.55)
Sub-total	**-**	**-**
Total	**1,299.89**	**1,018.60**

10.0 Current tax assets (net)

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Income-tax	511.14	414.34
Total	**511.14**	**414.34**

11.0 Assets held for sale/ disposal

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Discarded fixed assets held for sale/ disposal	27.25	35.57
Total	**27.25**	**35.57**

12.1 Share capital

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
3,40,00,000 (March 31, 2020: 3,40,00,000) equity shares of ₹ 10 each	3,400.00	3,400.00
21,50,000 (March 31, 2020: 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, 2020: 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	As at March 31, 2021 (Nos.)	As at March 31, 2020 (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 holding company held by each shareholder holding more than five per cent:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10/- each fully paid up				
MCAP India Fund Limited	22,56,619	10.34	29,75,877	13.63
GPL Finance Limited	22,13,811	10.14	22,13,711	10.14
Shyam Sunder Sharmma	19,38,927	8.88	19,38,927	8.88
SBI Mutual Fund	15,94,857	7.31	20,03,258	9.18
DSP Equity Fund	13,26,100	6.07	13,26,100	6.07
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02

iv) 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

(₹ In Lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
	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	34,620.80	30,673.24
	Total	**49,512.93**	**45,565.37**
(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**

(₹ In Lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
(e)	**Retained earnings**		
	Opening balance	30,673.24	24,819.84
	Adjustments during the year:		
	Net profit for the year	4,352.14	6,367.93
	Other comprehensive income (net) for the year	32.04	11.80
	Dividend paid	(436.59)	(436.59)
	Dividend distribution tax	-	(89.74)
	Other	(0.03)	-
	Closing balance	**34,620.80**	**30,673.24**
	Total (a to e)	**49,512.93**	**45,565.37**

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.

13.0 Borrowings

(₹ In Lakh)

Particulars	Non-current		Current maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-current borrowings				
Term loans:				
- from banks (secured)	3,047.27	4,825.81	682.67	824.19
- from State Government (secured) (refer footnote (iv) below)	164.90	150.33	-	-
Foreign currency loan from bank (secured)	-	-	0.01	-
Loans from directors (unsecured)	-	120.00	-	-
Loans from directors' relatives (related parties) (unsecured)	-	116.50	-	-
	3,212.17	**5,212.64**	**682.68**	**824.19**

	Current	
	As at March 31, 2021	As at March 31, 2020
Current borrowings		
Working capital loans from banks		
- Rupee loans (secured)	8,247.20	2,630.69
Loans repayable on demand		
- from directors (unsecured)	425.00	478.00
- from directors' relatives (unsecured)	63.00	-
- from other related parties (unsecured)	74.00	30.00
	8,809.20	**3,138.69**

Notes:

i) Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.

ii) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.

iii) Refer note 35.0 for liquidity risk.

iv) 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, 2021	As at March 31, 2020
Current and non-current borrowings (including current maturities)	12,704.05	9,175.52
Less: Cash and cash equivalents	(242.19)	(127.67)
Interest payable	35.01	61.84
Net debt	**12,496.87**	**9,109.69**

(₹ In Lakh)

Particulars	Current and non-current borrowings (including current maturities)	Cash and cash equivalents	Interest payable (net of interest subsidy receivable)	Total
Net debt as at April 1, 2019	**10,398.85**	**(1,613.72)**	**48.53**	**8,833.66**
Cash flows	(1,256.28)	1,486.05	-	229.77
Other non-cash movements				
- foreign exchange adjustments	19.66	-	-	19.66
- fair value adjustments	13.29	-	(13.29)	-
Interest expense	-	-	628.06	628.06
Interest paid	-	-	(601.46)	(601.46)
Net debt as at March 31, 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)	-
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**

13.1 Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
1	Term loan from bank, balance outstanding amounting to ₹ 700.00 Lakh (March 31, 2020: ₹ 780.00 Lakh) 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 holding company. The loan is further secured by way of extension of pari passu second charge on current assets of the holding company and personal guarantees of the executive directors of the holding company and others.	Repayable in 29 quarterly installments starting from March, 2020 and last installment falling due in March 2027. Rate of interest 7.40% p.a. as at the year end (March 31, 2020: 8.30%).

