

Notice to the Members of Godrej Capital Limited

NOTICE is hereby given that the 4th (Fourth) Annual General Meeting (AGM) of the Members of Godrej Capital Limited ("the Company"), is scheduled to held on Monday, May 29, 2023, at 11 a.m. at a shorter notice, at the Registered Office of the Company situated at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079 to transact the following businesses:

ORDINARY BUSINESS:

1. To review, consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2023, along with the Report(s) of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Manish Shah (DIN: 06422627), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:**3. Amendment of Articles of Association of Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5, 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications, the consent of the Members of the Company be and is hereby accorded for amending the existing Articles of Association of the Company by introducing Part B – Amending Articles i.e Article 90 to 99.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and / or the Chief Financial Officer of the Company and / or Mr. Yogesh Jain, Authorised Person , be and are hereby severally authorised to finalize, settle and execute such document(s)/ deed(s)/ writing(s)/ paper(s)/ agreement(s) as may be required including filing of requisite forms, files, reports, returns and documents with such appropriate authorities, to settle any question, difficulty or doubt that may arise in respect of this resolution, to delegate all or any of the above powers to any Official(s) of the Company and generally to do all acts, deeds, matters and things that may be deemed necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this resolution."

Place: Mumbai

Date: May 4, 2023

**By Order of the Board of Directors
For Godrej Capital Limited**

Sd/-

Manish Shah

Managing Director & Chief Executive Officer

DIN: 06422627

Registered Office:

Godrej One, Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.

CIN: U67100MH2019PLC330262

Tel No.: 022 68815555

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Registered Office/Corporate Office of the Company not less than FORTY-EIGHT HOURS before the AGM.'
2. Members who are body corporate(s) intending to appoint their authorised representative(s) to attend the AGM are requested to send to the Company on gc.secretarial@godrejcapital.com, a certified copy of the resolution of its Board of Directors / other governing body authorising their representative(s) to attend and vote on their behalf at the AGM, pursuant to Section 113 of the Companies Act, 2013 ("the Act").
3. The Meeting will be convened at shorter notice, after obtaining consent of more than 95% of the Members of the Company, pursuant to the provisions of Section 101 of the Act.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the AGM and are requested to write their Client ID and DP ID in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting area.
5. In case of joint holders attending the AGM, if any, only such joint holder who is higher in the order of names will be entitled to vote.
6. A route map for reaching the AGM Venue is enclosed herewith.
7. The Explanatory Statement pursuant to Section 102 of the Act in respect of special businesses as set out in the NOTICE is annexed hereto.
8. The Registrar and Share Transfer Agents of the Company are Kfin Technologies Private Limited having their office at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, Tel. No.: 040 6716 2222, Email id: einward.ris@kfintech.com.
9. The Notice of AGM is available on the website of the Company at www.godrejcapital.com.
10. The Registers and documents referred to in the AGM Notice will be kept open for inspection by the members at the registered office till the date of AGM and also at the AGM.
11. Additional information of a director seeking re-appointment at the ensuing AGM, as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") is annexed to the Notice.
12. The Resolutions shall be deemed to be passed on the date of the AGM i.e., on Monday, May 29, 2023, subject to receipt of the requisite number of votes in favour of the respective Resolution.
13. Manner of Voting during the AGM shall be through show of hands, unless a poll is demanded.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013

Item No. 3

Subsequent to Pan Fin Investments LP becoming a minority shareholder in the Company w.e.f. March 30, 2023, various amendments are required to be carried out in the existing Articles of Association of the Company.

These amendments are required to be executed as per the Investment Agreement and Amendment Agreement which has been executed on March 21, 2023 and May 9, 2023, respectively.

It is therefore proposed to amend the Articles of Association of the Company by introducing Part B – Amending Articles i.e., Article 90 to 99.

Brief details of the amendments are as below:

Right of first refusal	<ul style="list-style-type: none"> The Investor has granted a right of first refusal to the Promoter in case the Investor would want to sell its shares
Drag & Tag rights	<ul style="list-style-type: none"> The Investor has a Tag Right and similarly Promoter has a Drag Right on the Investor A drag right would allow the Promoter to ask the Investor to sell its shares in a sale of shares in a transaction that the Promoters may enter into to sell their shares. Similarly, the Investor would have a Tag right, which would allow the Investor to join a transaction through which the Promoters may be selling their stake.
Pre-emption rights	<ul style="list-style-type: none"> The investor has a pre-emptive right to ensure they can invest in further capital raised by the Company. This right would allow the Investor to keep its shareholding at proportionate level in future capital raise by the Company. In case a rights issue is made and it is not subscribed to, the Board of the Company shall have the right but not the obligation to allow the Investor to purchase such unsubscribed portion of the rights.

Pursuant to Section 14 of the Companies Act, 2013 ("Act"), the consent of the Members of the Company by way of a special resolution is required for amendment of the Articles of Associations ("AOA") of the Company.

None of the Directors or Key Managerial Personnel or their relatives, other than to the extent of their shareholding in the Company are in any way, concerned or interested, financially or otherwise in the said resolution set out at Item No. 3 of the Notice.



The Board of Directors accordingly recommends the Special Resolution set out at Item No. 3 of the Notice for the approval of the Members.

Place: Mumbai
Date: May 4, 2023

By Order of the Board of Directors
For Godrej Capital Limited

Sd/-
Manish Shah
Managing Director & Chief Executive Officer
DIN: 06422627

Additional information of a director seeking re-appointment at this AGM in pursuance of SS-2:

Name of Director	Mr. Manish Shah
Director Identification Number (DIN)	06422627
Nationality	Indian
Date of Birth / (Age)	26-06-1974 (49 years)
Date of first appointment on the Board	January 29, 2021
Qualification	MBA from IIM Ahmedabad
Experience / Brief Profile / nature of expertise in specific functional areas	Mr. Manish Shah is also the Managing Director and Chief Executive Officer of Godrej Housing Finance Limited and Non – Executive Director of Godrej Finance Limited, subsidiaries of the Company. He has spent over 22 years in financial services in diverse businesses such as secured and unsecured lending, credit cards, wealth management and life insurance with Citibank, AEGON and Bank of Baroda in India and in the US. He has held leadership roles in organizations ranging from MNCs, Public Sector enterprises. These stints involved setting up large distribution networks across the country, strategic business development, institutional fund-raising and building analytics & risk management frameworks, often from the ground up.
Directorships held in other companies (excluding Foreign Companies and Section 8 companies)	<ul style="list-style-type: none"> ➤ Godrej Housing Finance Limited, ➤ Godrej Finance Limited, ➤ Ruchita Rambles Services Private Limited
Chairmanships/ Memberships of Committees in other companies*	Godrej Housing Finance Limited 1. Corporate Social Responsibility Committee-Member Godrej Finance Limited: 1. Audit Committee – Member 2. Nomination & Remuneration Committee-Member
Shareholding in the Company	6,943 equity shares
Number of Board Meetings attended during the year	6 (Six)
Relationship with other Directors / Manager / Key Managerial Personnel	None
Details of remuneration sought to be paid and the remuneration last drawn	Remuneration last drawn: Rs. 1,58,76,000/- during Financial Year 2021-22 as the Non-Executive Director of the Company.



	<u>Proposed remuneration:</u> Mr. Manish Shah is the Managing Director and Chief Executive Officer of Godrej Housing Finance Limited (GHFL), subsidiary of the Company and he currently draws remuneration from GHFL.
Terms and conditions of re-appointment	Mr. Manish Shah was appointed as Managing Director and Chief Executive Officer for a period of 3 years with effect from March 7, 2022 and liable to retire by rotation.

**Only statutory committees as required to be constituted under the Companies Act, 2013 have been considered.*

Place: Mumbai
Date: May 4, 2023

By Order of the Board of Directors
For Godrej Capital Limited

Sd/-
Manish Shah
Managing Director & Chief Executive Officer
DIN: 06422627

**Form no. MGT-11****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U67100MH2019PLC330262**Name of the Company:** Godrej Capital Limited**Registered Office:** Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East) Mumbai – 400 079

Name of the member (s):	
Address:	
E-mail ID:	
DP ID:	
Client ID/Folio No.:	

I/we, being the member (s) holding _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th (Fourth) Annual General Meeting of the Members of Godrej Capital Limited to be held on Monday, May 29, 2023 at 11:00 a.m. and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution	Type of resolution (Ordinary / Special)
1.	To review, consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2023, along with the report(s) of the Board of Directors and the Auditors thereon.	Ordinary
2.	To appoint a director in place of Mr. Manish Shah (DIN: 06422627), who retires by rotation and being eligible, has offered himself for re-appointment.	Ordinary
3.	Amendment of Articles of Association of the Company.	Special

Affix Re. 1/-
revenue
stamp

Signed this _____ day of _____ 2023.

Signature of shareholder(s): _____

Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



ATTENDANCE SLIP

Name of the member(s):	
Name of the Proxy:	
Folio No./ *DP ID and Client ID:	
No. of Equity shares	

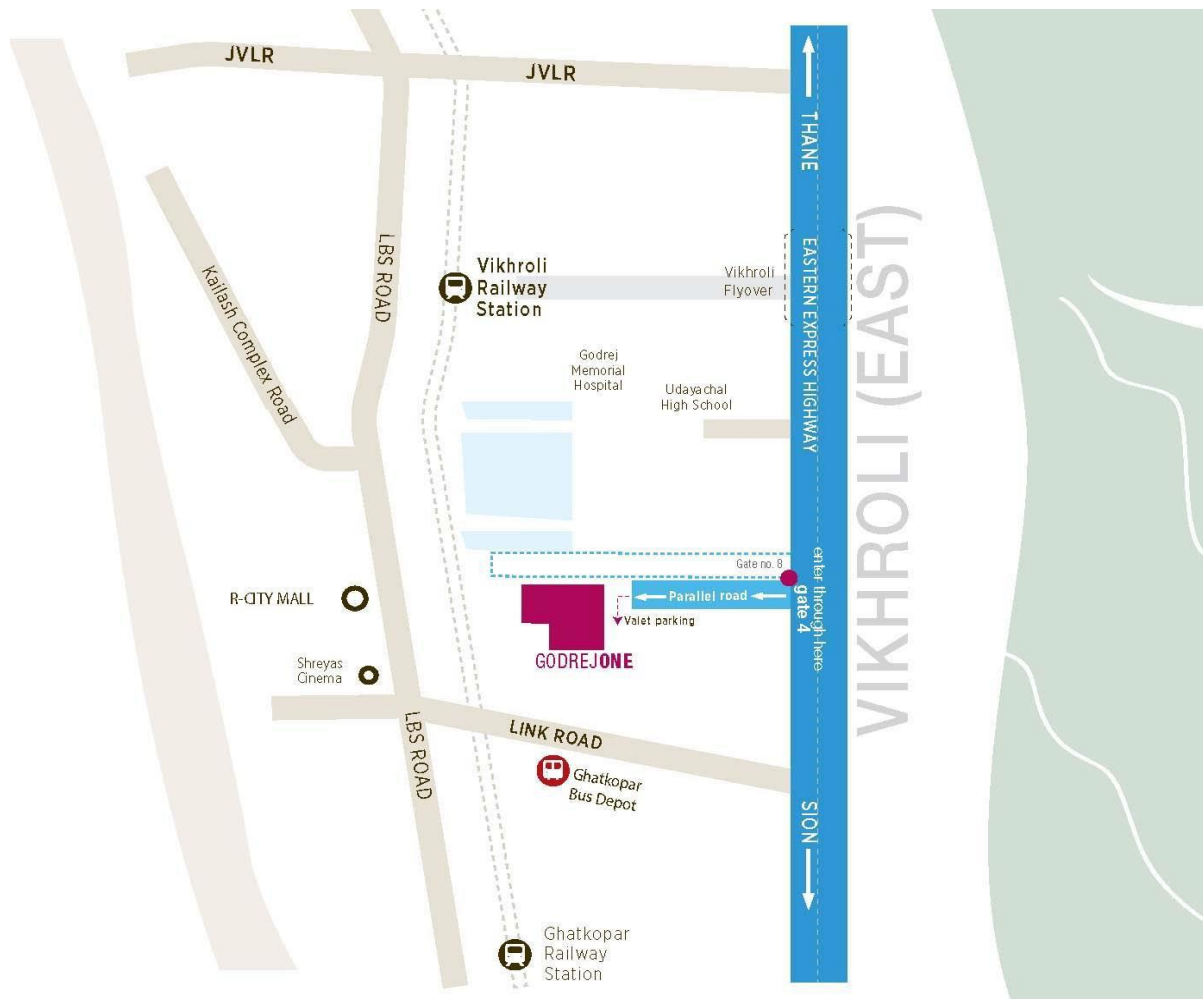
**Applicable for investors holding shares in electronic form*

I/We hereby record my/our presence at the 4th (**Fourth**) ANNUAL GENERAL MEETING of the Members of the Company on Monday, May 29, 2023, at 11 a.m. at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

Member's / Proxy's Signature
(To be signed at the time of handing over this slip)

- Notes.** 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain an additional attendance slip at the venue of the meeting.

ROUTE MAP FOR AGM VENU





Directors and Key Managerial Personnel	:	Mr. Pirojsha Godrej, Non-Executive Chairperson Mr. Manish Shah, Managing Director & Chief Executive Officer, Mr. Clement Pinto, Non-Executive Director, Mr. Kunal Karnani, Chief Financial Officer
Statutory Auditors		M/s. Kalyaniwalla & Mistry LLP Chartered Accountants Mumbai
Registered Office	:	Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400-079, Telephone Number: 022 68815555
Registrar & Share Transfer Agent	:	KFin Technologies Limited Registered office: Selenium, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032



BOARDS' REPORT

To
The Members,
Godrej Capital Limited

Your Directors submit their 4th Annual Report along with the Audited Accounts for the financial year ended March 31, 2023.

1. FINANCIAL AND OPERATIONAL REVIEW:

a. Financial Results

The Company's performance during the financial year ended March 31, 2023, as compared to the previous financial year ended March 31, 2022, is summarized below:

(Rs. In Lakhs)

Particulars	For the Financial year ended as on 31 st March 2023		For the Financial year ended as on 31 st March 2022	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	159.34	34,690.81	53.04	5,486.26
Total Expenditure	165.29	37,792.46	884.44	11,788.90
Profit/(Loss) before Tax	(5.95)	(3,101.65)	(831.40)	(6,302.64)
Tax Expense	9.73	10.12	-	0.59
Net Profit/(Loss) after Tax	(15.68)	(3,111.77)	(831.40)	(6,303.23)

b. Business Performance Highlights & State of Company's affairs

The Company is a Core Investment Company ("CIC") exempt from registration with the Reserve Bank of India (RBI) in line with Para 6 of Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, which exempts CICs which have not accessed any public funds from registering itself as a CIC with the RBI.

The main business of the Company is to primarily hold investments within the group entities. As part of the business strategy, the Group aims to nurture the financial services business under the umbrella of Godrej Industries Limited through the Company, its subsidiary.



During the financial year 2022-23, the Company invested Rs. ~209 Crores and Rs. ~475 Crores respectively in Godrej Housing Finance Limited (GHFL) and Godrej Finance Limited (GFL), subsidiaries of the Company.

Further, to simplify the capital structure of subsidiaries and to nurture the financial businesses of GHFL and GFL under the umbrella of the Company and to facilitate funding fungibility, robust management and entire value and operational consolidation at Godrej Capital level, on March 30, 2023 the Company acquired 5% stake held by PFI in both GHFL and GFL.

The aforesaid acquisition was made post receipt of necessary approvals including approval of the Department of Economic Affairs which was received on October 27, 2022.

Post the above acquisition, the Company holds 100% stake in GHFL and GFL which have now become wholly owned subsidiaries of the Company.

There was no change in the nature of business of the Company during the financial year under review.

c. Investment by PFI in the Company

On March 30, 2023, the Company allotted 12,275 (Twelve Thousand Two Hundred and Seventy-Five) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each at premium of Rs. 80,835.99/- (Eighty Thousand Eight Hundred Thirty-Five Rupees and Ninety-nine paise only) per share for an aggregate value of Rs. 99,23,84,527.25 /-(Ninety-Nine Crores Twenty-Three Lakhs Eighty Four Thousand Five Hundred and Twenty Seven Rupees and Twenty Five paise only) to PFI on private placement basis amounting to 5% stake in the Company in consideration for ("Issue through Private Placement"):

- (i) Acquisition of 5% stake held by PFI in GHFL and GFL comprising of 1,55,12,326 (One Crore Fifty-Five Lakhs Twelve Thousand Three Hundred and Twenty-Six) and 2,77,35,147 (Two Crore Seventy-Seven Lakhs Thirty-Five Thousand One Hundred and Forty Seven) equity shares respectively and,
- (ii) Cash consideration in USD equivalent to Rs. 51,99,980.94 /-(Fifty-One Lakhs Ninety-Nine Thousand Nine Hundred Eighty Rupees and Ninety Four paise only).

The aforesaid transaction was executed post receipt of necessary approvals including approval of the Government of India which was received on October 27, 2022.

The said amount has been utilized for the purpose it was raised for, i.e., for further investment into subsidiary companies.



Consequent to the aforesaid transaction, PFI holds 5% stake in the equity share capital of the Company as on March 31, 2023.

d. Disclosure regarding Holding, Subsidiary, Associates and Joint Venture Companies

The Company is a subsidiary of Godrej Industries Limited (GIL).

During the financial year under review, the Company did not have any Associate or Joint Venture Companies.

During the financial year under review, the 2 (two) subsidiaries of the Company viz. GHFL and GFL become wholly owned subsidiaries of the Company with effect from March 30, 2023.

As required under Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of GHFL and GFL as on March 31, 2023 in form AOC-1 has been attached herewith as **Annexure A**.

e. Assignment and Licensing of Trademarks

Assignment of Trademark

Godrej Properties Limited (GPL), subsidiary of GIL was the legal and beneficial owner of the trademark – “Godrej Housing Finance” under Class 36 of the Trademarks Act, 1999 read with rules thereunder.

As the Company is the holding company of GHFL which is engaged in the business of providing financial services for housing purpose, the Company purchased the trademark – “Godrej Housing Finance” from GPL on December 7, 2022. The Company has made an application to Registrar of Trademarks for Assignment of Trademark to Company on February 2, 2023, final approval for which is awaited.

Licensing of Trademark

GPL is the legal and beneficial owner of the trademark – “Godrej” under Class 36 of the Trademarks Act, 1999 read with rules thereunder.

As Company is engaged in business of investment and its subsidiaries, GHFL & GFL are engaged in the business of providing financial services for housing and other permitted purposes, the Company entered into a Licensing Agreement with GPL on December 7, 2022 for licensing the trademark – “Godrej” for all purposes under Class 36 of the Trademark Act except



real estate activities on such terms and conditions as detailed into the Agreement entered between them.