	Nature of security	Terms of repayment
2	Term loan from bank, balance outstanding amounting to ₹ 875.83 Lakh (March 31, 2020: Nil), is secured by way of exclusive charge on assets of holding company financed by loan. The loan is further secured by way of personal guarantees of the executive directors of the holding company and others.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due during in December, 2023. Rate of interest 6.30% p.a. as at the year end. (March 31, 2020: N.A.).
3	Term loan from bank, balance outstanding amounting to ₹ 2,154.11 Lakh (March 31, 2020: ₹ 2,418.29 Lakh), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future) of the holding company. The loan is further secured by way of extension of pari passu second charge on current assets of the holding company and personal guarantees of the executive directors of the holding company and others.	Repayable in 27 quarterly installments starting from April 2020 and last installment falling due in October 2026. Rate of interest 8.10% p.a. as at the year end (March 31, 2020: 9.00% p.a.).
4	Term loan from bank (including foreign curreny loan), balance outstanding amounting to ₹ 0.01 Lakh (March 31, 2020: ₹ 2,451.71 Lakh), 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 holding company. The loan is further secured by way of extension of pari passu second charge on current assets of the holding Company, fixed deposit receipt of ₹ 211.00 Lakh and personal guarantees of the executive directors of the holding company and others.	Repayable during 2021-22. Rate of interest 9.00% at the time of repayment (March 31, 2020: 9.50% p.a.).
5	Loan from U.P. Government, balance outstanding amounting to ₹ 23.04 Lakh (March 31, 2020: ₹ 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, 2020: ₹ 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, 2020: ₹ 194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
8	Unsecured loans from directors and their relatives amounting to ₹ Nil (March 31, 2020: ₹ 236.50 Lakh).	Repayable during 2021-22 and hence classified under current borrowings. Rate of interest 7.00% p.a. as at the year end (March 31, 2020: 8.50% p.a).
Nature of security and terms of repayment for current borrowings:		
1	Working capital loans from banks, balance outstanding amounting to ₹ 8,247.20 Lakh (March 31, 2020: ₹ 2630.69 Lakh) are secured by hypothecation of current assets of the 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 the holding company, fixed deposit receipt of ₹ 211.00 Lakh and personal guarantees of the executive directors of the holding company and others.	Repayable on demand. Rate of interest is ranging from 6.00% to 9.00% p.a. over the tenure of the loans. (March 31, 2020: Rate of interest ranging from 9.10% to 9.75% p.a.)
2	Unsecured loans from directors, their relatives and other related parties amounting to ₹ 562.00 Lakh (March 31, 2020: ₹ 508.00 Lakh).	Repayable on demand. Rate of interest 7.00% p.a. as at the year end (March 31, 2020: 8.50% p.a.).

13.2 Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

14.0 Government grants

(₹ In Lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
At the beginning of the year		483.87	504.87
Received during the year*		13.70	21.99
Released to the statement of profit and loss		(52.79)	(42.99)
At the end of the year	**Total**	**444.78**	**483.87**
14.1 Current		44.57	44.27
14.2 Non-current		400.21	439.60

*There is no unfulfilled commitments as at the balance sheet date related to Government grant received under the EPCG Scheme.

15.1 Trade payables

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	61.79	43.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,459.64	3,368.74
Total	**3,521.43**	**3,412.26**

Refer note 35.0 for information about liquidity risk and market risk of trade payables.

Note:

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	As at March 31, 2021	As at March 31, 2020
a)	The principal amount remainning unpaid to any supplier at the end of the year	61.79	43.52
b)	Interest due remainning 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 remainning 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 request made by the Group.

15.2 Other current financial liabilities

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings	682.68	824.19
Creditors for capital expenditure	57.28	10.76
Interest accrued	35.01	61.84
Unclaimed dividends*	64.32	65.77
Mark to market of derivative financial instruments	150.65	125.88
Other payables	2,414.51	2,601.04
Total	**3,404.45**	**3,689.48**

* During the year, the Group has transferred ₹ 10.48 Lakh (March 31, 2020: ₹ 10.69 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, 2021	As at March 31, 2020
Advance from customers	67.32	124.68
Statutory dues payables	777.56	174.01
Total	**844.88**	**298.69**

17.0 Provisions

(₹ In Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Employee benefits		
17.1	**Non-current**		
	Leave obligations	76.88	124.40
	Gratuity (refer note 29.1)	534.27	594.89
	Total	**611.15**	**719.29**
17.2	**Current**		
	Leave obligations	52.26	43.89
	Gratuity (refer note 29.1)	216.39	99.57
	Total	**268.65**	**143.46**

18.1 Deferred tax liabilities (net)

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	(315.99)	(315.94)
Deferred tax liabilities	2,229.07	2,028.45
Deferred tax liabilities (net)	**1,913.08**	**1,712.51**

18.1.a Movement of deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities (net)		
As at the beginning of the year	1,712.51	2,123.00
Charge/ (credit) to statement of profit and loss*	200.57	(410.49)
Total	**1,913.08**	**1,712.51**

*Deferred tax on remeasurement of defined benefit obligation of ₹ 10.78 Lakh has been charged to other comprehensive income (March 31, 2020: credit of ₹ 3.97 Lakh).