The assignment and licensing of trademark was carried post receipt of necessary approvals by both GPL and the Company.

f. Dividend

In view of loss incurred during the financial year under review, the Board of Directors have not recommended any dividend for the year.

g. Transfer to Reserves

In view of loss incurred during the financial year under review, the Board of Directors have not recommended transfer of any amount to reserves.

h. Public Deposits

Your Company has not accepted, renewed, or held any public deposits during the financial year under review.

Accordingly, the requirements under Chapter V of the Companies Act, 2013 ("the Act") read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014 are not applicable to your Company.

i. Particulars of Loans given, Investments made or guarantee or security provided by the Company

Your Company has not given any loans covered under Section 186 of the Act.

However, the Company has made investments in the equity shares of its subsidiary companies viz. GHFL and GFL in its ordinary course of business.

Details of said investments made by the Company have been covered under Notes to the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023.

j. Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangement / transactions entered into by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of



business of the Company. Thus, there were no transactions requiring disclosure under section 134(3)(h) of the Act. Hence, prescribed Form AOC-2 does not form a part of this report.

Details of transactions with related parties during the financial year under review are provided under Notes to the Audited Financial Statements.

2. SHARE CAPITAL AND CHANGES IN SHAREHOLDING

a. Authorized Share Capital of the Company

The Authorized Share Capital as on March 31, 2023, stood at Rs. 50,00,000/- (Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakh) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each.

b. Issued, Subscribed and Paid-up Share Capital of the Company

As on March 31, 2023, the Issued, subscribed, and paid-up Share Capital of the Company was Rs 24,54,960/- (Rupees Twenty Four Lakhs Fifty Four Thousand Nine Hundred and Sixty only) divided into 2,45,496 (Two Lakhs Forty Five Thousand Four Hundred and Ninety Six) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each fully paid-up.

c. Changes in Paid –up Share Capital of the Company during the year

During the financial year under review, the Company had made following allotments to:

1. Godrej Industries Limited, existing shareholder of the Company on Rights basis:

Sr. No	Date of allotment	No. of equity shares of face value Rs. 10 each allotted	Total Consideration (incl premium of Rs. 80,486.49/- per share)
1.	June 2, 2022	85,097	Rs. 6,85,00,09,809.53.

2. PAN FIN Investments LP on private placement basis:

Sr. No	Date of allotment	No. of equity shares of face value Rs. 10 each allotted	Total Consideration (incl premium of Rs. 80,835.99/- per share)
1.	March 30, 2023	12,275	Rs. 99,23,84,527.25



As on March 31, 2023, and as on date of this Report, Godrej Industries Limited and PAN FIN Investments LP hold 87.23 % and 5% of the Paid-up Equity Share Capital of the Company, respectively.

During the financial year under review, the Company has not:

- Issued Equity Shares with differential rights as to dividend, voting or otherwise as per Section 43 of the Act,
- Issued shares (including sweat equity shares) to employees of the Company under any scheme pursuant to Section 54 of the Act; and
- Issued Equity Shares under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

3. EMPLOYEE STOCK OPTION SCHEMES

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes that equity-based compensation plans are an effective tool to reward the employees of the Company for their contribution to the growth of the Company, to create an employee ownership in the Company, to attract new talents, to retain the key resources and knowledge in the organization.

With this objective in mind, the Company has implemented the following schemes for benefit of the present and future permanent employees of the Company and its subsidiaries:

- **Godrej Capital Employee Stock Option Scheme 2021**

The Members had vide resolution passed at the Extra-Ordinary General Meeting held on January 5, 2021 approved Godrej Capital Employee Stock Option Scheme 2021.

Pursuant to the aforesaid scheme, the Company has granted 2,794 options to eligible employees of which 296 options have lapsed and as on date 2,498 options are active.

Disclosure as required to be given pursuant to Section 62(1)(b) of the Act read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are enclosed as **Annexure B**.

- **Godrej Capital Employee Stock Option Scheme 2022**

The Board of Directors have at their meeting held on May 16, 2022, approved the implementation of GCL Employee Stock Option Scheme 2022 for the present and future permanent employees of the Company and its subsidiaries. The said scheme was approved by the Members at its Annual General Meeting held on June 1, 2022.



Pursuant to the aforesaid scheme, the Company has granted 934 options to eligible employees of which 16 options have lapsed and as on date, 918 options are active.

Disclosure as required to be given pursuant to Section 62(1)(b) of the Act read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are enclosed as **Annexure B**.

4. BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND COMMITTEES:

a. Board of Directors

The composition of the Board is in accordance with the provisions of Section 149 of the Act. The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition meets this objective. The directors are persons of eminence in areas such as business, industry, finance, law, administration etc., and bring with them experience / skills which add value to the performance of the Board.

The directors are selected purely on the basis of merit with no discrimination on race, color, religion, gender or nationality.

As on March 31, 2023, the Board of Directors of the Company comprised of following Directors:

Name of Director	DIN	Type
Mr. Pirojsha Godrej	00432983	Non-Executive Chairperson
Mr. Manish Shah	06422627	Managing Director & Chief Executive Officer
Mr. Clement Pinto	06575412	Non-Executive Director

During the financial year under review, there were no pecuniary relationships/transactions of any of the Non-Executive Directors with the Company.

b. Board Meetings

Table containing details of Board Meetings along with dates are as follows:

S. No	Title of Body	No. of Meeting(s)	Date of Meeting(s)
1.	Board of Directors	6 (Six)	1. April 12, 2022 2. May 16, 2022 3. August 4, 2022 4. November 9, 2022 5. February 1, 2023 6. March 23, 2023



The maximum gap between two Board Meetings did not exceed one hundred and twenty days or such gap as permitted under the provisions of the Act. Requisite quorum was present in each meeting.

The Annual General Meeting for the Financial Year 2021-22 was held on June 1, 2022, at the Registered office of the Company.

Attendance of each Director at the Board Meetings and the last Annual General Meeting is given under:

Names of Directors	Category	No. of Board Meetings		Attendance at Last AGM held on June 1, 2022
		Held during Director's tenure	Attended	
Mr. Pirojsha Godrej	Non-Executive Director & Chairperson	6	6	Yes
Mr. Manish Shah	Managing Director & Chief Executive Officer	6	6	Yes
Mr. Clement Pinto	Non-Executive Director	6	6	Yes

c. Committees of the Board

During the financial year under review, the Board of Directors at their meeting held on May 16, 2022, constituted the Corporate Social Responsibility (CSR) Committee of the Company pursuant to provisions of Section 135 of the Act read with applicable rules thereunder, with the following members:

Sr. No	Name of Members*	Designation
1.	Mr. Manish Shah – Chairperson	Managing Director & Chief Executive Officer
2.	Mr. Clement Pinto	Non-Executive Director

** As per Section 135 of the Act, incase appointment of Independent Directors is not applicable to the Company, CSR Committee shall comprise of two or more non-independent directors.*

Further, CSR contribution as mandated under Section 135 of the Act shall be made when the Company make profits and falls under the category of mandatory spending for CSR as specified under the Act.



During the financial year under review, your Company was not required to constitute an Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee in terms of the provisions of Section 177 and 178 of the Act.

d. Director's Disclosures

Based on the declarations and confirmations received in terms of the provisions of the Act, none of the Directors of the Board of your Company are disqualified from being appointed as Directors.

e. Retirement by Rotation:

Pursuant to the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Manish Shah, Managing Director & Chief Executive Officer being the longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The Board of Directors recommend his appointment, and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

Pursuant to the Secretarial Standards – 2 on General Meetings, brief details of Mr. Manish Shah, are provided as Annexure to the Notice of the Annual General Meeting.

f. Key Managerial Personnel ("KMP")

During the financial year under review, Mr. Kunal Karnani was appointed as the Chief Financial Officer of the Company and designated as KMP with effect from August 5, 2022, in accordance with the provisions of Section 203 of the Act and Rules made thereunder.

As on March 31, 2023, KMPs of the Company is as under:

Name	Designation
Mr. Manish Shah	Managing Director and Chief Executive Officer
Mr. Kunal Karnani	Chief Financial Officer



g. The disclosures under Schedule V of the Companies Act, 2013 is as follows:

Corporate Governance

- All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors. Details of fixed component. and performance linked incentives along with the performance criteria:

None of the Directors draw any remuneration from the Company. Mr. Manish Shah, Managing Director & Chief Executive officer draws remuneration from GHFL, Subsidiary Company.

- **Service contracts, notice period, severance fees:** Not applicable.
- **Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:**
No stock options have been granted to Mr. Manish Shah by the Company.

h. Disclosure pursuant to Section 197 (14) of the Act:

Mr. Manish Shah, Managing Director & Chief Executive officer of the Company has received remuneration of Rs. 3,89,96,448 from GHFL, Subsidiary Company during the financial year 2022-23.

i. Disclosure pursuant to Section 197 (12) of the Act

The information required to be incorporated pursuant to the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable to the Company.

5. CORPORATE SOCIAL RESPONSIBILITY POLICY:

During the financial year under review, the Company has adopted the Corporate Social Responsibility (CSR) Policy of the Company in accordance with the requirements of the Act containing details specified therein, which is available on the website of the Company at www.godrejcapital.com.

The Company is yet to make profits; thus it does not fall under the category of mandatory spending under CSR as per the Act. Further, once the Company falls under the category of mandatory spending under CSR, the Company would identify the suitable CSR projects/activities in line with CSR Policy.



During the financial year under review, there was no amendment made to the CSR Policy.

An annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure C** to this Report.

6. OTHER MATTERS AND DISCLOSURES

a. Directors' Responsibility Statement

Pursuant to the provisions contained in Section 134(3)(c) read with section 134(5) of the Act, the Directors of your Company confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period,
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities,
- that the annual accounts have been prepared on a going concern basis,
- that proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

b. Internal Financial Controls

The Board has laid down Internal Financial Controls ("IFC") within the meaning of the explanation to section 134 (5) (e) of the Act which is reviewed by Statutory Auditors on regular basis.

c. Internal Control Systems

The Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations.



Further, there were no elements of risk during the financial year under review which would affect the existence of the Company.

d. Copy of Annual Return

In terms of provisions of Section 92 of the Act read with Rule 12 of Companies (Management and Administration) Rules, the copy of Annual Return of the Company in form MGT-7 is available on the website of the Company at www.godrejcapital.com.

e. Confirmation on Fraud, misfeasance or any irregularity in the Company

There were no instances of fraud, misfeasance or irregularity detected and reported in the Company during the financial year 2022-23.

7. AUDITORS AND THEIR REPORTS:

The matters related to Auditors and their Reports are as under:

a. Statutory Auditors

The Board of Directors of the Company had at their Meeting held on August 31, 2020 approved appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No.104607W/W100166) as the Statutory Auditors of the Company to hold office from the conclusion of the 1st (First) Annual General Meeting (AGM) until the conclusion of the 6th (Sixth) Annual General Meeting of the Company, to be held in the year 2025 which was subsequently approved by the Members at the 1st (First) AGM of the Company held on September 2, 2020.

b. Statutory Auditors' Report

The Statutory Auditor's Report on the Financial Statements issued by M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), for the financial year ended on March 31, 2023, does not contain any qualification, reservation, adverse remark or disclaimer. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

c. Fraud Reporting

There has been no instance of fraud reported by the Auditors under Section 143(12) of the Act and the Rules framed thereunder, either to the Company or to the Central Government.



d. Secretarial Audit

As the Company is a material unlisted subsidiary of Godrej Industries Limited ("GIL") as per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board had appointed M/s Rath and Associates, Company Secretaries (Membership No.: FCS 8568; Certificate of Practice No.: 10286) to undertake the Secretarial Audit of the Company for FY 2022-23.

The Secretarial Audit Report for FY 2022-23 is appended as **Annexure D** to this Report and same was noted by the Board of Directors at their meeting held on May 4, 2023.

The aforesaid report does not contain any qualifications, reservations, adverse remarks or disclaimers and therefore does not call for any explanation or comments from the Board.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. Conservation of Energy & Technology Absorption:

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' since the Company is engaged in carrying on business of an investment company. However, the Company understands the importance of energy conservation from the perspective of protection of the environment.

b. Foreign Exchange and Earnings / Outgo:

(Rs in Lakhs.)

	For the Financial year ended as on 31 st March 2023	For the Financial year ended as on 31 st March 2022
Actual Foreign Exchange earnings	-	-
Actual Foreign Exchange outgo	-	-

9. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013:

The Company does not have any employees as on date thus provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company. However, GHFL and GFL, subsidiaries of the Company have adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and have also



constituted an Internal Complaints Committee in line with the provisions of the said Act and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

10. SECRETARIAL STANDARDS:

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

11. OTHER DISCLOSURES:

During the year under review, the Company has not obtained any registration / license / authorization, by whatever name called from any other financial sector regulators.

12. GENERAL:

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

- Significant material changes and commitments between the end of financial year of the Company and the date of the Report which could affect the Company's financial position.
- Revision of the financial statements of the previous years during the financial year under review.
- Exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act.
- Significant material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act,
- Statement indicating the manner in which formal annual evaluation of the performance of the Board, its committees and of individual Directors has been made,
- Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review,
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

13. ACKNOWLEDGEMENTS:

Your directors take this opportunity to express their sincere gratitude to the customers of Godrej Capital Limited for their confidence and patronage; to the shareholders, regulatory bodies, for



their unyielding support and guidance; and to the employees for their commitment, hard work and zeal during the year.

For and on behalf of the Board of Directors
For Godrej Capital Limited

Sd/-

Pirojsha Godrej
Chairperson
DIN: 00432983

Sd/-

Manish Shah
Managing Director & Chief Executive Officer
DIN: 06422627

Place: Mumbai

Date: May 4, 2023

Registered Office:

Godrej One, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079
CIN: U67100MH2019PLC330262
Tel No.: 022 68815555

**Form AOC- 1****(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies****(Accounts) Rules, 2014)****Statement containing salient features of the financial statement of subsidiaries or
associate companies or Joint ventures****Part A: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs.)

Name of the subsidiary	Godrej Housing Finance Limited
The date since when subsidiary was acquired	August 24, 2021
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
Share capital	Rs. 31,024.66
Reserves and Surplus	Rs. 36,542.55
Total assets	Rs. 4,51,824.84
Total Liabilities	Rs. 3,84,257.63
Investments	Nil
Turnover	Rs. 27,968.11
Profit / Loss before taxation	Rs. 3,802.15
Provision for taxation	Nil
Profit / Loss after taxation	Rs. 3,802.15
Proposed Dividend	-
Extent of shareholding (in percentage)	100

Name of the subsidiary	Godrej Finance Limited
The date since when subsidiary was acquired	August 24, 2021
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
Share capital	Rs.55,470.33
Reserves and surplus	Rs. (7,206.11)
Total assets	Rs.1,71,597.24
Total Liabilities	Rs. 1,23,333.02
Investments	Rs. 19,514.26
Turnover	Rs. 6,559.86
Profit / Loss before taxation	Rs. (6,897.86)
Provision for taxation	Rs. 0.39
Profit / Loss after taxation	Rs. (6,898.25)
Proposed Dividend	-
Extent of shareholding (in percentage)	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - **NIL**
- Names of subsidiaries which have been liquidated or sold during the year – **NIL**.

Part B: Associates and Joint Venture- Not Applicable

For and on behalf of the Board of Directors
Godrej Capital Limited

Sd/-
Pirojsha Godrej
Chairperson
DIN: 00432983
Place: Mumbai
Date: May 4, 2023

Sd/-
Manish Shah
Managing Director and CEO
DIN: 06422627

Registered Office:
Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli
(East), Mumbai 400 079
CIN: U67100MH2019PLC330262
Tel No.: 022 68815555

**Annual Report on Corporate Social Responsibility (“CSR”) [Pursuant to Companies
(Corporate Social Responsibility Policy) Rules, 2014]**

1. Brief outline on CSR Policy of the Company

The Company has prepared the Corporate Social Responsibility Policy (“CSR Policy”) in alignment with its objective, principles and values, delineating its responsibility as a socially and environmentally responsible corporate citizen. This CSR Policy lays down the principles and mechanisms for undertaking various programs in accordance with the requirements provided under Section 135 of The Companies Act 2013 (“the Act”), read with Schedule VII to the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended along with subsequent amendments.

The Board of the Directors of the Company has approved this CSR Policy, on recommendation by the CSR Committee, on August 4, 2022. Any or all provisions of this CSR Policy are subject to the applicable provisions of the Companies Act, 2013, and any subsequent amendments thereof made from time to time.

2. Composition of CSR Committee

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Manish Shah	Managing Director & Chief Executive Officer	1	1
2.	Mr. Clement Pinto	Non-Executive Director	1	1

3. Web-link where the following are disclosed on the website of the Company:

- a. Composition of CSR Committee and CSR Policy:
<https://www.godrejcapital.com/information-and-policy-gc.html>
- b. CSR Projects approved by Board: The Company does not fall under the category of mandatory spending for CSR as per the Act, as the Company is yet to make profits.

Further, once the Company falls under the category of mandatory spending for CSR, the Company would identify the suitable CSR projects/activities in line with CSR Policy. The Company will also establish a robust project/activity monitoring

and evaluation mechanism for such CSR spends to ensure that every project/activity is in accordance with the requirements under the Act.

4. **Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** NA
5. (a) **Average Net Profit of the Company as per section 135(5):** Rs. (15.68) Lakhs

(b) **Two percent of Average Net Profit of the company as per section 135(5):** Rs. (0.31) Lakhs

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set off for the financial year, if any:** Nil

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Nil
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** NA

(b) **Amount spent in Administrative Overheads –** Nil

(c) **Amount spent on Impact Assessment, if applicable-** Nil

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Nil

(e) **CSR amount spent or unspent for the Financial Year:** Nil

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NA					

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. (31,361.15)
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

7. Details of Unspent CSR amount for the preceding three financial years: Not applicable as the Company was not required to spend amounts towards CSR activities as per Act.

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
NA							

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No
9. The reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

Sd/-
Pirojsha Godrej
Chairperson of the Board
DIN: 00432983

Sd/-
Manish Shah
MD&CEO and Chairperson of the Committee
DIN: 06422627

Place: Mumbai
Date: May 4, 2023

Rathi & Associates

COMPANY SECRETARIES

A-303, Prathamesh, 3rd Floor, Raghuvanshi Mills Compound, 11-12, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel.: 4076 4444 / 2491 1222 • Fax : 4076 4466 • E-mail : associates.rathi8@gmail.com

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

To,
The Members
Godrej Capital Limited
Godrej One, Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai - 400079

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Godrej Capital Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on 31st March, 2023, according to the provisions of:
 - (i) The Companies Act, 2013 ("the Act") and the rules made there under to the extent applicable;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
 - (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under Overseas Direct Investment and External Commercial Borrowings; (*applicable to the extent of Foreign Direct Investment*);



2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the audit period under report viz.:
- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - iv. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - v. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - ix. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding dealing with client; and
 - x. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, no other Acts, Laws and Regulations are applicable specifically to the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards – 1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Executive Director. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As regards, events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. we report that during the year under report, the Company;

- (i) The following Equity Shares of face value of Rs. 10/- each, ranking pari passu with the existing Equity Shares of the Company, were issued on a Rights basis at a premium of Rs. 80486.49 per Equity Share to the existing Shareholders of the Company:

Date of Allotment	No. of Equity Shares	Issue price (including Premium) per Share (in Rs.)	Total Consideration (In Rs.)
02.06.2022	85,097	80496.49	685,00,09,809.53

- (ii) The Shareholders of the Company, at their Annual General Meeting held on 1st June 2022 approved the GCL Employee Stock Option Scheme 2022 and grant of Employee Stock Options to the Employees of the Company and employees of the Subsidiary company (ies).



- (iii) Pursuant to approval of the Shareholders of the Company at the Extra- Ordinary General Meeting held on 24th March 2023, the Board of Directors of the Company, issued and allotted 12,275 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 80,835.99/- per share, aggregate value of Rs. 99,23,84,527.25 /- to Pan Fin Investments LP (PFI) on private placement basis on 30th March 2023.

For RATHI & ASSOCIATES
COMPANY SECRETARIES



Neha R Lahoty

NEHA R LAHOTY
PARTNER

M. No. FCS 8568

C.P. No. 10286

UDIN: F008568E000328723

P.R. Certificate No.: 668/2020

Place: Mumbai
Date: May 18, 2023

Note: This report should be read with our letter which is annexed as Annexure II and forms an integral part of this report.

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March 2022.
3. Minutes of the meetings of the Board of Directors and Committees held during the financial year under report along with Attendance Register.
4. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
5. Proof of circulation of draft Board and Committee meetings minutes as per Secretarial Standards.
6. Various policies made under the Companies Act, 2013.
7. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation;
8. Minutes of General Body Meetings held during the financial year under report.
9. Statutory registers applicable to the Company under the Companies Act, 2013.
10. Agenda papers submitted to all the Directors/members for the Board Meetings.
11. Declarations/Disclosures received from the Directors/ Chief Financial Officer of the Company pursuant to the provisions of Section 184(1) and Section 164(2) of the Companies Act, 2013.
12. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
13. Statement of Related Party Transactions entered into by the Company during the financial year under report;
14. Details of Sitting Fees paid to all Non - Executive Directors for attending the Board Meetings and Committees.



To
The Members
Godrej Capital Limited
Mumbai

Dear Sirs,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES



Neha R Lahoty

NEHA R LAHOTY
PARTNER

M. No. FCS 8568

C.P. No. 10286

UDIN: F008568E000328723

P.R. Certificate No.: 668/2020

Place: Mumbai
Date: May 18, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members Of
Godrej Capital Limited (*formerly, Pyxis Holdings Limited*)

Report on the Audit of the Ind-AS Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Godrej Capital Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, (Ind-AS), and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the '*Auditor's Responsibilities for the Audit of the Standalone Financial Statements*' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information specified above, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are 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 of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration which would require requisite approvals mandated by the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 24 to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) contain any material mis-statement.

- v. The Company has not declared or paid any dividend during the year ended March 31, 2023.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Registration No.: 104607W/W100166

Roshni R. Marfatia
Partner
Membership No.: 106548
UDIN: 23106548BGUVXT9731
Place: Mumbai
Dated: May 4, 2023

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Standalone Financial Statements for the year ended March 31, 2023)

1. a. (A) The Company does not have any property, plant and equipment. Accordingly, paragraph 3(i)(a)(A) of the Order is not applicable to the Company.

(B) In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.
- b. The Company does not have any property, plant and equipment. Accordingly, paragraph 3(i)(b), 3(i)(c) of the Order is not applicable to the Company.
- c. The Company does not have any property, plant and equipment. In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not revalued any of its intangible assets during the year.
- d. According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
2. a. The Company does not have inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- b. The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence paragraph 3(ii)(b) of the Order is not applicable.
3. a. In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has made investments in two subsidiaries during the year aggregating Rs. 78,366.84 lakhs. During the year ended March 31, 2023, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order with respect to guarantee / security / loans or advances in the nature of loans is not applicable to the Company.
- b. In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the investments made are not prejudicial to the Company's interest.
4. In our opinion and according to the information and explanations given to us, and based on the audit procedures performed by us, the Company has complied with the provisions of section 186 of the Act, with respect to investments made. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

5. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.
6. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, paragraph (vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us and records of the Company examined by us, in our opinion:
 - a. the Company is generally regular in depositing the undisputed statutory dues including Income Tax, Goods and Services Tax and Cess with the appropriate authorities and there are no undisputed amounts which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable. The Company does not have any dues with respect to Provident Fund, Employees' State Insurance, Duty of Customs and Professional Tax.
 - b. there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Services Tax which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the information and explanations given to us, and based on the audit procedures performed by us, there are no transactions that are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company does not have any loans or other borrowings during / as at the period ended March 31, 2023. Accordingly, paragraphs 3(ix)(a), (b), (c) and (f) of the Order are not applicable to the Company.

On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

10. a. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
 - b. During the year, the Company has not made any preferential allotment of shares or convertible debentures (fully or partly or optionally). The Company has made private placement of shares during the year and the requirements of section 42 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised.
11. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b. No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of the audit report.

- c. As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
 - 13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS. The provisions of Section 177 of the Act are not applicable to the Company since it is not required to constitute an audit committee.
 - 14. According to the information and explanations given to us, it is not mandatory for the Company to have an internal audit system. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
 - 15. According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
 - 16. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
 - b. The Company has not conducted any non-banking financial or housing finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
 - c. The company is a Core Investment Company not requiring registration with the RBI as defined in the regulations made by the RBI. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
 - d. According to the information and explanation given to us by the management, the Group does not have any other core investment companies which are registered with the RBI.
 - 17. The Company has not incurred cash losses in the current financial year. It had incurred cash losses aggregating Rs. 831.40 lakhs in the immediately preceding financial year.
 - 18. There has been no resignation of the statutory auditor during the year ended March 31, 2023. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.
 - 19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations give to us, and based on the audit procedures performed by us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Registration No.: 104607W/W100166

Roshni R. Marfatia
Partner
Membership No.: 106548
UDIN: 23106548BGUVXT9731
Place: Mumbai
Dated: May 4, 2023

Annexure B to the Independent Auditor's Report

(Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2023).

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

We have audited the internal financial controls with reference to financial statements of Godrej Capital Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No.: 104607W/W100166

Roshni R. Marfatia

Partner

Membership No.: 106548

UDIN: 23106548BGUVXT9731

Place: Mumbai

Dated: May 4, 2023

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

		(Amount in Lakhs)	
	Note	As at March 31, 2023	As at March 31, 2022
A ASSETS			
Non Current Assets			
Intangible Assets	3	237.89	-
Financial Assets			
Investments in Subsidiaries	4	1,58,255.26	79,888.42
Other Tax Assets (net)		8.22	44.64
Other Non Current Assets	5	88.90	76.02
Current Assets			
Financial Assets			
Investments	6	10.23	-
Cash and Cash Equivalents	7	21.47	66.08
Other Financial Assets	8	5.23	-
TOTAL ASSETS		1,58,627.19	80,075.16
B EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	24.55	14.81
Other Equity	10	1,58,451.31	80,056.50
TOTAL EQUITY		1,58,475.86	80,071.31
Current Liabilities			
Financial Liabilities			
Trade Payables	11		
Total outstanding dues of micro enterprise and small enterprises		-	-
Total outstanding dues of creditors other than small enterprises and micro enterprises		19.73	3.66
Other Financial Liabilities	12	119.24	-
Other Current Liabilities	13	12.37	0.19
TOTAL LIABILITIES		151.33	3.85
TOTAL EQUITY AND LIABILITIES		1,58,627.19	80,075.16
Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/W100166

For & on behalf of the Board of Directors

Roshni Marfatia
Partner

Membership Number: 106548
 Date: May 4, 2023
 Place: Mumbai

Manish Shah
Managing Director
and CEO
 DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
 DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Lakhs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Other Income	14	159.34	53.04
Total Income		159.34	53.04
Expenses			
Employee Benefits Expenses	15	66.06	857.60
Amortisation Expenses	3	7.74	-
Other Expenses	16	91.49	26.84
Total Expenses		165.29	884.44
(Loss) Before Tax		(5.95)	(831.40)
Tax Expense			
Current Tax		-	-
Short provision for earlier years		9.73	-
Deferred Tax Charge/ (Credit)		-	-
(Loss) After Tax		(15.68)	(831.40)
Other Comprehensive Income		-	-
Total Comprehensive (Loss) for the year		(15.68)	(831.40)
Earnings Per Equity Share			
Basic and Diluted in Rs.	17	(7.17)	(864.92)
Face Value Per Share in Rs.		10.00	10.00

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/W100166

For & on behalf of the Board of Directors

Roshni Marfatia
Partner

Membership Number: 106548
 Date: May 4, 2023
 Place: Mumbai

MANISH SHAH
Managing Director and
CEO
 DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
 DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

Particulars

(Amount in Lakhs)

As at March 31, 2023

As at March 31, 2022

	No. of Shares	Amount	No. of Shares	Amount
Balance at the Beginning of the Year	1,48,124	14.81	39,091	3.91
Changes in Equity Share Capital during the Year	97,372	9.74	1,09,033	10.90
Balance at the end of the Year	2,45,496	24.55	1,48,124	14.81

B. Other Equity

	Reserves and Surplus		Other Equity	
Particulars	Retained Earnings	Securities Premium Reserve	Employee Stock Compensation Reserve	Total
Balance as at April 01, 2021	(13.44)	-	0.01	(13.43)
(Loss) for the Year	(831.40)	-	-	(831.40)
Employee Stock Compensation Expense for the Year	-	-	0.04	0.04
Total	(844.83)	-	0.05	(844.78)
Additions to Security Premium Account	-	80,905.32	-	80,905.32
Share Issue Expenses	-	(4.04)	-	(4.04)
Balance as at March 31, 2022	(844.83)	80,901.28	0.05	80,056.50
(Loss) for the Year	(15.68)	-	-	(15.68)
Employee Stock Compensation Expense for the Year	-	-	22.06	22.06
Other Comprehensive Income for the Year	-	-	-	-
Total	(860.51)	80,901.28	22.11	80,062.88
Additions to Security Premium Account	-	78,414.21	-	78,414.21
Share Issue Expenses	-	(25.78)	-	(25.78)
Balance as at March 31, 2023	(860.51)	1,59,289.71	22.11	1,58,451.31

A description of the purposes of each reserve within equity has been disclosed in the Note 8.1.

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For & on behalf of the Board of Directors

Roshni Marfatia

Partner

Membership Number: 106548

Date: May 4, 2023

Place: Mumbai

MANISH SHAH

Managing Director and CEO

DIN: 06422627

Pirojsha Adi Godrej

Non executive

Chairperson

DIN: 00432983

Kunal Karnani

CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

		(Amount in Lakhs)	
		For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash Flow from Operating Activities			
(Loss) before tax		(5.95)	(831.40)
Adjustments for :			
Employee Stock Compensation Expense		22.06	0.04
Net gain on fair value changes		(157.92)	(18.34)
Interest income on fixed deposit		-	(34.70)
Operating Cash Flow before Working Capital Changes		(141.81)	(884.40)
Adjustments for :			
Increase/(Decrease) in Other Current Financial Liabilities		16.07	(8.35)
Increase in Other Current Liabilities		12.18	0.14
(Increase) in Other Current Assets		(18.10)	(75.92)
Cash (used in) Operations		(131.66)	(968.53)
Direct Taxes paid		26.69	(44.63)
Net Cash (Utilised) in Operating Activities	(A)	(104.97)	(1,013.16)
B Cash Flow From Investing Activities			
Purchase of Shares		(68,495.00)	(79,888.42)
Purchase of Intangible		(118.65)	-
Purchase of Investment		(1,16,292.14)	(24,831.75)
Sale of Investment		1,16,439.82	24,850.09
Proceeds from fixed deposits with banks		52.64	44,260.95
Investment in fixed deposits with banks		(52.61)	(44,260.95)
Interest income received from fixed deposits with banks		(0.03)	34.70
Net Cash (Utilised) in Investing Activities	(B)	(68,465.96)	(79,835.38)
C Cash Flow From Financing Activities			
Proceeds from issue of Equity shares		68,552.10	80,916.23
Share issue expenses		(25.78)	(4.04)
Net Cash Generated From Financing Activities	(C)	68,526.32	80,912.19
Net (Decrease)/Increase In Cash And Cash Equivalents	(A+B+C)	(44.61)	63.64
Cash and Cash Equivalents at the beginning of the year		66.08	2.44
Cash and Cash Equivalents at the end of the year		21.47	66.08
Note:			
Cash and Cash Equivalents at year end comprises:			
Cash in Hand		-	-
Balances with Banks in Current Accounts		21.47	66.08
		21.47	66.08

The Cash Flows Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" and presents cash flows by operating, investing and financing activities.

As per our report of even date attached
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

For & on behalf of the Board of Directors

Roshni Marfatia
Partner
 Membership Number: 106548
 Date: May 4, 2023
 Place: Mumbai

Manish Shah
Managing Director
and CEO
 DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
 DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 General Information

a) Corporate Information

GODREJ CAPITAL LIMITED ("the Company") (Formerly known as Pyxis Holdings Limited) was incorporated on September 06, 2019 having Corporate Identity Number (CIN): U67100MH2019PLC330262 as a company limited by shares. The Company was formed with the purpose to carry on the business of an investment company and to invest in and acquire, hold, sell, buy, subscribe or otherwise deal in shares, stocks, debentures, bonds, units, negotiable instruments, obligations and other financial instruments issued by any company.

b) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended March 31, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements. The Financial Statements of the Company for the year ended March 31, 2023 are approved by the Board of Directors on May 4, 2023.

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) Functional and Presentation Currency

The financial statements are presented in Indian rupees in lakhs, which is the functional currency of the Company. All financial information has been rounded to the nearest Lakh, unless otherwise indicated.

d) Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting.

e) Use of Estimates, Judgements & Assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Changes in the estimates are recognised in the year these arises.

On the reporting dates there are no assets, liabilities, income and expenses which require the management to make judgements, estimates or assumptions.

f) Recent accounting pronouncements and impact thereon:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2 Significant Accounting Policies

a) Intangible assets

Recognition and measurement

The intangible assets consists of Brand & Trademark. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortised as per management's estimate over a period of 10 years or licence period whichever is earlier. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

b) Financial Assets

(i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(iii) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as income in the Statement of Profit and Loss.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(v) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

c) Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable

(ii) Subsequent measurement

Financial liabilities are subsequently classified and measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Financial liability is also derecognised on modification of terms of contract and when cash flows under modified terms are substantially different.

d) Revenue Recognition

Other Income:

- (i) Dividend income is recognised when the right to receive the same is established.
- (ii) Interest income is recognised on the time proportion basis.
- (iii) Profit/loss on sale of investments is accounted on the trade dates.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

f) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognised on timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

g) Cash & Cash Equivalents:

Cash & Cash Equivalents comprises of cash at bank and in hand and deposits with banks with an original maturity of three months or less.

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non- cash nature and any deferrals or accruals of past or future cash receipts or payments.

h) Investment in Subsidiaries & Associates

Investment in Subsidiaries and Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On the disposal of investments in subsidiaries, associates and jointly controlled entities, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of Profit and Loss.

i) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Employee Benefits

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee rendered the related services.

k) Share-based Payment

The grant date fair value of equity-settled share-based payment awards/options granted to employee is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The fair value of the options at the grant date is calculated on the basis of Black Scholes Model. The amount recognised as an expense is adjusted to reflect the number of awards/options for which the related service are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards/options that meet the related service at vesting period.

l) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present obligation as a result of past event, the amount of which can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Provisions are not discounted to its present value and are determined based on current best estimate.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, as a contingent liability.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 3: Other Intangible Assets

(Amount in Lakhs)

	Intangible Assets	
	Brand & Trademark	Total
Gross Carrying Amount		
As at March 31, 2022	-	-
Additions	245.63	245.63
Disposals	-	-
As at March 31, 2023	245.63	245.63
Amortisation as on 1st April, 2022	-	-
Additions	7.74	7.74
Disposals	-	-
Amortisation as on 31st March, 2023	7.74	7.74
Net Carrying Amount		
As at March 31, 2023	237.89	237.89
As at March 31, 2022	-	-

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Lakhs)

	Face Value		As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount	Number	Amount
Note 4: Non Current Financial Assets - Investments in Subsidiaries						
Investment in equity instrutments at cost (fully paid)						
Godrej Housing Finance Limited	10	3,102	1,01,306.36		2,483	73,302.89
Godrej Finance Limited	10	5,547	56,948.90		667	6,585.53
		8,649	1,58,255.26		3,150	79,888.42
Aggregate Amount of Quoted Investments			-			-
Aggregate Amount of Unquoted Investments			1,58,255.26			79,888.42
Aggregate Provision for Diminution in the Value of Investment			-			-
Market Value of Quoted Investments			-			-

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Lakhs)

As at	As at
March 31, 2023	March 31, 2022

Note 5: Other Non Current Assets

Balance with government authorities	88.70	75.92
Other Receivables	0.20	0.10
	88.90	76.02

Note 6: Current Financial Assets - Investments

Investments in Mutual Funds		
At fair value through profit and loss (Quoted)		
ABSLI Liquid Fund Growth Direct Plan	10.23	-
	10.23	-

Note 7: Current Financial Assets - Cash and Cash Equivalents

(i) Balances with Banks		
-Current Accounts	21.47	66.08
	21.47	66.08

Note 8: Other Financial Assets

Other Receivables	5.23	-
	5.23	-

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Lakhs)

Note 9: Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity shares of Rs. 10/- each	5,00,000	50.00	5,00,000	50.00
	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed and Fully paid up				
Equity Shares of Rs.10/- each, fully paid up	2,45,496	24.55	1,48,124	14.81
	2,45,496	24.55	1,48,124	14.81

Notes:

a) Reconciliation of Shares outstanding at the beginning and at the end of the Year -

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares				
Outstanding at the beginning of the year	1,48,124	14.81	39,091	3.91
Issued during the year	97,372	9.74	1,09,033	10.90
Outstanding at the end of the year	2,45,496	24.55	1,48,124	14.81

b) Terms / Rights attached to Shares -

i) Equity Shares

The Company has one class of equity shares. Each equity share entitles the holder to one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

c) Details of Shares held by Holding Entity, Ultimate holding Entity, their subsidiaries and associates -

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
(i) Equity shares held by holding entity:				
Godrej Industries Limited	2,14,130	87.23%	1,29,033	87.11%

d) Shareholders holding more than 5% shares in the Company -

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
(i) Equity shares held by holding entity:				
Godrej Industries Limited	2,14,130	87.23%	1,29,033	87.11%

f) There are no equity shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

g) i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or

ii) Allotted as fully paid up bonus shares; or

iii) Bought back any of its equity shares.

h) There are no calls unpaid on any equity shares.

i) There are no forfeited shares.

j) No shareholding of promoter as on 31st March, 2023 or as on 31st March, 2022

Note 10: Other Equity

	As at Mar 31, 2023	As at March 31, 2022
Securities Premium Reserve	1,59,289.72	80,901.28
Retained Earnings	(860.52)	(844.83)
Employee Stock Grants Outstanding	22.11	0.05
	1,58,451.31	80,056.50

Note 10.1: Nature and Purpose of Reserves

Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This Reserve can be used only for the purposes specified in the Companies Act, 2013.