18.1.b Components of deferred tax (assets)/ liabilities (₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Property, plant and equipment	2,079.51	2,016.34
Others	149.56	12.11
Sub-total	**2,229.07**	**2,028.45**
Deferred tax asset		
Expenses allowed in the year of payment	(264.83)	(261.57)
Provision for doubtful trade receivables and advances	(51.16)	(54.37)
Sub-total	**(315.99)**	**(315.94)**
Deferred tax (assets)/ liabilities (net)	**1,913.08**	**1,712.51**

19.0 Revenue from operations

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products		
Finished goods (including process waste)	72,212.99	86,558.56
Stock-in-trade	2,012.59	1,777.51
Sub-total	**74,225.58**	**88,336.07**
Other operating revenues		
Sale of waste and scrap	260.47	200.66
Job work receipts	7.34	3.48
Insurance claims received	38.29	24.62
Export incentive	184.87	126.44
Allowance for doubtful trade receivables written back (net)	23.06	110.37
Income from recycling certification	297.82	78.75
Liabilities no longer required written back	73.64	1.11
Others	2.49	1.89
Sub-total	**887.98**	**547.32**
Total	**75,113.56**	**88,883.39**

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 therafter are as under:

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
a.	Revenue from contracts with Customers	74,332.28	88,539.45
	Less:		
b.	Performance and price discounts	43.12	102.83
c.	Other discounts	63.58	100.55
	Revenue from sale of products	**74,225.58**	**88,336.07**

20.0 Other income

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	210.83	375.15
Government grants*	52.79	92.99
Profit on sale of investments	161.80	208.51
Fair value gain on financial assets	510.71	48.13
Miscellaneous income	6.88	15.34
Total	**943.01**	**740.12**

*Government grants for the year ended March 31, 2021 includes ₹ Nil (March 31, 2020: 50.00 Lakh) received by the holding company from Handloom & Textile Industry Department, Uttar Pradesh against the interest expense incurred on term loans taken from banks and further includes ₹ 52.79 Lakh (March 31, 2020: ₹ 42.99 Lakh) against reversal of deferred Government grant.

21.0 Changes in inventories of finished goods, stock-in -trade and work-in-progress

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end 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 at the beginning of the year*		
Finished goods	6,000.31	3,313.83
Stock-in-trade	100.32	207.80
Work-in-progress	571.27	575.00
Sub-total	**6,671.90**	**4,096.63**
Total	**(359.37)**	**(2,575.27)**

*including goods-in-transit.

22.0 Employee benefits expenses

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	4,361.97	5,503.31
Contribution to provident and other funds (refer note 29.2)	209.53	248.74
Gratuity expense (refer note 29.1)	137.48	150.82
Staff welfare expenses	91.97	98.93
Total	**4,800.95**	**6,001.80**

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for the year ended March 31, 2021

23.0 Other expenses

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Manufacturing expenses:		
Consumption of stores and spares	2,010.48	2,434.21
Power and fuel	6,861.02	8,396.63
Processing charges	445.78	942.28
Repairs and maintenance		
- Plant and machinery	325.29	389.27
- Buildings	65.15	203.98
Sub-total	**9,707.72**	**12,366.37**
Administrative expenses		
Rent (refer note 31.0)	116.89	101.59
Rates and taxes	59.44	10.32
Insurance	136.74	124.05
Repairs and maintenance - others	79.13	108.30
CSR expenditure	162.80	124.42
Travelling and conveyance	107.73	200.12
Communication costs	37.19	49.87
Printing and stationery	34.65	41.16
Legal and professional fee	60.07	67.47
Cost auditors' remuneration	1.00	1.00
Directors' sitting fee	2.50	2.45
Payment to auditor (refer details below)	13.98	13.32
Bad debts/ advances written off	42.51	66.71
Allowances for doubtful trade receivables and advances	10.31	-
Loss on sale/ discard of property, plant and equipment (net)	18.53	53.02
Miscellaneous expenses	112.61	133.30
Vehicle running and maintenance	63.12	80.83
Commission to non-executive directors	56.89	44.24
Security service charges	140.10	149.27
Loss on foreign currency fluctuations and translations (net)	15.60	23.92
Sub-total	**1,271.79**	**1,395.36**
Selling expenses		
Freight and forwarding charges	2,980.96	2,853.29
Other selling and distribution expenses	349.72	546.06
Sub-total	**3,330.68**	**3,399.35**
Total	**14,310.19**	**17,161.08**
Break up of payment to auditor:		
As auditor:		
- Audit fee	9.50	9.00
- Tax audit fee	1.00	1.00
- Limited review fee	3.08	3.01
In other capacity		
- Other services (certification fee)	0.10	0.10
- Reimbursement of expenses*	0.30	0.21
Total	**13.98**	**13.32**

24.0 Depreciation and amortization expense

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	2,673.23	2,756.78
Amortization of intangible assets	51.27	46.96
Amortization of ROU assets	1.61	1.62
Less: Transfer to capital work-in-progress	(9.93)	-
Total	**2,716.18**	**2,805.36**

25.0 Finance costs

(₹ In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest	718.86	628.06
Exchange differences regarded as an adjustment to borrowing cost	56.38	39.36
Other borrowing costs (including bank charges)	106.04	109.94
Total	**881.28**	**777.36**