Retained Earnings

Retained Earnings are losses incurred by the Company till date.

Employee Stock Grants Outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Profit and Loss with the corresponding credit to employee stock grants outstanding account

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Lakhs)

As at March 31, 2023	As at March 31, 2022
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Note 11: Current Liabilities- Trade Payables

(i) Trade Payables		
Total outstanding dues of micro enterprise and small enterprises	-	-
Total outstanding dues of creditors other than small enterprises and micro	19.73	3.66
	19.73	3.66

Note 11(a): Trade Payable Ageing Schedule

31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	-	-	-	-	-	-
(ii) Others	13.23	6.50	-	-	-	19.73
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	-	-	-	-	-	-
(ii) Others	2.00	1.66	-	-	-	3.66
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Note 11(b): Micro and Small Enterprises Disclosure

During the year micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSME act)		
i) Principal amount due to micro and small enterprise	-	-
ii) Interest due on above		
(b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 12: Other Financial Liabilities

Capital vendor for Intangible	119.24	-
	119.24	-

Note 13: Other Current Liabilities

Statutory Dues Payable	12.37	0.19
	12.37	0.19

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
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Note 14: Other Income

Interest Income on deposits with banks	0.03	34.70
Net gain on financial instruments classified at fair value through profit or loss	157.91	18.34
Interest on Income Tax Refund	1.40	-
	159.34	53.04

Note 15: Employee Benefits Expenses

Salaries and Wages	66.02	857.56
Expenses on Employee Stock Option Scheme	0.04	0.04
	66.06	857.60

Note 16: Other Expenses

Rates and Taxes	5.81	2.73
Legal and Professional Fees	57.08	17.80
Advertisement and Sales Promotion expenses	17.55	-
Payments to Auditors	10.86	6.03
Software Expenses	0.13	0.28
Miscellaneous Expenses	0.06	-
	91.49	26.84

Note 16.1: Payment to Auditors

a) Statutory Audit	5.36	2.04
b) Limited review	4.90	3.54
c) Other services	0.60	0.45

Note 17: Earnings Per Equity Share

Net (Loss) for Computation of Basic and Diluted Earnings per Share	(15.68)	(A)	(831.40)
Number of Equity Shares at the beginning of the Year	1,48,124.00		39,091.00
Add: Shares issued during the period	97,372.00		1,09,033.00
Number of Equity Shares at the end of the period	2,45,496.00		1,48,124.00
Weighted Average Number of Shares	2,18,833.43	(B)	96,123.88
Face Value of Share in Rs.	10.00		10.00
Basic and Diluted Earning Per Share	(7.17)	(A)/(B)	(864.92)

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 18: Contingent Liabilities and Commitments

The contingent liabilities and commitments as at March 31, 2023 are Nil (Previous Period: Nil)

Note 19: Share based payments

A) ESOP Scheme 2021:

The Godrej Capital Employee Stock Option Scheme 2021 ("ESOP Scheme 2021") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on January 5, 2021. The Scheme is administered by Company's Board of Directors. The Scheme applies to all the Eligible Employees, who are the permanent employees of the Company or any Subsidiary of the Company, on the date of Grant of Options. The Compensation Committee of the Company would decide the entitlement of each employee based on his/her performance, level, grade, seniority and such other parameters as may be decided by the Compensation Committee. The Exercise Price will be as decided by the Compensation Committee. The Options granted would vest after twenty one months but not later than fifty seven months from the date of Grant of Options or as may be decided by Compensation committee. Exercise period is 7 (seven) years from the date of Vesting of Options or such other period as may be decided by the Compensation Committee, within which the Employee should exercise his right to apply for transfer of Equity Shares of the Company to him pursuant to the Option Vested in him in accordance with the ESOP Scheme 2021.

Description of the share based payment plans:

The expense recognised for employee services received during the year / period is shown in the following table:

Particulars	For the year March 31, 2023	For the year March 31, 2022
Expenses arising from equity-settled share-based payment	0.04	0.04
Total	0.04	0.04

Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movement in, share options during the year:

Particulars	For the year March 31, 2023		For the year March 31, 2022	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	2,759	-	2,378	-
Granted during the year	-	10	416	10
Lapsed during the year	122	10	35	10
Outstanding at the end of the year	2,637	10	2,759	-

The weighted average fair values of the options Rs. 4.29. The stock price of the options is Rs. 10.

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	For the year March 31, 2023	For the year March 31, 2022
Share price	Rs 4.29	Rs 4.29
Risk free interest rate	7.00%	7.00%
Fair Value of Option	0.9 to 1.6	0.9 to 1.6
Volatility	42.70%	42.70%
Time to Maturity	5 years	6 years
Exercise price	Rs. 10	Rs. 10

Expected Volatility was determined by calculating the historical volatility of the comparable Company's share price over the effects of non-transferability, exercise restrictions and behavioural considerations.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	March 31, 2023 Share Options	March 31, 2022 Share Options
January 29, 2021	October 28, 2029	10	319.00	328.00
February 3, 2021	November 2, 2029	10	229.00	251.00
February 11, 2021	November 10, 2029	10	9.00	9.00
May 10, 2021	February 5, 2030	10	61.00	61.00
June 22, 2021	March 20, 2030	10	43.00	43.00
January 29, 2021	October 28, 2030	10	331.00	340.00
February 3, 2021	November 2, 2030	10	232.00	254.00
February 11, 2021	November 10, 2030	10	9.00	9.00
May 10, 2021	February 5, 2031	10	63.00	63.00
June 22, 2021	March 20, 2031	10	45.00	45.00
January 29, 2021	October 28, 2031	10	312.00	320.00
February 3, 2021	November 2, 2031	10	215.00	236.00
February 11, 2021	November 10, 2031	10	8.00	8.00
May 10, 2021	February 5, 2032	10	58.00	58.00
June 22, 2021	March 20, 2032	10	42.00	42.00
January 29, 2021	October 28, 2032	10	319.00	328.00
February 3, 2021	November 2, 2032	10	229.00	251.00
February 11, 2021	November 10, 2032	10	9.00	9.00
May 10, 2021	February 5, 2033	10	61.00	61.00
June 22, 2021	March 20, 2033	10	43.00	43.00
Total			2,637.00	2,759.00

B) ESOP Scheme 2022

The Godrej Capital Employee Stock Option Scheme 2022 ("ESOP Scheme 2022") of the Company was approved and adopted by its members at an Annual General Meeting held on June 1, 2022. The Scheme is administered by Company's Board of Directors. The Scheme applies to all the Eligible Employees, who are the permanent employees of the Company or any Subsidiary of the Company, on the date of Grant of Options. The Compensation Committee of the Company would decide the entitlement of each employee based on his/her performance, level, grade, seniority and such other parameters as may be decided by the Compensation Committee. The Exercise Price for each Option will be determined by the Board. The Options granted would vest after a minimum period of twenty four months which may be extended to thirty six months but not later than seventy two months from the date of Grant of Options or as may be decided by Compensation committee. Exercise period is 7 (seven) years from the date of Vesting of Options or such other period as may be decided by the Board, within which the Employee should exercise his right to apply for transfer of Equity Shares of the Company to him pursuant to the Option Vested in him in accordance with the ESOP Scheme 2022.

Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movement in, share options during the year:

Particulars	For the year March 31, 2023		For the year March 31, 2022	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	934	10	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	934	10	-	-

The weighted average fair values of the options granted during the year was Rs. 80,496.49. The weighted average stock price of the options granted during the year ended March 31, 2023 is Rs.10.

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	For the year March 31, 2023
Share price	Rs. 80,496.49
Fair Value of Option	Rs. 22,346.12 to Rs. 33,172.25
Risk free interest rate	6.69% to 7.34%
Volatility	20.02% to 29.33%
Time to Maturity	7 years
Exercise price	Rs. 80,496.49

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	March 31, 2023 Share Options
09 November 2022	30 June 2031	80,496.49	28
09 November 2022	30 June 2032	80,496.49	28
09 November 2022	30 June 2033	80,496.49	27
09 November 2022	30 June 2034	80,496.49	28
09 November 2022	30 April 2032	80,496.49	146
09 November 2022	30 April 2033	80,496.49	146
09 November 2022	30 April 2034	80,496.49	145
09 November 2022	30 April 2035	80,496.49	146
09 November 2022	30 November 2032	80,496.49	28
09 November 2022	30 November 2033	80,496.49	28
09 November 2022	30 November 2034	80,496.49	28
09 November 2022	30 November 2035	80,496.49	28
10 March 2023	28 February 2033	80,496.49	32
10 March 2023	28 February 2034	80,496.49	32
10 March 2023	28 February 2035	80,496.49	32
10 March 2023	29 February 2036	80,496.49	32
Total			934.00

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 20: Related party disclosure as required by Ind AS 24

(a) Name of Related Parties

Name of related party	Nature of relationship
Godrej Industries Limited	Holding Company
Godrej Housing Finance Limited	Subsidiary
Godrej Finance Limited	Subsidiary
PAN FIN Investment LLP	Minority shareholder
Godrej Capital Employee Stock Option Trust	Subsidiary
Godrej Properties Ltd	Companies under Common Onwership
Kunal Karnani	CFO (w.e.f 5th August, 2022)
Manish Shah	Managing Director and CEO (w.e.f 7th March, 2022)

(b) Transactions with related parties

(Amount in Lakhs)

Sr. No.	Nature of transaction	Holding Entity / Company	Subsidiary	Key Managerial Personnel - Director	Companies under Common Onwership
i)	Issue of share capital & security permium	68,500.10	-	-	-
	<i>Previous Period</i>	<i>80,917.50</i>	-	-	-
ii)	Investment in subsidiaries	-	-	-	-
	<i>Previous Period</i>	-	<i>79,888.41</i>	-	-
iii)	Reimbursement of Cost paid to	-	75.06	-	-
	<i>Previous Period</i>	-	<i>648.10</i>	-	-
iv)	Reimbursement of Cost recovered from	-	22.02	-	-
	<i>Previous Period</i>	-	-	-	-
v)	Remuneration	-	-	-	-
	<i>Previous Period</i>	-	-	<i>158.76</i>	-
vi)	Amount Given to Trust	-	0.10	-	-
	<i>Previous Period</i>	-	-	-	-
vii)	Outstanding Balance - Receivable	-	4.94	-	-
	<i>Previous Period</i>	-	<i>0.10</i>	-	-
viii)	Outstanding Balance - Payable	-	6.50	-	119.24
	<i>Previous Period</i>	-	<i>1.66</i>	-	-

(c) Significant Related Party Disclosure

Sr. No.	Nature of transaction	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
i)	Investment in subsidiaries		
	Godrej Housing Finance Limited	-	73,302.89
	Godrej Finance Limited	-	6,585.53
ii)	Reimbursement of Cost paid to		
	Godrej Finance Limited	62.30	-
	Godrej Housing Finance Limited	12.75	648.10
iii)	Purchase of Brand logo		
	Godrej Properties Limited	245.63	-

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 21: Fair Value Measurement

Refer note 1 sub note (g) and note 2 sub note (b) and (c) for accounting policy on Financial Instruments.

The fair value of the 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.

Accounting, classification and fair values

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows.

As at March 31, 2023 (Amount in Lakhs)								
Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments	1,58,255.26	-	-	1,58,255.26	-	-	1,58,255.26	1,58,255.26
Other Financial Assets								
Current								
Investments	10.23	-	-	10.23	10.23	-	-	10.23
Cash and cash equivalents	-	-	21.47	21.47	-	-	-	-
	1,58,265.49	-	21.47	1,58,286.96	10.23	-	1,58,255.26	1,58,265.49
Financial liabilities								
Current								
Trade payables	-	-	19.73	19.73	-	-	-	-
Other Financial Liabilities	-	-	119.24	119.24	-	-	-	-
	-	-	138.97	138.97	-	-	-	-

As at March 31, 2022 (Amount in Lakhs)								
Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments	79,888.42	-	-	79,888.42	-	-	79,888.42	79,888.42
Other Financial Assets								
Current								
Cash and cash equivalents	-	-	66.08	66.08	-	-	-	-
	79,888.42	-	66.08	79,954.50	-	-	79,888.42	79,888.42
Financial liabilities								
Current								
Trade payables	-	-	3.66	3.66	-	-	-	-
	-	-	3.66	3.66	-	-	-	-

The fair value of cash and cash equivalents, other bank balances, other financial liabilities approximate their carrying value largely due to short term maturities of these instruments.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 21: Financial Risk Management

(a) Financial risk Management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risk. The Company's Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework.

The Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a party to settle its financial and contractual obligations to the Company as and when they fall due. The Company's credit risk is primarily attributable to cash and cash equivalents. The financial assets represent cash and cash equivalents. Bank accounts are maintained / carried out with Banks having high credit ratings.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

Maturity profile of financial liabilities

The following are the contractual maturities of financial liabilities:

Particulars	(Amount in Lakhs)			
	Contractual Cash Flows			
	Carrying Amount	Total	Within 1 year	Within 2-5 years
As at March 31, 2023				
Other Financial Liabilities	119.24	119.24	119.24	-
Trade payables	19.73	19.73	19.73	-
Total	138.97	138.97	138.97	-
As at March 31, 2022				
Trade payables	3.66	3.66	3.66	-
Total	3.66	3.66	3.66	-

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk

Interest rate risk

The Company has no exposure to changes in interest rate as it has no interest-bearing financial instruments with variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure to significant foreign currency risk as it has no financial assets and liabilities in foreign currency.

Note 22: Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximizes Company's value.

The Company manages its capital structure and adjusts it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and for period ended 31 March 2022.

The Company's net debt to adjusted equity ratio at the reporting date was as follows:

Particulars	(Amount Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Total Liabilities	151.33	3.85
Less: Cash and cash equivalents	(21.47)	(66.08)
Less: Current Investment	(10.23)	-
Net debt	119.63	(62.24)
Total equity	1,58,475.86	80,071.31
Net debt to adjusted equity ratio	0.00	(0.00)

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Godrej Capital Limited (formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note: 23 Disclosure of Ratios

Particulars	Formulas	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current ratio	= Current Assets /Current liabilities	0.24	17.18
Debt Equity ratio	= Total Debt / Shareholders' Equity	NA	NA
Debt service coverage ratio	= Annual Net Operating Income / Total Debt Service	NA	NA
Return on equity ratio	= Net Income/ Shareholder's Equity	(0.00)	(0.01)
Inventory Turnover ratio	= Cost of goods sold/Average Inventory	N/A	N/A
Trade payables turnover ratio	= Net Credit Purchases / Average Accounts Payable	N/A	N/A
Return on capital employed	= EBIT/(Total Assets- Current Liabilities)	(0.00)	(0.01)

Note: Change in current ratio is more than 25% in 22-23 vis a vis 21-22 on account of reduction in Bank balance in the current year and on account of payable for intangible assets as at March 31, 2023 in relation to acquisition of Brand and Trade name during the current year.

Note 24: Disclosure under Rule 11(e)(ii)

(Amount in Lakhs)

Name of Entity	Date	Amount of fund advanced/ invested	Relationship	CIN	Registered Address
Godrej Housing Finance Limited	02-Jun-22	20,995	Subsidiary	U65100MH2018PLC315359	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079
	30-Mar-23	7,008	Subsidiary	U65100MH2018PLC315359	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079
Godrej Finance Limited	02-Jun-22	47,500	Subsidiary	U67120MH1992PLC065457	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079
	30-Mar-23	2,863	Subsidiary	U67120MH1992PLC065457	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 25: Corporate Social Responsibility

Contribution required to be made as per the provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous period.

Note 26: Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property
- (ii) The Company does not have any transactions with companies struck off
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not entered into any such transaction which is not recorded in the books of account 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)

Note 27: General

Information with regards to other matters specified in Schedule III to Companies Act, 2013 is either NIL or not applicable to the Company for the year.

For & on behalf of the Board of Directors

Manish Shah
Managing Director
and CEO
DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Segment Information

(Amount in Lakh)

Sr No.	Particulars	March 31, 2023 Audited	March 31, 2022 Audited
1	Segment Revenue		
	Investing & Other activities	159.34	53.04
2	Segment Results		
	Investing & Other activities	(15.68)	(831.40)
3	Segment Assets		
	Investing & Other activities	1,58,627.19	80,075.16
4	Segment Liabilities		
	Investing & Other activities	151.33	3.85

INDEPENDENT AUDITOR'S REPORT

To the Members Of
Godrej Capital Limited (*formerly, Pyxis Holdings Limited*)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Godrej Capital Limited** (“the Holding Company”) and its subsidiaries “**Pyxis Employee Stock Option Trust**”, **Godrej Finance Limited** (*formerly Ensemble Holdings & Finance Limited*) and “**Godrej Housing Finance Limited**” (the Holding Company and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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	Auditor's Response
<p>Impairment of financial assets as at the balance sheet date (Expected Credit Loss) – housing finance business</p> <p>As described in Note no 2.12.A on Significant Accounting Policies, Note 4, 10 and 29 of the Financial Statements.</p> <p>One of the Holding Company's subsidiary has determined that the allowance for Expected Credit Loss (ECL) on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>Ind AS 109 requires the subsidiary to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the subsidiary's financial assets. The key areas where they identified greater levels of management judgement and therefore increased levels of audit focus in the subsidiary's estimation of ECLs are:</p> <ul style="list-style-type: none"> • In process for or estimation of ECL for the subsidiary, the entire portfolio has been segmented into various homogenous product segments. • The subsidiary's portfolio currently has neither a sufficiently long history nor adequate number of defaults to use own data for estimation of Probability of Default (PD). A Logistic Regression model developed on the lookalike data obtained from Experian for estimating the PD of Applicant for a 24 Month period, has been used for PD estimation. • Bureau data for product segment during the period January 2016 to October 2017 was considered for scorecard development. The lookalike population was arrived at by considering the ticket size, location, age and peer institution. Performance was monitored for the above selected accounts from account open date, giving an outcome period of 24 months for all customers. Appropriate adjustments based on bureau data has been carried out to align the 	<p>We have examined the ECL methodology of the subsidiary, which has been reviewed by the Board of Directors, and have confirmed that adjustments to the output of the ECL model is consistent with the documented methodology.</p> <p>Read and assessed the subsidiary's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <p>Our audit procedures relating to the allowance for ECL included the following, among others:</p> <p>Tested the design and operating effectiveness of the internal financial controls relevant to the impairment loss allowance process, as detailed below:</p> <ul style="list-style-type: none"> - completeness and accuracy of the Exposure at Default ("EAD"). - appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different loan portfolio. - reconciled the total loans considered for ECL assessment with the books of accounts to ensure the completeness. <p>Performed the following substantive procedures on sample of loan assets:</p> <ul style="list-style-type: none"> - Tested categorization of loan portfolio into different segments. - Tested the accuracy of information such as ratings and other related information used in estimating the PD. - Reviewed the JSON file obtained from Credit Rating Agency to recompute the score as per the ECL Model provided to us, on sample basis. - Performed inquiries with the Company's Management and its risk management function to assess basis for determining the PD and LGD rates. - Evaluated the methodology used to determine macroeconomic overlays. - Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.

<p>PD models to the required ECL performance period.</p> <ul style="list-style-type: none"> • The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company's Portfolio is at a nascent stage and has till date had no defaults. Given the nature of the business, nascency of business and restricted observation period, a Loss Given Default (LGD) Rate has been considered based on the industry trend. • In case of Exposure at Default (EAD), the principal outstanding for the accounts has been considered as EAD. If required, definition of the above segments can change with business expansion, change in portfolio performance or economic cycle. Each segment is further split into delinquency buckets. For each such bucket, Probability of Default (PD), Loss Given Default (LGD) and EAD are estimated. In addition to the output of the ECL models, macroeconomic overlays and adjustments are recognised by the subsidiary to align historic LGD estimates with the current collection and recovery practices. <p>The subsidiary has considered a management overlay of Rs. 736.78 lakhs (PY Rs.487.30 lakhs) as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors. The management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.</p>	<ul style="list-style-type: none"> - Assessed the disclosures included in the financial statements in respect of ECL to confirm compliance with Ind AS provisions.
<p>Impairment of financial assets as at the balance sheet date (Expected Credit Loss) – business in respect of loan against property</p> <p>One of the Holding Company's subsidiary has determined that the allowance for Expected Credit Loss (ECL) on loan and advances assets has a high degree of estimation uncertainty.</p> <p>Refer Note 4, 10 and 29 to the Financial Statements</p> <p>Since the loans and advances form a major portion of the subsidiary's assets, and due to the</p>	<ul style="list-style-type: none"> • We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding. • We assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • We evaluated management's controls over collation of relevant information used for determining estimates for management overlays.

<p>significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions. this is considered to be a key audit matter.</p> <p>The subsidiary's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors</p> <p>The most significant areas are:</p> <ul style="list-style-type: none"> - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors <p>The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p>	<ul style="list-style-type: none"> • We tested review controls over measurement of impairment allowances and disclosures in financial statements.
<p>Assessment of impairment of Goodwill</p> <p>As disclosed in note 33, the Group has goodwill of Rs 29,449.91 lakhs as at March 31, 2023 which represents goodwill acquired through business combination and allocated to cash generating unit of the Company.</p> <p>A cash generating unit to which goodwill has been allocated and to which intangible assets belong to is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. As disclosed in note 33, impairment of goodwill is determined by assessing the recoverable amount of each cash generating unit to which these assets relate.</p> <p>Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, this matter was considered significant to our audit.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process followed by the management to determine the recoverable amounts of cash generating units to which the goodwill and intangible assets pertain to; • We compared the future operating cash flow forecasts with the approved business plan and budgets; • Evaluated the objectivity and independence of the specialists engaged by the Company and reviewed the valuation reports issued by such specialists; • Evaluated the model used in determining the value in use of the cash generating units; • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; • Compared the transaction price considered for the said subsidiary shares in the transaction undertaken on 30th March 2023 vis a vis the fair value that was considered initially at the time of goodwill recognition; and

	<ul style="list-style-type: none"> • We also assessed the disclosures provided by the Company in relation to its annual impairment test in note 33 to the financial statements.
<p>Information Technology (“IT”) Systems and Controls</p> <p>One of the Holding Company’s subsidiary has a complex IT architecture to support its day-to-day business operations. Moderate volume of transactions is processed and recorded multiple applications. The reliability and security of IT systems plays a key role in the business operations of the subsidiary. Since transactions are processed on daily basis in multiple applications hence IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified ‘IT systems and controls’ as a key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our Audit procedures with respect to this matter included the following:</p> <ul style="list-style-type: none"> • Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the subsidiary’s IT systems. <p>Obtained an understanding of IT applications landscape implemented by the subsidiary, including an understanding of the process, mapping of applications and understanding financial risks posed by people-process and technology.</p> <p>Tested operating effectiveness of key controls over user access management, change management program development, computer operations, backup.</p> <p>Also tested Entity Level Controls pertaining to IT Policy and Procedure and Business Continuity Plan assessment.</p> <p>Tested the design and operating effectiveness of certain automated controls within application that were considered as key internal controls over the financial reporting system.</p>
<p>Information technology (IT) systems used in financial reporting process.</p> <p>One of the Holding Company’s subsidiary’s operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.</p>	<p>We obtained an understanding of the subsidiary’s IT control environment relevant to the audit.</p> <p>We tested the design, implementation and operating effectiveness of the subsidiary’s General IT controls over the key IT systems which are critical to financial reporting.</p> <p>We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.</p> <p>In addition to above, we have also relied on the work of the internal auditors.</p>

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director’s 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

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 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.

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 management 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 Group's financial reporting process.

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 these 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 financial controls 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 Holding Company and its subsidiary companies has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of INR 17,1597.88 lakhs (before consolidation adjustments) as at March 31, 2023, total revenues of INR 5,669.58 lakhs (before consolidation adjustments), net loss (before consolidation adjustments) of INR 6,898.25 lakhs and net cash inflows amounting to INR 9,395.81 lakhs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by another auditor whose report has 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

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 report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 the report of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account 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 Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of the report of the statutory auditor of its subsidiary companies none of the directors of the Holding Company and its subsidiary companies, 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 of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure 'A' which is based on the auditor's reports of the Holding Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its director during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we further report that:
 - i. The Company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note. 31 to the consolidated financial statements.
 - ii. The Group did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
 - iv.(a) The respective Managements of the Holding Company and its 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 Holding Company or its subsidiaries to or in any other person or entity, including foreign entity ("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 Holding Company or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act have represented, that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the accounts, no funds have been received by the Holding Company and its subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Holding Company or any of its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Holding Company has not declared or paid any dividend during the year ended March 31, 2023.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO report issued by us for the Holding Company and one subsidiary and the CARO report issued by the auditor of the subsidiary company, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Registration No.: 104607W/W100166

Roshni R. Marfatia
Partner
Membership No.: 106548
UDIN: 23106548BGUVXU5312
Place: Mumbai
Dated: May 4, 2023

Annexure ‘A’ to the Independent Auditor’s Report

(Referred to in Para 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section in our Independent Auditor’s Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2023).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **Godrej Capital Limited** (“the Holding Company”) and its subsidiary companies incorporated in India as at March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors referred to in the ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were generally operating effectively as at March 31, 2023, based on the internal control with reference to financial statements 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 issued by the ICAI.

Other Matter

Our aforesaid report under section 143 (3) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company is based on the corresponding report of the auditor of such company.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No.: 104607W/W100166

Roshni R. Marfatia

Partner

Membership No.: 106548

UDIN: 23106548BGUVXU5312

Place: Mumbai

Dated: May 4, 2023

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Amount Rs. in Lakh)

	Note	As at March 31, 2023	As at March 31, 2022
A ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,006.18	496.63
Right of Use Assets	3	2,209.16	1,601.08
Goodwill	33	29,449.91	29,449.91
Other Intangible Assets	3	6,007.42	3,750.49
Intangible Assets Under Development	3	60.55	1,441.97
Financial Assets			
Loans from financing activity	4	4,68,502.27	1,70,373.28
Other Financial Assets	5	992.55	217.75
Deferred Tax Assets (net)	34	530.67	-
Other Tax Assets (net)	34	355.03	259.92
Other Non Current Assets	6	121.20	76.14
Current Assets			
Financial Assets			
Investments	7	19,524.49	4,129.77
Cash and Cash Equivalents	8	73,721.58	22,968.53
Other Bank Balances	9	4,046.60	0.10
Loans from financing activity	10	44,897.22	8,217.60
Other Financial Assets	11	642.29	2.02
Other Current Assets	12	931.44	459.01
TOTAL ASSETS		<u>6,52,998.56</u>	<u>2,43,444.19</u>
B EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	24.55	14.81
Other Equity	14	1,45,479.31	74,107.87
Non - Controlling Interest		-	2,341.58
TOTAL EQUITY		<u>1,45,503.86</u>	<u>76,464.26</u>
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	15	4,09,456.40	1,09,839.98
Lease Liabilities	16	1,600.67	1,168.71
Provisions	17	168.84	115.01
Current Liabilities			
Financial Liabilities			
Borrowings	18	81,810.92	44,784.57
Lease Liabilities	19	663.62	415.41
Other Financial Liabilities	20	10,089.68	8,183.22
Trade Payables	21		
Total outstanding dues of micro enterprise and small enterprises		45.95	25.66
Total outstanding dues of creditors other than small enterprises and micro enterprises		2,812.43	2,018.54
Other Current Liabilities	22	630.32	414.45
Current Tax Liabilities (net)	34	199.98	-
Provisions	23	15.89	14.38
TOTAL LIABILITIES		<u>5,07,494.70</u>	<u>1,66,979.93</u>
TOTAL EQUITY AND LIABILITIES		<u>6,52,998.56</u>	<u>2,43,444.19</u>

Significant Accounting Policies

2

The accompanying notes form an integral part of the consolidated financial statement.

As per our report of even date attached

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For and on behalf of the Board of Directors

Roshni Marfatia

Partner

Membership Number: 106548

Date: May 4, 2023

Place: Mumbai

Manish Shah

Managing Director & CEO

DIN: 06422627

Pirojsha Adi Godrej

Non executive Chairperson

DIN: 00432983

Kunal Karnani

CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

			(Amount Rs. in Lakh)
	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	24	28,415.12	3,909.43
Other Income	25	5,558.29	1,576.83
Net gain on de-recognition of financial assets at amortized cost	25a	717.40	-
Total Income		34,690.81	5,486.26
Expenses			
Employee Benefits Expenses	26	10,009.78	5,505.29
Finance Costs	27	19,146.34	2,854.83
Depreciation and Amortisation Expenses	28	1,897.31	727.14
Other Expenses	29	6,739.03	2,701.64
Total Expenses		37,792.46	11,788.90
(Loss) Before Tax		(3,101.65)	(6,302.64)
Tax Expense			
Current tax		537.74	-
Short provision for earlier years		10.12	0.59
Deferred Tax Credit		(537.74)	-
(Loss) After Tax		(3,111.77)	(6,303.23)
Other Comprehensive loss			
Items that will not be reclassified to profit or loss:			
-Re-measurement (losses) on defined benefit plans		3.08	4.56
-Income tax effect relating to these items that will not be reclassified to profit or loss		(7.07)	-
		(3.99)	4.56
Total Comprehensive (Loss) for the period		(3,115.76)	(6,298.67)
(Loss) attributable to the:			
Owners of the company		(2,956.96)	(6,029.64)
Non - Controlling Interest		(154.81)	(273.59)
Other Comprehensive (Loss) attributable to the:			
Owners of the company		(3.79)	4.33
Non - Controlling Interest		(0.20)	0.23
Total Comprehensive (Loss) for the period attributable to the:			
Owners of the company		(2,960.75)	(6,025.31)
Non - Controlling Interest		(155.01)	(273.36)
(Loss) Per Equity Share			
Basic and Diluted in Rs	30	(1,442.10)	(6,747.60)
Face Value Per Share in Rs		10.00	10.00

Significant Accounting Policies

2

The accompanying notes form an integral part of the consolidated financial statement.

As per our report of even date attached

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For and on behalf of the Board of Directors

Roshni Marfatia
Partner

Membership Number: 106548
Date: May 4, 2023
Place: Mumbai

Manish Shah
Managing Director &
CEO
DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount Rs. in Lakh)

	Quarter Ended			Year Ended	
	March 31, 2023	March 31, 2022	December 31, 2022	March 31, 2023	March 31, 2022
Revenue from Operations	11,090.17	2,233.45	7,878.32	28,415.12	3,909.43
Other Income	1,092.91	845.97	1,269.47	5,558.29	1,576.83
Net gain on de-recognition of financial assets at amortized cost	717.40	-	-	717.40	-
Total Income	12,900.48	3,079.42	9,147.79	34,690.81	5,486.26
Expenses					
Employee Benefits Expenses	3,078.37	2,197.67	2,537.79	10,009.78	5,505.29
Finance Costs	7,509.28	1,563.52	5,169.72	19,146.34	2,854.83
Depreciation and Amortisation Expenses	531.81	313.01	503.41	1,897.31	727.14
Other Expenses	1,820.45	1,061.12	1,358.12	6,739.03	2,701.64
Total Expenses	12,939.91	5,135.32	9,569.04	37,792.46	11,788.90
(Loss) Before Tax	(39.43)	(2,055.90)	(421.25)	(3,101.65)	(6,302.64)
Tax Expense					
Current tax	537.74	0.59	-	537.74	-
Short / (Excess) provision for earlier years	-	-	10.12	10.12	0.59
Deferred Tax Charge/ (Credit)	(537.74)	-	-	(537.74)	-
(Loss) After Tax	(39.43)	(2,056.49)	(431.37)	(3,111.77)	(6,303.23)
Other Comprehensive loss					
Items that will not be reclassified to profit or loss:					
-Re-measurement (losses) on defined benefit plans	(9.36)	18.87	10.86	3.08	4.56
-Income tax effect relating to these items that will not be re	(7.07)	-	-	(7.07)	-
	(16.43)	18.87	10.86	(3.99)	4.56
Total Comprehensive (Loss) for the period	(55.86)	(2,037.62)	(420.51)	(3,115.76)	(6,298.67)
(Loss) attributable to the:					
Owners of the company	(42.73)	(1,965.91)	(410.74)	(2,956.96)	(6,029.64)
Non - Controlling Interest	3.30	(90.58)	(20.63)	(154.81)	(273.59)
Other Comprehensive (Loss) attributable to the:					
Owners of the company	(15.61)	17.93	10.32	(3.79)	4.33
Non - Controlling Interest	(0.82)	0.94	0.54	(0.20)	0.23
Total Comprehensive (Loss) for the period attributable to the:					
Owners of the company	(58.34)	(1,947.98)	(400.42)	(2,960.75)	(6,025.31)
Non - Controlling Interest	2.48	(89.64)	(20.09)	(155.01)	(273.36)
(Loss) Per Equity Share					
Basic and Diluted in Rs	(0.00)	(6,123.96)	(182.48)	(1,442.10)	(6,747.60)
Face Value Per Share in Rs	10.00	10.00	10.00	10.00	10.00

- The above consolidated financial results for the quarter ended 31 March 2023 were reviewed and approved by the Board of Directors at their meeting held on 4 May 2023 and have been subjected to limited review by the Statutory Auditors of the Company.
- The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. These consolidated financial results are prepared for inclusion in consolidated financial results of Godrej Industries Limited (GIL) for the quarter ended 31 March 2023.
- The Company's main business is to invest in and acquire, hold, sell, buy, subscribe or otherwise deal in shares, stocks, debentures, bonds, units, negotiable instruments, obligations and other financial instruments issued by any Group Company whilst the subsidiaries are Non-banking Financial Companies. Accordingly, there are two reportable segments as per Ind AS 108 "Operating Segments" namely Financing and Investing.
- The Consolidated financial results include the financial information of the Company, Godrej Capital Employee Stock Option Trust, Godrej Housing Finance Limited (GHFL) and Godrej Finance Limited (GFL - formerly known as Ensemble Holdings and Finance Limited) for the quarter and year ended 31 March 2023.

For and on behalf of the Board of Directors

Date: May 4, 2023
Place: Mumbai

Manish Shah
Managing Director & CEO
DIN: 06422627

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

	(Amount Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash Flow from Operating Activities		
(Loss) before tax	(3,101.65)	(6,302.64)
Adjustments for :		
Net gain on fair value changes	(1,362.63)	(195.53)
Impairment on financial instruments	1,526.65	566.15
Depreciation, amortisation and impairment	1,897.31	727.14
Interest expenses on Lease Liabilities	148.90	66.69
Interest income on security deposits	(15.98)	(6.57)
Interest income on CP	(301.40)	(73.00)
Interest on borrowings	18,888.14	2,715.12
Gain on Lease modification	-	(176.23)
Interest on Income Tax Refund	(12.37)	-
Interest income received from fixed deposits with banks	(183.84)	(95.16)
ESOP compensation cost	24.04	0.04
Operating Cash Flow before Working Capital Changes	17,507.17	(3,039.05)
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
(Increase) in Financial Assets	(3,35,736.30)	(1,34,396.70)
(Increase) in Non Financial Assets	(1,157.76)	(7.81)
Adjustments for increase/(decrease) in operating liabilities:		
Increase in Financial Liabilities	2,603.44	8,966.67
(Decrease) in Non Financial Liabilities	274.30	(505.36)
Net Cash (Used In) Operating Activities	(3,16,509.15)	(1,28,982.25)
Direct Taxes paid	(430.62)	(248.28)
Net Cash (Used In) Operating Activities (A)	(3,16,939.77)	(1,29,230.53)
B Cash Flow From Investing Activities		
(Purchase) of property, plant and equipment	(1,742.08)	(299.06)
(Purchase) in Intangibles Assets	(756.28)	(1,794.98)
Sale of property, plant and equipment and intangible assets	1.40	-
Purchase of investment in subsidiary	-	(40,590.00)
Purchase of investments	(7,97,834.22)	(2,13,528.21)
Sale of Investment	7,82,439.60	2,15,467.31
Proceeds from fixed deposits with banks	55,987.83	(47,192.92)
Investment in fixed deposits with banks	(60,034.43)	47,192.92
Interest income on CP	301.40	73.00
Interest income received from fixed deposits with banks	183.84	95.16
Net Cash (Used in) Investing Activities (B)	(21,452.94)	(40,576.78)
C Cash Flow From Financing Activities		
Share issue expenses	(25.78)	(401.93)
Proceeds from issue of equity shares (including securities premium)	69,312.53	80,916.22
Investment in subsidiary by NCI	3,605.00	2,072.77
Proceeds from borrowings	5,78,320.79	1,68,300.60
Repayment of Borrowings	(2,41,678.02)	(55,254.77)
Interest on borrowings	(18,888.14)	(2,695.12)
Repayment of lease obligations	(740.19)	(302.73)
Net Cash Generated From Financing Activities (C)	3,89,906.19	1,92,635.04
Net Increase In Cash And Cash Equivalents (A+B+C)	51,513.48	22,827.73
Cash and Cash Equivalents at the beginning of the year	22,968.53	81.17
Cash acquired on acquisition of subsidiary	-	59.63
Cash and Cash Equivalents at the end of the year	74,482.01	22,968.53
Note:		
Cash and Cash Equivalents at year end comprises:		
Balances with Banks		
Current Accounts	16,561.86	15,770.26
Certificate of Deposits having maturity less than 3 months	46,966.10	2,497.32
Deposits having maturity less than 3 months	10,193.62	4,700.95
	73,721.58	22,968.53

The Cash Flows Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" and presents cash flows by operating, investing and financing activities.