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, 2021	For the year ended March 31, 2020
A) Profit and loss section			
Current tax			
In respect of current year		1,256.96	1,957.14
In respect of earlier years		(3.70)	-
	Sub-total	**1,253.26**	**1,957.14**
Deferred tax			
Relating to origination and reversal of temporary differences		189.79	(414.46)
	Sub-total	**189.79**	**(414.46)**
MAT credit reversed*		-	416.59
	Sub-total	**-**	**416.59**
Income tax expense reported in the statement of profit and loss	**Total**	**1,443.05**	**1,959.27**
B) Other comprehensive income ('OCI') section			
Deferred tax related to items recognized in OCI during the year:			
Re-measurement loss on defined benefit obligation		(10.78)	(3.97)
Income-tax charged to OCI		**(10.78)**	**(3.97)**

* In the previous year, the Group has elected to exercise the option permitted for reduced tax rate as permitted under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Group has recognised provision for income tax and made reversal of MAT credit for the year ended March 31, 2020 and re-measured its net deferred tax liabilties basis the rate prescribed in the said section.

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, 2021	For the year ended March 31, 2020
Accounting profit before income-tax	5,795.19	8,327.20
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	1,458.53	2,095.79
Adjustments in respect of current income-tax of earlier years	(3.70)	-
Permanent disallowances	41.56	35.46
Impact of tax due to loss in components	8.13	2.71
Impact on tax for elimination adjustments in components	33.78	-
Remeasurement of net deferred tax liabilities	(93.33)	(177.34)
Others	(1.92)	2.65
Total income-tax expense	**1,443.05**	**1,959.27**

Consequent to reconciliation items shown above, the effective tax rate is 24.901% (March 31, 2020: 23.529%).

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, 2021	As at March 31, 2020
First charge		
Non-current assets		
Property, plant and equipment	28,255.22	28,785.69
Capital work-in-progress	1,070.61	212.61
Right of use assets	123.36	124.97
Non-current financial assets	333.85	74.80
Other non-current assets	673.56	605.48
Total non-current assets pledged as security	**30,456.60**	**29,803.55**
Second charge		
Current assets		
Financial assets		
Investments	7,213.14	8,322.48
Trade receivables	10,555.13	9,736.70
Cash and cash equivalents	210.30	110.25
Bank balances	109.60	293.49
Others	81.10	120.06
Non financial assets		
Inventories	17,251.95	14,480.94
Current tax assets	510.65	414.34
Others	1,327.65	1,054.19
Total current assets pledged as security	**37,259.52**	**34,532.45**
Total assets pledged as security	**67,716.12**	**64,336.00**

*against loans taken by holding company

28.0 Earnings per share

Particulars	As at March 31, 2021	As at March 31, 2020
Earnings per share has been computed as under:		
Profit for the year (₹ in Lakh)	4,352.14	6,367.93
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)	19.94	29.17
Earnings per share (₹) - Diluted (face value of ₹ 10 per share)	19.94	29.17

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, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	**694.46**	**588.84**
Current service cost	92.48	106.66
Interest expense	45.19	44.16
Benefits paid	(38.80)	(29.43)
Actuarial (gains) / losses arising from changes in demographic assumptions	(64.59)	(0.01)
Actuarial (gains) / losses arising from changes in financial assumptions	22.38	34.80
Actuarial (gains) / losses arising from experience adjustments	(0.46)	(50.56)
Closing defined benefit obligation	**750.66**	**694.46**

Net liability recognized in balance sheet: (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	750.66	694.46
Fair value of plan assets	-	-
Funded status (deficit)	(750.66)	(694.46)
Net liability recognized in balance sheet	**750.66**	**694.46**
Break-up of defined benefit obligation		
Current liability	216.39	99.57
Non-current liability	534.27	594.89
Total	**750.66**	**694.46**

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, 2021	For the year ended March 31, 2020
Current service cost	92.34	106.66
Net interest cost	45.14	44.16
Total	**137.48**	**150.82**

Net defined benefit expense recognized in capital work-in-progress: (₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	0.14	-
Net interest cost	0.05	-
Total	**0.19**	**-**

Remeasurement (gain) / loss recognized in other comprehensive income: (₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	(64.59)	(0.01)
Actuarial (gains) / losses arising from changes in financial assumptions	22.38	34.80
Actuarial (gains) / losses arising from experience adjustments	(0.61)	(50.56)
Total	**(42.82)**	**(15.77)**

Remeasurement (gain) / loss recognized in capital work-in-progress (₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gains) / losses arising from experience adjustments	(0.15)	-
Total	**(0.15)**	**-**