The accompanying notes form an integral part of the consolidated financial statement.

As per our report of even date attached
For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/W100166

For and on behalf of the Board of Directors

Roshni Marfatia
Partner
 Membership Number: 106548
 Date: May 4, 2023
 Place: Mumbai

Manish Shah
Managing Director & CEO
 DIN: 06422627

Pirojsha Adi Godrej
Non executive
Chairperson
 DIN: 00432983

Kunal Karnani
 CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(Amount Rs. in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,48,124	14.81	39,091	3.91
Changes in equity share capital during the year	97,372	9.74	1,09,033	10.90
Balance at the end of the year	2,45,496	24.55	1,48,124	14.81

B. Other Equity

(Amount Rs. in Lakh)

Particulars	Reserves and Surplus		Other Reserves				Non Controlling Interest	Total
	Retained Earnings	Securities Premium Reserve	ESOP Reserve	Treasury Shares	Capital Reserve on account of Amalgamation	Special Reserve	Non Controlling Interest	
Balance as at April 1, 2021	(900.70)	-	0.01	(0.28)	84.15	402.37	-	(414.45)
(Loss) for the Year	(6,029.64)	-	-	-	-	-	(273.59)	(6,303.23)
Other Comprehensive Income for the Year	4.33	-	-	-	-	-	0.23	4.56
Total	(6,926.01)	-	0.01	(0.28)	84.15	402.37	(273.36)	(6,713.12)
Additions to Security Premium Account	-	80,905.32	-	-	-	-	-	80,905.32
Share Issue expenses	(274.73)	(127.20)	-	-	-	-	-	(401.93)
ESOP compensation expense for the year	-	-	0.04	-	-	-	-	0.04
Adjustment arising on acquisition and Non Controlling Interest	24.29	19.91	-	-	-	-	2,614.94	2,659.14
Balance as at March 31, 2022	(7,176.45)	80,798.03	0.05	(0.28)	84.15	402.37	2,341.58	76,449.45
(Loss) for the Year	(2,956.96)	-	-	-	-	-	(154.81)	(3,111.77)
Other Comprehensive Income for the Year	(3.79)	-	-	-	-	-	(0.20)	(3.99)
Total	(10,137.20)	80,798.03	0.05	(0.28)	84.15	402.37	2,186.57	73,333.69
Investment in subsidiaries by Non Controlling Interest	-	-	-	-	-	-	3,605.00	3,605.00
Additions to Security Premium Account	-	78,414.21	-	-	-	-	-	78,414.21
Share Issue expenses	-	(25.78)	-	-	-	-	-	(25.78)
Transfer from Statement of Profit and Loss to Special Reserve	(760.43)	-	-	-	-	760.43	-	-
ESOP compensation expense for the year	-	-	24.04	-	-	-	-	24.04
Adjustment on acquisition of Non Controlling Interest	(4,080.28)	-	-	-	-	-	(5,791.57)	(9,871.85)
Balance as at March 31, 2023	(14,977.91)	1,59,186.46	24.09	(0.28)	84.15	1,162.80	-	1,45,479.31

A description of the purposes of each reserve within equity has been disclosed in the Note 14.1.

The accompanying notes form an integral part of the consolidated financial statement.

As per our report of even date attached
For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/W100166

For and on behalf of the Board of Directors

Roshni Marfatia
Partner
 Membership Number: 106548
 Date: May 4, 2023
 Place: Mumbai

Manish Shah
Managing Director & CEO
 DIN: 06422627

Pirojsha Adi Godrej
Non executive Chairperson
 DIN: 00432983

Kunal Karnani
CFO

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate Information

GODREJ CAPITAL LIMITED ("the Company") (Formerly known as Pyxis Holdings Limited) along with its subsidiaries (collectively referred to as "the Group"), is engaged in the business of housing finance, loans against property and to invest in and acquire, hold, sell, buy, subscribe or otherwise deal in shares, stocks etc by any company.

2 Basis of preparation and summary of significant accounting policies

2.01 Basis of preparation

The consolidated financial statement of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The consolidated financial statements for the year ended March 31, 2023 comprises of the balance sheet, statement of profit and loss, statement of cash flow, statement of changes in equity and notes to consolidated financial statements. The consolidated financial statements for the year ended March 31, 2023 are approved by the Board of Directors on May 4, 2023.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the group's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.02 Basis of measurement

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant standards under Ind-AS.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements have been prepared on a historical cost basis except for the fair value through other comprehensive income (FVOCI) instruments and certain financial assets and financial liabilities measured at fair value through profit and loss statement (FVTPL).

2.03 Use of estimates and judgements

The preparation of financial statements in conformity with Ind-AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date listed here in below under critical accounting estimates and judgements.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.04 Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements requires the use of accounting estimates, which, by definition in some cases vary with the actual results. Management also needs to exercise judgement and make certain assumptions in applying the group's accounting policies and preparation of consolidated financial statements.

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

A. Measurement of impairment of loans and advances

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances in new businesses. In estimating these cash flows, the group makes judgements about the borrower's financial situation compare the borrower's profile with customers having similar profile to estimate probability of default and the net realisable value of collateral, if any. These estimates are based on assumptions about a number of factors including forward looking information, and actual results may differ, resulting in future changes to the impairment allowance.

B. Useful lives of property, plant and equipment and intangible assets

The group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period or even earlier in case, circumstances change such that the amount recorded value of an asset may not be recoverable.

C. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 40.

D. Business model assessment

Classification and measurement of financial asset depends upon the results of the solely payment of principal and interest (SPPI) and the business model test. The group determines the business model at a level that reflects how group of financial asset are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the asset is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The group monitors financial assets measured at amortised or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

E. Measurement of Impairment of goodwill (Refer note 2.10)

F. Effective interest rate

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.05 Amendment to Existing IND AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.06 Functional Currency

The consolidated financial statements are presented in Indian rupees, which is the Group's functional currency. All financial information presented in Indian rupees have been rounded to the nearest lakh, unless otherwise indicated.

2.07 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the group is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of previous year. The financial statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/ revenue cannot be recovered.

The excess of cost to the company of its investment in subsidiaries, on the acquisition dates over and above the company's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. Where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the statement of profit and loss and statement of changes in equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non- controlling interests and the other components of equity related to the subsidiary. Any surplus or de-ficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of Profit or Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) **Business Combinations**

Business combinations, other than common control business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the statement of profit and loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of profit and loss.

Business combinations arising from transfer of interests in entities that are under common control are accounted for based on pooling of interest method where the assets and liabilities of the acquiree are recorded at their existing carrying values. The identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is transferred to capital reserve, which is shown separately from other capital reserves.

2.08 Property, Plant and Equipment (Tangible assets) & Depreciation

Recognition and measurement

Property, Plant and Equipment ("PPE") are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the part will flow to the group and its cost can be measured reliably. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset. The Company has estimated the useful lives to depreciate its PPE which is in accordance with those prescribed under Schedule II of the The Companies Act ,2013, except vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset. The following are the estimates of the useful lives to depreciate its PPE: The following are the estimates of the useful lives to depreciate its PPE:

Particulars	Estimated useful life by the Group
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Computer Hardware	3 - 5 Years
Office Equipment	5 Years
Vehicles	5 Years
Furniture and Fixtures	10 Years

Leasehold improvements are amortized on a straight line basis over the period of lease of the asset.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.09 Intangible assets

Recognition and measurement

The group's intangible assets primarily consist of computer softwares, brand & trademark. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets.

Development costs include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortised as per management's estimate over a period of 3 to 10 years or licence period whichever is earlier. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Costs associated with maintaining software programmes are recognised as an expense as incurred.

2.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units - CGU). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill on business combinations is disclosed separately on the balance sheet and is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU.

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

2.11 Cash and Cash equivalents

Cash and cash equivalents consist of cash on hand, balances with bank, deposits with bank (with original maturity of three months or less). For the purposes of presentation in the statement of cash flow, cash and cash equivalents include cash on hand and current account balances with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.12 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

2.12.A Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset

The financial assets include investments in mutual funds, trade and other receivables, loans and advances and cash and bank balances. However, trade and other receivables that do not contain a significant financing component are measured at transaction price.

ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortised cost, and
- At fair value through other comprehensive income (FVOCI), and
- At fair value through profit and loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Amortised Cost

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of profit and loss and recognised in other gains/(losses) (net). Interest income from these financial assets is included in other income using the effective interest rate (EIR) method.

Fair value through Profit and Loss (FVTPL)

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss ('FVTPL').

iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period in which the group changes its business model for managing financial assets.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iv) Impairment

The provision for credit risks, which is recognized in accordance with the expected credit loss method specified by Ind AS 109 and in accordance with uniform standards applied, encompasses all financial assets measured at amortised cost. The calculation of the provision for credit risks generally takes into account the exposure at default, the probability of default and the loss given default.

Financial assets are subject to credit risks, which are taken into account by recognising the amount of the expected loss; such allowances are recognised for both financial assets with objective evidence of impairment and non-impaired financial assets.

The general approach is used for financial assets measured at amortised cost on initial recognition. Financial assets are broken down into three stages in the general approach.

Stage 1 consists of financial assets that are being recognised for the first time or that have not demonstrated any significant increase in probability of default since initial recognition. In this stage, the model requires the calculation of an expected credit loss for the next twelve months.

Stage 2 consists of financial assets for which there is a significant increase in credit risk. The group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Stage 3 Financial assets demonstrating objective indications of impairment are allocated to stage 3. The group assumes that the financial asset is credit impaired if it is more than 90 days past due.

In stage 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

The group considers a financial asset to be in default when :

- the borrower is unlikely to pay its credit obligations to the group in full or in part, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Both historical information, such as average historical default probabilities for each portfolio, and forward-looking information is used to determine the measurement parameters for calculating the provision for credit risks.

Impairment arises in a number of situations, such as delayed payment over a certain period, the initiation of enforcement measures, the threat of insolvency or over indebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures.

Reviews are regularly carried out to ensure that the allowances are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off directly. Any valuation allowances previously recognised are utilised. Income subsequently collected in connection with loans or receivables already written off is recognised in the statement of profit and loss.

Loans are reported in the balance sheet at the net off Expected Credit Loss (ECL) provision.

Measurement of ECL

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date of repayments of principal and interest.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECL, the group adds a management override to account for stressed scenarios which are then reviewed on a periodic basis. This takes into account the expected inherent risk for different segments in the portfolio and the macro economic environment. The assumptions are periodically validated and modified as appropriate.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

v) Write - offs

Financial assets are written off either partially or in their entirety when the group has no reasonable expectations of recovery. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the group's procedures for recovery of amounts due.

2.12.B Financial liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs. The financial liabilities include trade and other payables, term loans and borrowings, lease liabilities etc.

ii) Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost.

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

2.12.C De-recognition, Modification and Transfer

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised 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 as '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.

When the group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

If the terms of a financial assets are modified, the group evaluates whether the cash flow of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cashflows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the the statement of profit and loss. Any costs or fees incurred adjust the carrying amount of modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial Liability

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

2.12.D Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance sheet, if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.12.E Fair value measurement

The group's accounting policies and disclosures require the measurement of fair values for financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques are as follows :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as price) 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.13 Share capital

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

2.14 Provisions and Contingent Liabilities

Provisions are recognised when the group has a present obligation as a result of past event; it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Capital commitments includes the amount of purchase order issued to parties for completion of assets, provisions, contingent liability and commitments are reviewed at balance sheet date.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.15 Revenue and Expense Recognition

A. Interest income

Interest income is presented in the statement of profit and loss includes interest on financial assets measured at amortised cost calculated on an effective interest basis. Fee income and expense that are integral to the effective interest rate on a financial asset are included in the effective interest rate computation. The amortization of income and expenses for financial assets under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial assets through the expected life of the assets.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets. (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated applying the EIR to the amortised cost of the credit-impaired financial asset (i.e. the gross carrying amount less the allowances for ECLs).

B. Commission and fee income

Commissions earned by the group which are not directly attributable to disbursement of loans are recognised in the statement of profit and loss as and when incurred.

Fee and commission income include fees other than those that are an integral part of EIR. The group recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the group will collect the consideration.

C. Profit or loss earned on sale of investments is recognised on trade date basis, determined based on the weighted average cost of the investments sold.

D. Dividend income

Dividend income is recognized when:

- the right to receive dividend is established which is generally when shareholders approve the dividend,
- it is probable that the economic benefits associated with the dividend will flow to the entity and
- amount of dividend can be measured reliably.

E. Interest expenses

Interest expense is presented in the statement of profit and loss includes interest on liabilities measured at amortised cost calculated on an effective interest basis. Fee and borrowing costs that are integral to the effective interest rate on a financial liability are included in the effective interest rate computation. The amortization of expenses for financial liabilities under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial liabilities through the expected life of the financial liabilities. Other borrowing costs are recognised as expense in the period in which they are incurred.

F. Borrowing costs

Borrowing costs incurred in connection with the borrowing of funds including the ancillary cost are amortised and accounted as interest expense using the EIR method.

Other borrowing costs are recognised as expense in the period in which they are incurred.

2.16 Employee Benefits

i) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

ii) Defined Contribution Plan

The group's contribution paid/payable during the year towards Provident and other funds is charged to the statement of profit and loss in the year in which employee renders the related service.

iii) Measurement of defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The group has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service.

Details of the unfunded defined benefit plans for its employees are given in note 36 which is as certified by the actuary using projected unit credit method.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iv) Compensated Absences

Eligible employees of the group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares which may involve issue of equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

2.18 Income Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in OCI.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period. Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.19 Leases

The group's lease assets primarily consist of leases for office premises. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. Short term leases (lease term of twelve months or less) and low value leases are recognized as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lower of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.20 Share Based Payments

The grant date fair value of equity-settled share-based payment awards/options granted to employee is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The fair value of the options at the grant date is calculated on the basis of Black Scholes Model. The amount recognised as an expense is adjusted to reflect the number of awards/options for which the related service are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards/options that meet the related service at vesting period.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3: Property, Plant and Equipment - Tangible Assets and Other Intangible Assets

(Amount Rs. in Lakh)

	Tangible Assets						Other Intangible Assets			Right to Use Assets		
	Leasehold Improvements	Office Equipments	Furniture & Fixtures	Vehicles	Computers	Total	Computer Software	Brand & Trademark	Total	Right to Use Assets	Total	Total
Gross Carrying Amount												
As at April 1, 2021	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Acquisition (23rd Aug, 2021)	8.63	22.26	17.52	114.76	238.72	401.89	4,084.83	-	4,084.83	1,862.28	1,862.28	6,349.00
Additions	16.62	19.97	2.57	51.51	208.56	299.23	587.37	-	587.37	1,045.89	1,045.89	1,932.49
Disposals / Adjustments	-	(0.24)	-	-	-	(0.24)	-	-	-	(669.13)	(669.13)	(669.37)
As at March 31, 2022	25.25	41.99	20.09	166.27	447.28	700.88	4,672.20	-	4,672.20	2,239.04	2,239.04	7,612.12
Additions	69.13	47.51	0.25	71.49	611.20	799.58	2,955.90	245.63	3,201.53	1,271.47	1,271.47	5,272.58
Disposals / Adjustments	-	-	-	-	(13.91)	(13.91)	-	-	-	-	-	(13.91)
As at March 31, 2023	94.38	89.50	20.34	237.76	1,044.57	1,486.55	7,628.10	245.63	7,873.73	3,510.51	3,510.51	12,870.79
Accumulated Depreciation												
As at April 1, 2021	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Acquisition (23rd Aug, 2021)	1.85	3.51	1.75	34.20	67.54	108.85	558.46	-	558.46	369.56	369.56	1,036.87
Additions	2.67	4.31	1.07	15.56	71.88	95.49	363.25	-	363.25	444.63	444.63	903.37
Disposals / Adjustments	-	(0.09)	-	-	-	(0.09)	-	-	-	(176.23)	(176.23)	(176.32)
As at March 31, 2022	4.52	7.73	2.82	49.76	139.42	204.25	921.71	-	921.71	637.96	637.96	1,763.92
Additions	8.86	14.99	1.93	44.35	219.31	289.44	936.85	7.74	944.59	663.38	663.38	1,897.41
Disposals / Adjustments	-	(0.09)	-	-	(13.20)	(13.29)	-	-	-	-	-	(13.29)
As at March 31, 2023	13.38	22.63	4.75	94.11	345.53	480.40	1,858.56	7.74	1,866.30	1,301.34	1,301.34	3,648.04
Net Carrying Amount												
As at March 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	20.73	34.26	17.27	116.51	307.86	496.63	3,750.49	-	3,750.49	1,601.08	1,601.08	5,848.20
As at March 31, 2023	81.00	66.87	15.59	143.65	699.04	1,006.15	5,769.54	237.89	6,007.43	2,209.17	2,209.17	9,222.75

Note 3(a): Intangible Assets Under Development

Intangible assets under development aging schedule

As at March 31, 2023

Intangible assets under development	Amount for the following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	60.55	-	-	-	60.55
Project temporarily suspended	-	-	-	-	-
Total	60.55	-	-	-	60.55

As at March 31, 2022

Intangible assets under development	Amount for the following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	1,441.97	-	-	-	1,441.97
Project temporarily suspended	-	-	-	-	-
Total	1,441.97	-	-	-	1,441.97

* There are no projects whose completion are overdue or has exceeded its cost compared to its original plan.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Note 4: Loans from financing activity		
Secured, considered good		
Housing loan	2,73,772.58	1,20,134.88
Non-housing loan	1,88,703.33	47,888.21
Unsecured, considered good		
Non-housing loan	8,151.31	3,069.93
Less: Allowance for expected credit loss	(2,124.95)	(719.74)
	<u>4,68,502.27</u>	<u>1,70,373.28</u>
Note 5: Other financial assets		
Security Deposits	365.10	217.75
Excessive Interest Spread (EIS) Receivable	627.45	-
	<u>992.55</u>	<u>217.75</u>
Note 6: Other non current assets		
Prepaid expenses	32.50	0.22
Balance with government authorities	88.70	75.92
	<u>121.20</u>	<u>76.14</u>

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Note 7: Current financial assets - Investments		
Investments in Mutual Funds		
At fair value through profit and loss		
(a) Quoted/ Unquoted		
Mutual Fund	19,524.49	4,129.77
	<u>19,524.49</u>	<u>4,129.77</u>
Aggregate Amount of Quoted Investments	19,524.49	4,129.77
Market Value of Quoted Investments	19,524.49	4,129.77
Note 8: Cash and Cash Equivalents		
(i) Balances with Banks		
-Current Accounts	16,561.86	15,770.26
-Certificate of Deposits having maturity less than 3 months	46,966.10	2,497.32
-Deposits having maturity less than 3 months	10,193.62	4,700.95
	<u>73,721.58</u>	<u>22,968.53</u>
Note: Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.		
Note 9: Other Bank Balances		
(i) Balance with Banks		
- In Deposits Account (Refer note below)	4,046.60	0.10
	<u>4,046.60</u>	<u>0.10</u>
Note: Balance with Banks in deposit accounts comprises deposits than have an original maturity exceeding 3 months at balance sheet date.		
Note 10: Loans from financing activity		
Secured, considered good		
Housing loan	6,955.83	5,252.17
Non-housing loan	37,466.82	2,830.74
Unsecured, considered doubtful		
Non-housing loan	630.64	169.32
Less: Allowance for expected credit loss	(156.07)	(34.63)
	<u>44,897.22</u>	<u>8,217.60</u>
Note 11: Other Financial Assets		
Other Receivables	616.88	2.02
Derivative financial Instrument	25.41	-
	<u>642.29</u>	<u>2.02</u>
Note 12: Other Current Assets		
Advance to Suppliers	287.66	148.55
Prepaid Expenses	269.87	166.09
Employee Advances	2.56	2.45
Balances with Statutory authorities	371.35	141.92
	<u>931.44</u>	<u>459.01</u>

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

Note 14: Other Equity

	As at March 31, 2023	As at March 31, 2022
	Amount	Amount
Authorised Share Capital		
Equity Shares of Rs.10/- each	50.00	50.00
	50.00	50.00
Issued, Subscribed and Fully paid up		
Equity Shares of Rs.10/- each, fully paid up	24.55	14.81
	24.55	14.81

Notes:

a) Reconciliation of Shares outstanding at the beginning and at the end of the Year -

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity Shares				
Outstanding at the beginning of the year	1,48,124	14.81	39,091	3.91
Issued during the year	97,372	9.74	1,09,033	10.90
Outstanding at the end of the year	2,45,496	24.55	1,48,124	14.81

b) Terms / Rights attached to Shares -

i) Equity Shares

The Company has one class of equity shares. Each equity share entitles the holder to one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

c) Details of Shares held by Holding Entity, Ultimate holding Entity, their subsidiaries and associates -

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
(i) Equity shares held by holding entity:				
Godrej Industries Limited	2,14,130	87.23%	1,29,033	87.11%

d) Shareholders holding more than 5% shares in the Company -

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Godrej Industries Limited	2,14,130	87.23%	1,29,033	87.11%

e) There are no equity shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

f) i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or

ii) Allotted as fully paid up bonus shares: or

iii) Bought back any of its equity shares.

g) There are no calls unpaid on any equity shares.

h) There are no forfeited shares.

i) No shareholding of promoter as on 31st March, 2023 or as on 31st March, 2022

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2023	As at March 31, 2022
Note 14: Other Equity		
Securities Premium Reserve	1,59,186.46	80,798.03
Retained Earnings	(14,977.91)	(7,176.45)
Employee Stock Grants Outstanding	24.09	0.05
Special Reserve	1,162.80	402.37
Treasury Shares	(0.28)	(0.28)
Capital Reserve on account of Amalgamation	84.15	84.15
Non-Controlling Interest	-	2,341.58
	1,45,479.31	76,449.45

Nature and Purpose of Reserves

Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This Reserve can be used only for the purposes specified in the Companies Act, 2013.

Retained Earnings

Retained Earnings are losses incurred of the group incurred till date.

On March 31, 2023, the GCL acquired the balance 5% of voting interests in its following subsidiary GHFL & GFL from the non-controlling interest. Since the group already had control over these subsidiaries through its ownership of 95% shares, the acquisition of remaining 5% will not result in changes in goodwill. As per Ind AS 110, When the proportion of the equity held by non-controlling interests changes, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent. Accordingly, the differential is adjusted in retained earnings in accordance with Ind AS 110.

Employee Stock Grants Outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Profit and Loss with the corresponding credit to employee stock grants outstanding account

Special Reserve

Reserve created under section 45IC of RBI Act, 1934 & 29C of NHB Act.

Capital Reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as reserve. The utilisation will be as per the requirements of Companies Act, 2013

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Note 15: Non-current Financial Liabilities - Borrowings		
Secured Borrowings		
Term Loan from Banks (Refer Note below)	3,69,537.29	1,09,839.98
Non-convertible debentures	39,919.11	-
	<u>4,09,456.40</u>	<u>1,09,839.98</u>

Security :

Loans taken from a banks are secured by first ranking pari passu charge with a minimum asset cover on standard receivables of the borrower, both present and future, however standard receivable excludes receivables which are / or will be exclusively charged to National Housing Bank (NHB). There is also first ranking pari passu charge on cash and cash equivalents of the borrower, both present and future, to the extent required to make up any shortfall in the stipulated security cover over the standard receivables.

The quarterly returns/statements of current assets filed by the Company with the banks are in agreement with the books of accounts.

Terms of Repayment : Refer note 19c for repayment terms of borrowing

	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Note 16: Non-current Financial Liabilities - Lease		
Lease Liabilities	1,600.67	1,168.71
Deferred Lease Rental	-	-
	<u>1,600.67</u>	<u>1,168.71</u>
Note 17: Non-current Provisions		
Provision for employee benefits		
Gratuity	134.00	83.75
Compensated leave absences	34.84	31.26
	<u>168.84</u>	<u>115.01</u>

Note 18: Current Financial Liabilities - Borrowings

Secured

Secured Term Loan from Banks	9,279.07	15,501.57
Loan Repayable on Demand from Banks	3,266.22	5,000.00
Current Maturities of Long Term Loan from Banks	38,340.17	14,361.82
Non-convertible debentures	1,114.50	-

Unsecured

Commercial Paper	29,810.96	9,921.18
	<u>81,810.92</u>	<u>44,784.57</u>

Security :

Term loan taken from a bank is secured by first ranking pari passu charge with a minimum asset cover on standard receivables of the borrower, both present and future, however standard receivable excludes receivables which are / or will be exclusively charged to National Housing Bank (NHB). There is also first ranking pari passu charge on cash and cash equivalents of the borrower, both present and future, to the extent required to make up any shortfall in the stipulated security cover over the standard receivables.

The quarterly returns/statements of current assets filed by the Company with the banks are in agreement with the books of accounts.

Terms of Repayment : Refer note 19c for repayment terms of borrowing

	As at March 31, 2023	As at March 31, 2022
Note 19: Current Financial Liabilities - Lease		
Lease Liabilities	663.62	415.41
	663.62	415.41
Note 20: Current Financial Liabilities - Others		
Bank Book credit balance	7,961.06	6,959.73
Payable to Employees	1,550.52	1,211.77
EIS Payable	435.97	-
Liability for Expenses	22.89	11.72
Capital vendor for Intangible	119.24	-
	10,089.68	8,183.22
Note 21: Current Financial Liabilities - Trade Payables		
(i) Trade Payables		
Total outstanding dues of micro enterprise and small enterprises	45.95	25.66
Total outstanding dues of creditors other than small enterprises and micro enterprises	2,812.43	2,018.54
	2,858.38	2,044.20

Micro and Small Enterprises Disclosure

During the year micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified on the basis of the information available with the Group. The disclosures pursuant to MSMED Act based on the books of account are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year/period;	45.95	25.66
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period;	-	-
(c) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has 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 accounting year/period	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the year ended and as at March 31, 2023 and March 31, 2022 to Micro, Small and Medium Enterprises on account of principal or interest.

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(Amount in lakhs)

Trade payables due for payment

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	45.95	-	-	-	45.95
(ii) Others	13.23	4.59	6.69	-	-	24.51
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	25.66	-	-	-	25.66
(ii) Others	2.00	70.90	-	-	-	72.90
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

	As at March 31, 2023	As at March 31, 2021
Trade Payables as per ageing schedule above	70.46	98.56
Add: Trade Payables includes Unbilled dues	2,787.92	1,945.64
Total Trade Payables as per Note 21	2,858.38	2,044.20

	As at March 31, 2023	As at March 31, 2022
Note 22: Other Current Liabilities		
Statutory Dues Payable	630.32	414.45
Other Liabilities	-	-
	630.32	414.45
Note 23: Current Provisions		
Provision for Employee Benefits		
Provision for Gratuity	0.53	0.30
Provision for Compensated Absences	15.36	14.08
	15.89	14.38

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19c: Repayment terms of borrowings As at March 31, 2023

(Amount Rs. in Lakh)

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Monthly							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	12	667	-	-	-	-	667
Quarterly							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	22	7,792	4	2,292	-	-	10,083
More than 1095 Days	64	29,204	165	1,23,420.73	187	2,24,357	3,76,982
On maturity (bullet)							
Upto 365 Days	4	12,266	-	-	-	-	12,266
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	2	20,000	1	20,000	40,000
Interest accrued and impact of EIR		711.02		(430.89)			545
TOTAL	102.00	50,639.66	171.00	1,45,281.51	188.00	2,44,356.89	4,40,542.85

Interest rates range from 5.60% p.a. to 9.32% p.a.

Repayment terms of Commercial paper As at March 31, 2023

Original maturity of loan (No. of days)	Due within 1 year	Due 1 to 3 years	More than 3 years	Total
Monthly				
Upto 365 Days	28,728.39	-	-	28,728.39
Interest accrued and impact of EIR	1,082.57	-	-	1,082.57
TOTAL	29,810.96	-	-	29,810.96

Interest rates range from 4.0% p.a. to 8.15% p.a.

Face value per commercial paper is Rs. 30800 lakhs

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Repayment terms of Borrowings As at March 31, 2022

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Installments	Amount	No. of Installments	Amount	No. of Installments	Amount	Amount
Monthly							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	12	666.67	12	666.67	-	-	1,333.34
More than 1095 Days	-	-	-	-	-	-	-
Quarterly							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	21	6,291.67	26	10,083.33	-	-	16,375.00
More than 1095 Days	22	7,300.00	77	29,595.83	104	49,604.17	86,500.00
On maturity (bullet)							
Upto 365 Days	3	8,500.00	-	-	-	-	8,500.00
366 to 1095 Days	3	12,000.00	-	-	-	-	12,000.00
More than 1095 Days	-	-	2	20,000.00	-	-	20,000.00
Interest accrued and impact of EIR							(4.97)
TOTAL	61.00	34,758.34	117.00	60,345.83	104.00	49,604.17	1,44,703.37

Interest rates range from 5.60% p.a. to 7.35% p.a.

Repayment terms of Commercial paper As at March 31, 2022

Original maturity of loan (No. of days)	Due within 1 year	Due 1 to 3 years	More than 3 years	Total
Monthly				
Upto 365 Days	9,847.75	-	-	9,847.75
Interest accrued and impact of EIR	73.43	-	-	73.43
TOTAL	9,994.61	-	-	9,921.18

Interest rates range from 4.2% p.a. to 4.30% p.a.

Face value per commercial paper is Rs. 10,000 lakhs

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 24: Revenue from Operations		
Fees income	487.57	15.10
Interest income on loans from financing activity	27,927.55	3,894.33
Interest Income PTC Investment	-	-
	28,415.12	3,909.43
Note 25: Other Income		
Interest Income on deposits with banks	183.84	95.16
Interest Income on Security Deposits	15.98	6.57
Net gain on sale or fair valuation of investments	1,362.63	195.53
Miscellaneous Income	2.38	266.45
Gain on lease modification	-	176.23
Interest Income on Investments measured at Amortised Cost	301.40	73.00
Interest on I.T. Refund	12.37	0.52
Service Charges	3,679.69	763.37
	5,558.29	1,576.83
Note 25a: Net gain on de-recognition of financial assets at amortized cost		
Net gain on de-recognition of financial assets at amortized cost	717.40	-
	717.40	-
Note 26: Employee Benefits Expenses		
Salaries and Wages	9,217.80	4,892.22
Contribution to Provident and Other Funds	304.47	131.25
Expenses on Employee Stock Option Scheme	24.04	0.04
Staff Welfare Expenses	463.47	481.78
	10,009.78	5,505.29
Salaries, bonus and allowances net of salary cost capitalised to Intangible Assets Under Development during the current year Rs.108 lakhs (Previous Year: Rs. 402 lakhs)		
Note 27: Finance Costs		
Interest on Borrowings	18,888.14	2,715.12
Interest on Lease Liabilities	148.90	66.69
Other Borrowing Costs	109.30	73.02
	19,146.34	2,854.83
Note 28: Depreciation and Amortisation Expenses		
Depreciation on Property, Plant and Equipment	289.34	95.48
Amortisation on Intangible Assets	944.59	363.25
Depreciation on Rights to Use	663.38	268.41
	1,897.31	727.14

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 29: Other Expenses		
Electricity Expenses	62.21	18.43
Rent	115.93	30.68
Repair and Maintenance- Others	140.87	38.81
Rates and Taxes	19.72	10.09
Legal and Professional Fees	748.54	696.27
Recruitment Expenses	313.79	89.88
Membership and Subscription Fees	137.18	7.68
Housekeeping Expenses	221.34	120.84
Office Expenses	74.08	8.01
Computer Expenses	988.26	541.80
Printing and Stationery	141.22	35.98
Postage & courier	18.98	4.55
Communication Expenses	85.05	24.16
Travelling and Conveyance	434.77	95.08
Commission and Brokerage	32.18	9.05
Allowance for expected credit loss (net)	1,526.65	566.15
Loan sourcing cost	997.74	175.37
Advertisement and Sales Promotion expenses	562.27	152.92
Payments to Auditors	48.67	27.99
Director's sitting fee	54.41	44.69
Miscellaneous Expenses *	15.17	3.21
	6,739.03	2,701.64

Note 29(a): Auditors' fees and expenses

Payments to auditor		
a) Audit fees	35.88	20.52
b) Limited review	4.91	
c) Certification	1.42	2.67
d) Other services	1.01	0.45
e) Tax audit fee	5.45	4.36
	48.67	27.99

* Auditor's remuneration is part of other expenses

Note 30: Earnings Per Share

Net (Loss) for Computation of Basic and Diluted Earnings per Share	(A)	(3,115.76)	(6,298.67)
Number of Equity Shares at the beginning of the Year		1,48,124	39,091
Add: Shares issued during the Year		97,372	1,09,033
Number of Equity Shares at the end of the Year		2,45,496	1,48,124
Weighted Average Number of Shares	(B)	2,16,056	93,347
Face Value of Share in Rs.		10	10
Basic and Diluted Earning Per Share	(A)/(B)	(1,442.10)	(6,747.60)

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

Note 31: Contingent Liabilities and Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Contingent Liabilities shall be classified as-		
(a) claims against the Group not acknowledged as debt - Disputed Income tax liability	-	11.32
(b) guarantees excluding financial guarantees; and	-	-
(c) other money for which the Group is contingently liable.	12.20	-
(ii) Commitments shall be classified as-	-	
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;	924.55	538.96
(b) uncalled liability on shares and other investments partly paid; and	-	-
(c) other commitments - Undisbursed commitments in respect of the loan	2,58,906.91	1,40,019.09

Note* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 and as at March, 2022

Note 32: Information on Subsidiaries

The subsidiary Companies considered in the Consolidated Financial Statements are :

Name of the Company	Place of Business/ Country of Incorporation	Percentage of Holding	
		As at March 31, 2023	As at March 31, 2022
Subsidiaries of Godrej Capital Limited			
Godrej Housing Finance Limited	India	100%	95%
Godrej Finance Limited	India	100%	95%
Godrej Capital Employee Stock OptionTrust	India	100%	100%

Note 33: Impairment of Goodwill

The Group has recognised goodwill of Rs. 29,450 lacs for the cash generating unit (CGU) of housing financial services. The recoverable amount of the CGU of housing financial services is determined on the basis of its value-in-use calculations. The management has used five year period for calculating value in use. There is no impairment of goodwill during the year ended March 31, 2023.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
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(Amount Rs. in Lakh)

Note 34: Disclosure pursuant to Ind AS 12 “Income Taxes”

A. Amounts recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense		
Current period	537.74	-
Changes in estimated related to prior years	10.12	0.59
Total current tax expense (A)	547.86	0.59
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(537.74)	-
Deferred tax expense (B)	(537.74)	-
Total tax expense for the year (A) + (B)	10.12	0.59

B. Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Items that will not be reclassified to profit and loss		
(i) Remeasurement gains and (losses) on defined benefit obligations	3.08	4.56
(ii) Income tax relating to items that will not be reclassified to profit and loss	(7.07)	-
Total (a)	(3.99)	4.56
(b) Items that will be reclassified to profit and loss	-	-
Total (b)	-	-
Total (a+b)	(3.99)	4.56

C. Reconciliation of effective tax rate

	For the year ended March 31, 2023		For the year ended March 31, 2022
	Amount	%age	Amount
Loss before tax as per Statement of profit and loss	(3,101.65)		(6,302.64)
Tax using the Company's domestic tax rate	(780.62)	25.17%	(1,586.25)
Tax effect of:			
Non-deductible expenses	(214.88)	6.93%	-
Difference in tax rate on account of capital gains	-	0.00%	-
Changes in estimated related to prior years	10.12		0.59
Deferred not created on unabsorbed business loss	995.50	-32.10%	1,586.25
Total tax expense	10.12	-0.33%	0.59
			-0.01%

D. Deferred tax balances

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets (DTA)		
Employee benefits	1,093.14	-
Provision against standard loans	525.67	-
Others	18.53	-
Leases	41.26	-
Business loss (restricted to)	463.29	3,368.96
Unabsorbed Depreciation	376.80	-
DTA restricted to	2,518.69	396.30
Deferred Tax Liabilities (DTL)		
Unrealised gain on mutual fund	(3.59)	(2.48)
WDV of tangible and intangible assets	(640)	(393.82)
Unamortised Borrowing Cost under EIR Basis	(222)	-
Unamortised Loan Acquisition Cost under EIR Basis	(1,115)	-
Leases	(6.89)	-
Total DTL	(1,988.02)	(396.30)

Deferred tax asset on unabsorbed depreciation, business losses, EIR impact on financial instruments at amortised cost, lease related adjustments, unrealised net gain/(loss) on fair value changes, disallowances under u/s 43B of Income Tax Act, 1961 and others are not created on conservative basis but it restricted to current period tax.