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.1% to 6.4%	6.50%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	15% to 30%	15.00%
Withdrawal rate (above 58 years)	10.00%	15.00%
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, 2021	1.00%	(15.08)	15.84
	March 31, 2020	1.00%	(34.80)	38.56
Salary escalation rate	March 31, 2021	1.00%	15.32	(14.95)
	March 31, 2020	1.00%	36.95	(34.21)
Mortality rate	March 31, 2021	1.00%	negligible	negligible
	March 31, 2020	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, 2021	As at March 31, 2020
Within 1 year	216.39	99.57
1 - 2 Year	146.21	88.09
2 - 3 Year	110.21	80.00
3 - 4 Year	83.97	67.35
4 - 5 Year	64.10	59.30
Above 5 years	129.78	300.15
Total	**750.66**	**694.46**

Fair value and changes in fair value of plan assets during the year ended March 31, 2021:

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 during the year towards contribution to defined contribution plans is ₹ 209.53 Lakh (March 31, 2020: ₹ 248.74 Lakh). Further, an amount of ₹ 0.26 Lakh (March 31,2020: ₹ Nil) has been recognised under capital work-in-progress.

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

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	6,997.76	4,990.70
b)	Corporate guarantee given to bank for letter of credit opened in favour of Ganesha Ecopet Private Limited (Subsidiary company)	5,000.00	-
	Total	**11,997.76**	**4,990.70**

30.2 Contingent liabilities

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Matters with tax authorities		
	- Income-tax matters	35.92	42.04
	- Entry tax matters	-	36.69
	- VAT matters	7.65	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 operatin 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 UPCB and not suistanable.	100.00	100.00
c)	Bills discounted under letters of credit and outstanding	97.40	17.56
d)	Claims against the Group not acknowledged as debt (interest thereon not ascertainable at present)	43.90	36.88
	Total	**284.87**	**240.82**

31.0 Leases

The Group's lease assets primarily consist of leases for land taken for factory premises, office premises, guest houses and warehouses having different lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and no adjustments were made in the previous year numbers.

On transition, the adoption of the new standard resulted in recognition of right of use asset of ₹ 126.59 Lakh in respect of the land lease for factory premises by reclassifying the amounts lying in non-current and current portion of prepaid expenses. The Group does not have any lease liability since the entire amount of lease premium for the aforesaid land lease was paid in advance and there is no future lease liability. There has been no effect of applying the standard on retained earnings as at April 1, 2019, on the profit before tax, profit for the period, earnings per share, cash flow from operating activities and cash flow from financing activities.

The following is the summary of practical expedients elected on initial application:

a) The Group has applied the exemption not to recognize right of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and leases for which the underlying asset is of low value. The lease payment associated with these leases are recognised as an expense on a straight line basis over the lease term.

b) The Group has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead, it has applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

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.

Rental expense recorded for short-term leases and low value asset leases is ₹ 116.89 Lakh for the year ended March 31, 2021 (March 31, 2020: ₹ 101.59 Lakh).

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:

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from sale of products		
- India	68,172.43	82,440.12
- Outside India	6,053.15	5,895.95
Total	**74,225.58**	**88,336.07**

33.0 Related party disclosures

Name of related parties and nature of relationship:

33.1 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 Shekhavat	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 Sajnani	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

D. Entities over which key management personnel are able to exercise significant influence

Ganesh Memorial Trust

33.2 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	Entities over which key management personnel are able to exercise significant influence
Managerial remuneration	March 31, 2021	297.02	-	-	-
	March 31, 2020	818.51	-	-	-
Commission and sitting fee	March 31, 2021	59.39	-	-	-
	March 31, 2020	46.69	-	-	-
Salary and allowances	March 31, 2021	36.47	17.51	-	-
	March 31, 2020	37.38	28.42	-	-
Interest paid	March 31, 2021	34.54	5.88	3.72	-
	March 31, 2020	46.54	11.65	13.48	-
Unsecured loan accepted	March 31, 2021	274.00	-	52.00	-
	March 31, 2020	151.00	-	165.00	-
Unsecured loan repaid	March 31, 2021	327.00	173.50	8.00	-
	March 31, 2020	-	15.00	218.00	-
Contribution to trust for CSR expenditure	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	93.65
Amount outstanding at balance sheet date					
Unsecured loan payable	March 31, 2021	425.00	63.00	74.00	-
	March 31, 2020	598.00	116.50	30.00	-
Amounts payable	March 31, 2021	294.67	4.34	1.28	-
	March 31, 2020	793.63	2.58	0.73	-

33.3 The Group has not given/ provided any guarantee/ collaterals for and on behalf of the aforementioned related parties.

33.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.

34.0 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

A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.

B. 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.

C. Loans 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 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.

D. 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.

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, 2021		As at March 31, 2020	
			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	7,213.14	7,213.14	8,322.48	8,322.48
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	10,555.13	10,555.13	9,736.70	9,736.70
b) Cash and cash equivalents	D	Level 3	242.19	242.19	127.67	127.67
c) Other bank balances	D	Level 3	1,273.92	1,273.92	359.26	359.26
d) Loans	C, D	Level 3	26.77	26.77	3.62	3.62
e) Other financial assets	C, D	Level 3	1,091.10	1,091.10	182.70	182.70
Total			**20,402.25**	**20,402.25**	**18,732.43**	**18,732.43**

Financial liabilities (₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
			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	125.88	125.88
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	12,021.37	12,021.37	8,351.33	8,351.33
b) Trade payables	D	Level 3	3,521.43	3,521.43	3,412.26	3,412.26
c) Other financial liabilities	D	Level 3	3,253.80	3,253.80	3,563.60	3,563.60
Total			**18,947.25**	**18,947.25**	**15,453.07**	**15,453.07**

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

35.0 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 Group 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: (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Allowance for expected credit loss		
Opening balance	185.49	310.29
Impairment loss recognized (net of reversals)	(15.11)	(124.80)
Closing balance	**170.38**	**185.49**

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, 2020: ₹ 6.200.00 Lakh), repayable on demand which carry floating rate of interest.

b) Contractual maturities of financial liabilities (₹ in Lakh)

As at March 31, 2021	0-1 years	1-2 years	2-5 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**

As at March 31, 2020	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	824.19	1,080.69	2,947.22	1,184.73	6,036.83
Current borrowings	3,138.69	-	-	-	3,138.69
Trade payables	3,412.26	-	-	-	3,412.26
Other financial liabilities	2,865.29	-	-	-	2,865.29
Total	**10,240.43**	**1,080.69**	**2,947.22**	**1,184.73**	**15,453.07**

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, 2021	As at March 31, 2020
a)	**Nominal value of forward contracts**		
	Forward contracts to sell USD	148.92	437.43
	Forward contracts to sell EURO	-	253.19
	Forward contracts to buy EURO	-	249.36
b)	**Currency cum interest rate swap (INR/ EURO)**	1,767.99	1,903.83
		1,916.91	**2,843.81**

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

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, 2021			As at March 31, 2020		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	729.24	357.05	1,086.29	173.71	27.96	201.67
Financial liabilities						
Trade and other payables	(235.44)	(3.42)	(238.86)	(80.83)	(12.06)	(92.89)
Borrowings	-	(1,767.99)	(1,767.99)	-	(1,655.19)	(1,655.19)
Net assets/ (liabilities)	**493.80**	**(1,414.36)**	**(920.56)**	**92.88**	**(1,639.29)**	**(1,546.41)**

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, 2021		As at March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
USD	4.94	(4.94)	0.93	(0.93)
EURO	(14.14)	14.14	(16.39)	16.39
Increase / (decrease) in profit before tax	**(9.21)**	**9.21**	**(15.46)**	**15.46**

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, 2021		As at March 31, 2020	
	(₹in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	726.90	5.72%	894.83	9.75%
Variable rate borrowings	11,977.15	94.28%	8,280.69	90.25%
Total	**12,704.05**	**100.00%**	**9,175.52**	**100.00%**

Note: The above amounts include current maturities of non-current borrowings

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, 2021	As at March 31, 2020
50 basis points increase would decrease the profit before tax by	(59.89)	(41.40)
50 basis points decrease would Increase the profit before tax by	59.89	41.40

36.0 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: (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Current and non-current borrowings (including current maturities)	12,704.05	9,175.52
Debt (A)	**12,704.05**	**9,175.52**
Total equity (B)	51,695.87	47,748.31
Equity and debt (C =A+B)	**64,399.92**	**56,923.83**
Gearing ratio (A/C)	**19.73%**	**16.12%**

37.0 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 31,2021

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%	51882.60	103.83%	4518.64	100.00%	32.04	103.80%	4550.68
Indian Subsidiary								
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%	1482.18	-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%**	**51695.87**	**100.00%**	**4352.14**	**100.00%**	**32.04**	**100.00%**	**4384.18**

As at and for the year ended March 31,2020

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	100.04%	47,768.55	100.32%	6,388.17	100.00%	11.80	100.32%	6,399.97
Indian Subsidiary								
Ganesha Ecopet Private Limited	2.07%	989.25	-0.17%	(10.75)	0.00%	0.00	-0.17%	(10.75)
Total eliminations/ adjustments	-2.11%	(1,009.49)	-0.15%	(9.49)	0.00%	0.00	-0.15%	(9.49)
Total	**100.00%**	**47,748.31**	**100.00%**	**6,367.93**	**100.00%**	**11.80**	**100.00%**	**6,379.73**

38.0 COVID 19 assessment

Pursuant to the lock-down imposed by the Central and State Government authorities since March 24, 2020 to contain the spread of COVID-19 outbreak, the Group's operations were suspended temporarily , which gradually resumed in a phased manner with requisite precautions and complete operations at all manufacturing locations could be resumed during July, 2020. Accordingly, consolidated financial statements for the year ended on March 31, 2021 are not comparable to corresponding previous year ended on March 31, 2020. The Company remains watchful of the potential impact of COVID-19 pandemic, particularly the current "second wave", and has taken into account the possible impact of COVID-19 in preparation of these consolidated financial statements, including the assessment of recoverable value of the assets based on internal and external information available upto the date of approval of these consolidated financial statements. The Group will continue to closely monitor any material change in future economic conditions due to prevailing pandemic situation.

39.0 Events occurring after the balance sheet date

The Board of Directors of the Group have recommended dividend of ₹ 2 per fully paid up equity share of ₹ 10 each, aggregating to ₹ 436.59 Lakh for the financial year 2020-21 (March 31, 2020: ₹ 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.

40.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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

Girish Singhania
Partner
Membership No.: 092687

Place: New Delhi
Date: May 22, 2021

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

Gopal Agarwal
Chief Financial Officer

Place: Kanpur
Date: May 22, 2021

GENERAL INFORMATION

Our Company was originally incorporated as "*Ganesh Polytex Limited*" in Kanpur, Uttar Pradesh on October 30, 1987 as a public limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Our Company received the certificate for commencement of its business on April 12, 1988. Subsequently the name of our Company was changed to "*Ganesha Ecosphere Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand consequent upon change of name of our Company on October 7, 2011. For further details, see, "*Organisational Structure of our Company*" beginning on page 146.

1. The Registered Office of our Company is located at Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India and Corporate Office is located at 113/216-B, First Floor, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India.

2. The CIN of our Company is L51109UP1987PLC009090.

3. The website of our Company is www.ganeshaecosphere.com.

4. The authorised share capital of our Company is ₹5,550.00 lakhs comprising of 3,40,00,000 Equity Shares (of face value of ₹10 each) and 21,50,000 Preference Shares (of face value of ₹100 each). As on the date of the Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 2,182.94 lakhs comprising of 2,18,29,397 Equity Shares of face value of ₹ 10 each.

5. The Equity Shares have been listed and traded on the BSE since February 13, 1992 and on the NSE since March 9, 2015.

6. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on January 30, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

7. The Issue was authorised and approved by the Board pursuant to the resolution dated November 24, 2023 and by our Shareholders pursuant to the special resolution dated January 13, 2024.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 11:00 am to 5:00 pm on all working days (that is, except Sundays and Public Holidays) during the Issue Period at our Registered Office.

10. Except as disclosed in this Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

11. Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on page 111, there has been no material change in the financial position of our Company since September 30, 2023, the last date of the Unaudited Consolidated Financial Results prepared in accordance with applicable accounting standards included in this Placement Document.

12. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" beginning on page 189.

13. As on the date of this Placement Document, Narendra Singhania & Co., Chartered Accountants, having Firm Registration No. 009781N is the statutory auditor of our Company.

14. The Issue will not result in a change in control of our Company.

15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹ 995.06 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Statutory Auditors. Our Company offered a discount of ₹ 0.06 per

Equity Share, being equivalent to a discount of 0.01% on the Floor Price in accordance with the approval of our Board resolution dated November 24, 2023 and the shareholders of our Company accorded through a special resolution dated January 13, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.

17. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

18. Bharat Kumar Sajnani is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Bharat Kumar Sajnani
Company Secretary and Compliance Officer
113/216B, First Floor, Swaroop Nagar, Kanpur
Telephone: +91 512 – 2555505 – 06
E-mail: bharat@ganeshaecosphere.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)[(1) and (2)]
1.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY PORTFOLIO	2.58
2.	EAST BRIDGE CAPITAL MASTER FUND I LTD	1.59
3.	MIRAE ASSET INDIA MID CAP EQUITY FUND	0.69
4.	EAST CAPITAL - EAST CAPITAL GLOBAL EMERGING MARKETS SUSTAINABLE	0.46
5.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	0.40
6.	NOMURA SINGAPORE LIMITED	0.20
7.	MARSHALL WACE INVESTMENT STRATEGIES - EUREKA FUND	0.16
8.	CAN LAH INVESTMENTS PTE. LTD.	0.48
9.	HELIOS FLEXI CAP FUND	0.26
10.	HELIOS INDIA ALTERNATE FUND - HELIOS INDIA RISING FUND	0.12
11.	HELIOS INDIA RISING FUND II	0.08
12.	HELIOS INDIA LONG SHORT FUND	0.06
13.	ITI MULTI CAP FUND	0.35
14.	ITI SMALL CAP FUND	0.84
15.	ITI FLEXI CAP FUND	0.25
16.	BNP PARIBAS FINANCIAL MARKETS	0.46
17.	TANTALLON INDIA FUND	0.09
18.	SOCIETE GENERALE - ODI	1.34
19.	SBI RESURGENT INDIA OPPORTUNITIES SCHEME	0.57
20.	SBI CONSUMPTION OPPORTUNITIES FUND	3.99
21.	SBI MAGNUM CHILDREN'S BENEFIT FUND	0.04
22.	ICICI PRUDENTIAL INNOVATION FUND	0.79
23.	ICICI PRUDENTIAL ELSS TAX SAVER FUND	0.60
24.	ICICI PRUDENTIAL ESG FUND	0.59

[(1)]Based on beneficiary position as on January 26, 2024.
[(2)]The post-Issue shareholding (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different

sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

Note: The details as set forth in the table above, are subject to Allotment of Equity Shares pursuant to the Issue

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Sharad Sharma
Managing Director and Chief Executive Officer
DIN: 00383178

Date: February 2, 2024

Place: Kanpur

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____
Sharad Sharma
Managing Director and Chief Executive Officer
DIN: 00383178

Date: February 2, 2024

Place: Kanpur

I am authorized by the Capital Raising Committee, *vide* resolution dated February 2, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Sharad Sharma
Managing Director and Chief Executive Officer
DIN: 00383178

Date: February 2, 2024

Place: Kanpur

GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090
Registered Office: Raipur (Rania), Kalpi Road
Kanpur Dehat – 209 304, Uttar Pradesh, India
Tel: +91-9198708383
Website: www.ganeshaecosphere.comhttp://www.pgel.in/

DETAILS OF COMPLIANCE OFFICER

Bharat Kumar Sajnani
Company Secretary & Compliance Officer
113/216-B, First Floor, Swaroop Nagar
Kanpur – 208002, Uttar Pradesh, India
Tel: +91-512-2555505-06
Email: bharat@ganeshaecosphere.com

BOOK RUNNING LEAD MANAGERS

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025, Maharashtra, India

ITI Capital Limited
ITI House, 36, Dr. R K Shirodkar Road,
Parel, Mumbai, - 400012
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY
Narendra Singhania & Co.
Chartered Accountants
E – 21, 1st and 2nd Floor, Hauz Khas
New Delhi – 110 016, India

LEGAL COUNSEL TO THE ISSUE
As to Indian law

Crawford Bayley & Co
State Bank Building, 4th floor
NGN Vaidya Marg, Fort
Mumbai – 400 023,
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE ISSUE

Dentons US LLP
2000, McKinney Avenue,
Suit 1900,
Dallas, Texas 75201-1858
Telephone: +1 214 259 0952

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

GANESHA ECOSPHERE LIMITED

Registered Office: Raipur (Rania), Kalpi Road, Kanpur Dehat – 209 304, Uttar Pradesh, India
Corporate Office: 113/216-B, First Floor, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India, **Telephone No.**: +91 512-2555505-06
Email: secretarial@ganeshaecosphere.com**; Website:** www.ganeshaecosphere.com
Corporate Identity Number: L51109UP1987PLC009090

APPLICATION FORM

Form No.:

Date:

Name of the Bidder: ____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY GANESHA ECOSPHERE LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 995.06 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying preliminary placement document dated January 30, 2024 (the "PPD"). See "*Transfer Restrictions*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Ganesha Ecosphere Limited
Raipur (Rania),
Kalpi Road, Kanpur Dehat – 209 304,
Uttar Pradesh, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the Preliminary Placement Document.
**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the

Company is entitled, in consultation with Motilal Oswal Investment Advisors Limited and ITI Capital Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Uttar Pradesh at Kanpur (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Transfer Restrictions* " of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we hereby make all the applicable representations, warranties and agreements as set forth in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the PPD.**

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		

BIDDER DETAILS (In Block Letters)	
FOR VCFs***	SEBI VCF REGISTRATION NO.
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

NO. OF EQUITY SHARES BID FOR	(In Figures)	
	(In Words)	
PRICE PER EQUITY SHARE (RUPEES)	(In Figures)	
	(In Words)	
APPLICATION AMOUNT (RUPEES)	(In Figures)	
	(In Words)	

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I N			
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), February 2, 2024 ("Issue Closing Date")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Ganesha Ecosphere Limited-QIP-Escrow Account	**Account Type**	Current
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	No 7/110 A1 & 2, GF, Nexus Tower ,Swaroop Nagar, Kanpur – 208 002, Uttar Pradesh
Account No.	924020005500519	**IFSC**	UTIB0001519
LEI Number	335800UC15N14636XX60	**Email**	vishal.lade@axisbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of **Ganesha Ecosphere Limited-QIP-Escrow Account**. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	________________ Email: ________________		

OTHER DETAILS	
PAN	
Date of Application	
Signature of	

ENCLOSURES ATTACHED
☐ Copy of PAN Card or PAN allotment letter**
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund

Authorised Signatory (may be signed either physically of digitally)		☐ Copy of the SEBI registration certificate as an Eligible FPI ☐ Copy of the SEBI registration certificate as an AIF ☐ Copy of the SEBI registration certificate as a VCF ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank ☐ Copy of the IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of the power of attorney ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Bank, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)