D. Tax balances

Particulars	As at	As at
Current tax assets (net)		
Advance Income Taxes (net)	355.03	259.92
Total	355.03	259.92
Current tax liabilities (Net)	199.98	-
Total	199.98	-

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 35: Leases

(Amount Rs. in Lakh)

Information about leases for which the Company is a lessee is presented below:

(i) Right of use Asset

Particulars	As at March 31, 2023	As at March 31, 2022
Cost		
Balance at beginning of the period	2,239.04	-
Acquisition and Business Combination		1,862.28
Additions	1,271.47	1,045.89
Disposals/ Other Adjustments	-	(669.13)
Balance at end of the period	3,510.51	2,239.04
Accumulated depreciation and impairment		
Balance at beginning of the period	637.96	-
Acquisition and Business Combination	-	369.56
Depreciation	663.38	444.63
Disposals/ Other Adjustments	-	(176.23)
Balance at end of the period	1,301.34	637.96
Carrying Amounts	2,209.17	1,601.08

(ii) Movement in Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening lease liabilities	1,584.12	-
Add: Acquisition and Business Combination	-	1,862.28
Add: Addition for new leases	1,271.47	1,045.89
Less: Reduction for termination / closure	-	(669.13)
Add: Interest on lease liabilities	148.90	66.69
Add: Lease adjustment	-	(28.19)
Less: Lease payments	(740.20)	(693.42)
Closing lease liabilities	2,264.29	1,584.12

(iii) Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation charge of right-of-use assets	663.38	268.41
(b) Interest on lease liabilities	148.90	66.69
(c) Expense relating to short-term leases	115.92	17.97
Total	928.20	353.07

(iv) The total cash outflow for leases for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow on leases	706.40	233.55

4. Maturity analysis (undiscounted amounts)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	791.74	506.24
One to five years	1,746.78	1,274.53
More than five years	-	-
Total undiscounted lease liabilities	2,538.52	1,780.77
Lease liabilities included in the statement of financial position	2,538.52	1,780.77
Current	663.62	415.41
Non-Current	1,600.67	1,168.71
Weighted average effective interest rate %	6.5% to 7%	6.5% to 7%

The above amounts includes principal & interest

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

Note 36: Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'

Note (a) Defined contribution plans

The Group makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits

The Group has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund charge	304.47	131.25

Note (b) Defined Benefit Plan

I The Group has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded post retirement benefit plans for its employees are given below which is as certified by the actuary.

Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) as below.

a) Changes in Present Value of Defined Benefit Obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present Value of Benefit Obligation on Acquisition and Business Combination	84.04	60.48
Current Service Cost	47.65	22.96
Past service cost	-	-
Interest Expense/(Income)	5.12	2.30
Liability transferred in	59.11	2.86
Liability transferred out	(58.31)	-
Settlement Cost (Credit)/Cost	-	-
Actuarial (Gains)/Losses on obligations - due to experience	0.66	(4.56)
Actuarial (Gains)/Losses on obligations - due to change in demographic assumptions	(5.55)	-
Actuarial (Gains)/Losses on obligations - due to change in financial assumptions	1.81	-
Experience (gains)/losses	-	-
Present Value of Benefit Obligation at the End of the year	134.53	84.04

Change in plan assets:

Fair value of plan assets, beginning of the year

Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-

Fair value of plan assets, end of the year

-	-
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b) Amount recognized in the balance sheet consists of:

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	134.53	84.04
Fair value of plan assets	-	-
Net liability	134.53	84.04

c) The amounts recognised in the Statement of Profit and Loss are as follows:

		For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost			
Current service cost		47.65	22.96
Past service cost		-	-
Total Service cost	(i)	47.65	22.96
Net interest cost			
Interest expense on DBO		5.12	2.30
Interest expense / (income) on plan assets		-	-
Total Interest cost	(ii)	5.12	2.30
Defined benefit cost included in Statement of Profit and Loss	(iii) - (i + ii)	52.77	25.26
Total remeasurement in other comprehensive income (OCI)	(iv)	(3.08)	(4.56)
Total Defined benefit cost included in Statement of Profit and loss and OCI	(v) = (iii + iv)	49.69	20.70

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

d) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2023
Discount rate	7.2% to 7.29%
Salary growth rate	10.00%
Employee attrition rate	24% to 34%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)
Expected average remaining working lives of employees	2 to 3 years

e) Impact on defined benefit obligation - Sensitivity Analysis

As at March 31, 2023

Particulars	Increase	Decrease
i) Discount rate (1% movement)	(5.20)	5.58
ii) Change in salary growth rate (1% movement)	5.39	(5.13)
iii) Change in employee attrition rate (1% movement)	(3.79)	3.91

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation 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 benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

f) Maturity

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2022
i) 1st Following Year	0.54
ii) 2nd Following Year	21.15
iii) 3rd Following Year	28.05
iv) 4th Following Year	27.93
v) 5th Following Year	25.00
vi) Sum of Years 6 to 10	60.58
vii) Sum of Years 11 and above	23.51

The weighted average duration of the defined benefit obligation is 2 to 3 years (previous year - 12 years).

g) Risk Exposure

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Note (c) Impact of Code on Social Security, 2020

The Indian Parliament has approved the Code on social security, 2020 which may impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying and financial impact are yet to be determined. The Group will complete its evaluation and will give appropriate impact in the financial statements in the year in which, the code becomes effective and the related rules to determine the financial impact are notified.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

Note 37: Share based payments

The Godrej Capital Employee Stock Option Scheme 2021 ("ESOP Scheme 2021") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on January 5, 2021. The Scheme is administered by Company's Board of Directors. The Scheme applies to all the Eligible Employees, who are the permanent employees of the Company or any Subsidiary of the Company, on the date of Grant of Options. The Compensation Committee of the Company would decide the entitlement of each employee based on his/her performance, level, grade, seniority and such other parameters as may be decided by the Compensation Committee. The Exercise Price will be as decided by the Compensation Committee. The Options granted would vest after twenty one months but not later than fifty seven months from the date of Grant of Options or as may be decided by Compensation committee. Exercise period is 7 (seven) years from the date of Vesting of Options or such other period as may be decided by the Compensation Committee, within which the Employee should exercise his right to apply for transfer of Equity Shares of the Company to him pursuant to the Option Vested in him in accordance with the ESOP Scheme 2021.

Description of the share based payment plans:

The expense recognised for employee services received during the year / period is shown in the following table:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses arising from equity-settled share-based payment	24.04	0.04
Total	24.04	0.04

Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movement in, share options during the year / period:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	2,759	10	2,378	10
Granted during the year	-	-	416	10
Lapsed during the year	122	10	35	10
Outstanding at the end of the year	2,637	10	2,759	10

The weighted average fair values of the options Rs. 4.29. The stock price of the options is Rs. 10.

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Year ended	For the year ended March 31, 2023	For the year ended March 31, 2022
Share price	Rs 4.29	Rs 4.29
Risk free interest rate	7.00%	7.00%
Fair Value of Option	0.9 to 1.6	0.9 to 1.6
Volatility	42.70%	42.70%
Time to Maturity	5 years	6 years
Exercise price	Rs. 10	Rs. 10

Expected Volatility was determined by calculating the historical volatility of the comparable Company's share price over the effects of non-transferability, exercise restrictions and behavioural considerations.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	March 31, 2023 Share Options	March 31, 2022 Share Options
January 29, 2021	October 28, 2029	10	319.00	328.00
February 3, 2021	November 2, 2029	10	229.00	251.00
February 11, 2021	November 10, 2029	10	9.00	9.00
May 10, 2021	February 5, 2030	10	61.00	61.00
June 22, 2021	March 20, 2030	10	43.00	43.00
January 29, 2021	October 28, 2030	10	331.00	340.00
February 3, 2021	November 2, 2030	10	232.00	254.00
February 11, 2021	November 10, 2030	10	9.00	9.00
May 10, 2021	February 5, 2031	10	63.00	63.00
June 22, 2021	March 20, 2031	10	45.00	45.00
January 29, 2021	October 28, 2031	10	312.00	320.00
February 3, 2021	November 2, 2031	10	215.00	236.00
February 11, 2021	November 10, 2031	10	8.00	8.00
May 10, 2021	February 5, 2032	10	58.00	58.00
June 22, 2021	March 20, 2032	10	42.00	42.00
January 29, 2021	October 28, 2032	10	319.00	328.00
February 3, 2021	November 2, 2032	10	229.00	251.00
February 11, 2021	November 10, 2032	10	9.00	9.00
May 10, 2021	February 5, 2033	10	61.00	61.00
June 22, 2021	March 20, 2033	10	43.00	43.00
Total			2,637.00	2,759.00

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount Rs. in Lakh)

B) ESOP Scheme 2022

The Godrej Capital Employee Stock Option Scheme 2022 ("ESOP Scheme 2022") of the Company was approved and adopted by its members at an Annual General Meeting held on June 1, 2022. The Scheme is administered by Company's Board of Directors. The Scheme applies to all the Eligible Employees, who are the permanent employees of the Company or any Subsidiary of the Company, on the date of Grant of Options. The Compensation Committee of the Company would decide the entitlement of each employee based on his/her performance, level, grade, seniority and such other parameters as may be decided by the Compensation Committee. The Exercise Price for each Option will be determined by the Board. The Options granted would vest after a minimum period of twenty four months which may be extended to thirty six months but not later than seventy two months from the date of Grant of Options or as may be decided by Compensation committee. Exercise period is 7 (seven) years from the date of Vesting of Options or such other period as may be decided by the Board, within which the Employee should exercise his right to apply for transfer of Equity Shares of the Company to him pursuant to the Option Vested in him in accordance with the ESOP Scheme 2022.

Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movement in, share options during the year:

Particulars	For the year		For the year	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	934	10	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	934	10	-	-

The weighted average fair values of the options granted during the year was Rs. 80,496.49. The weighted average stock price of the options granted during the year ended March 31, 2023 is Rs.10.

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	For the year
Share price	Rs. 80,496.49
Fair Value of Option	Rs. 22,346.12 to Rs. 33,172.25
Risk free interest rate	6.69% to 7.34%
Volatility	20.02% to 29.33%
Time to Maturity	7 years
Exercise price	Rs. 80,496.49

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	March 31, 2023 Share Options
09 November 2022	30-Jun-31	80,496.49	28
09 November 2022	30-Jun-32	80,496.49	28
09 November 2022	30-Jun-33	80,496.49	27
09 November 2022	30-Jun-34	80,496.49	28
09 November 2022	30-Apr-32	80,496.49	146
09 November 2022	30-Apr-33	80,496.49	146
09 November 2022	30-Apr-34	80,496.49	145
09 November 2022	30-Apr-35	80,496.49	146
09 November 2022	30-Nov-32	80,496.49	28
09 November 2022	30-Nov-33	80,496.49	28
09 November 2022	30-Nov-34	80,496.49	28
09 November 2022	30-Nov-35	80,496.49	28
10 March 2023	28-Feb-33	80,496.49	32
10 March 2023	28-Feb-34	80,496.49	32
10 March 2023	28-Feb-35	80,496.49	32
10 March 2023	29-Feb-36	80,496.49	32
Total			934

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
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Note 38: Segment Information

(Amount Rs. in Lakh)

Particulars	Investing		Financing		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1. Revenue						
Segment	159.34	53.04	34,531.47	5,433.22	34,690.81	5,486.26
Total Revenue	159.34	53.04	34,531.47	5,433.22	34,690.81	5,486.26
2. Result						
Segment (Loss) before Depreciation Interest and tax	1.79	(831.40)	17,940.21	(1,889.27)	17,942.00	(2,720.67)
Less/(Add) : Depreciation	7.74	-	1,889.57	727.14	1,897.31	727.14
Less/(Add) : Finance Cost	-	-	19,146.34	2,854.83	19,146.34	2,854.83
(Loss) / Profit before tax	(5.95)	(831.40)	(3,095.70)	(5,471.24)	(3,101.65)	(6,302.64)
Less : Deferred Tax	-	-	(537.74)	-	(537.74)	-
Less : Prov. For Taxation	-	-	537.74	-	537.74	-
Less : Short Provision for Earlier Years	9.73	-	0.39	0.59	10.12	0.59
Net loss after tax	(15.68)	(831.40)	(3,096.09)	(5,471.83)	(3,111.77)	(6,303.23)
3. Segment Assets	29,816.99	29,636.65	6,23,181.57	2,13,807.54	6,52,998.56	2,43,444.19
4. Segment Liabilities	144.83	2.19	5,07,349.86	1,66,977.74	5,07,494.70	1,66,979.93

Notes:

- 1) The group has disclosed investing and financing segments, taking into account the nature of business and organisational structure.
- 2) The group operates in India, and does not have any other geographical segment.
- 3) Investing segment main business is to carry on the business of an investment company and to invest in and acquire, hold, sell, buy, subscribe or otherwise deal in shares, stocks, debentures, bonds, units, negotiable instruments, obligations and other financial instruments issued by any company.
- 4) Core business of financing segment is advancing loans to customers.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 39: Related Party Information

a) Names of related parties and description of relationship

Name of related party	Nature of relationship
Godrej Industries Limited	Holding Company (w.e.f. March 25, 2021)
Godrej Properties Limited	Companies under Common Ownership
Godrej Investment Advisors Limited	Companies under Common Ownership
Godrej Consumer Products Limited	Companies under Common Ownership
Godrej One Premises Management Private Limited	Companies under Common Ownership
Kunal Karnani	CFO (w.e.f 5th August, 2022)
Manish Shah	Key Managerial Personnel - Managing Director and CEO (w.e.f 7th March, 2022)

b) Transactions with related parties

(Amount Rs. in Lakh)

Sr. No.	Nature of transaction	Holding Company		Key Managerial Personnel - Director		Companies under Common Ownership	
		FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
	Transactions with related party						
1	Issue of Share capital & Security Premium	68,500.10	80,917.50	-	-	-	-
2	Reimbursement of Cost	477.61	6.37	-	-	63.16	36.65
3	Reimbursement of Cost recovered from	4.95	-	-	-	6.07	-
4	Expenses paid to	-	244.01	-	-	-	78.65
5	Purchase of goods	-	-	-	-	0.25	0.62
6	Purchase of Brand logo	245.63	-	-	-	-	-
7	Remuneration to KMP	-	-	586.59	347.74	-	-
	Balance Outstanding as on date						
1	Outstanding Balance - Payable	9.42	2.76	-	-	5.21	0.62
2	Security deposits	133.55	126.61	-	-	-	-
3	Outstanding Balance - Receivable	4.90	-	-	-	3.24	1.78

Sr. No.	Nature of transaction	Holding Company		Key Managerial Personnel - Director		Companies under Common Ownership	
		FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
	Transactions with related party						
1	Issue of Share capital & Security Premium Godrej Industries Limited	68,500.10	80,917.50	-	-	-	-
2	Reimbursement of Cost Godrej Industries Limited Godrej One Premises Management Private Limited Godrej Properties Limited	477.61 - -	244.01 - -	- - -	- - -	- 62.96 0.20	- 58.77 19.88
3	Reimbursement of Cost recovered from Godrej Industries Limited Godrej Properties Limited Godrej Fund Management and Investment Advisers Private Limited	4.95 - -	6.37 - -	- - -	- - -	- 6.07 -	- 21.90 14.75
4	Expenses paid to Godrej Industries Limited	-	244.01	-	-	-	78.65
5	Purchase of goods Godrej Consumer Products Limited	-	-	-	-	0.25	0.62
6	Purchase of Brand logo Godrej Properties Limited	-	-	-	-	245.63	-
7	Remuneration to KMP Short term employee benefit Post employment benefit			561.54 25.05	325.16 22.58		
	Balance Outstanding as on date						
1	Outstanding Balance - Payable Godrej Industries Limited Godrej One Premises Management Private Limited Godrej Properties Limited Godrej Consumer Products Limited	9.42 - - -	2.76 - - -	- - - -	- - - -	- 5.21 - -	- 0.62 - -
2	Security deposits	133.55	126.61	-	-	-	-
3	Outstanding Balance - Receivable Godrej One Premises Management Private Limited Godrej Properties Limited Godrej Industries Limited	- - 4.90	- - -	- - -	- - -	2.30 0.93 -	- 1.78 -

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 40: Fair Value Measurement

The fair value is the amount at which financial instruments could be sold on fair terms as of the reporting date. Where market prices (e.g. for marketable securities) were available, we have used these prices without modification for measuring fair value. If no market prices were available, the fair values for loans/receivables and liabilities were calculated by discounting using a maturity-matched discount rate appropriate to the risk.

Classification of financial assets and financial liabilities:

The following table shows the carrying amounts and fair values of Financial assets and Financial liabilities which are classified as Amortised Cost, Fair value through Profit and Loss (FVTPL) and Fair value through other comprehensive income (FVTOCI).

As at March 31, 2023					(Amount Rs. in Lakh)			
Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Loans from financing activity	-	-	4,68,502.27	4,68,502.27	-	-	-	-
Other Financial Assets	-	-	992.55	992.55	-	-	-	-
Current								
Investments	19,524.49	-	-	19,524.49	19,524.49	-	-	19,524.49
Cash and Cash Equivalents	-	-	73,721.58	73,721.58	-	-	-	-
Other Bank Balances	-	-	4,046.60	4,046.60	-	-	-	-
Loans from financing activity	-	-	44,897.22	44,897.22	-	-	-	-
Other Financial Assets	-	-	642.29	642.29	25.41	-	-	25.41
	19,524.49	-	5,92,802.51	6,12,327.00	19,549.90	-	-	19,549.90
Financial liabilities								
Non Current								
Borrowings	-	-	4,09,456.40	4,09,456.40	-	-	-	-
Lease Liabilities	-	-	1,600.67	1,600.67	-	-	1,600.67	1,600.67
Current								
Borrowings	-	-	81,810.92	81,810.92	-	-	-	-
Lease Liabilities	-	-	663.62	663.62	-	-	663.62	663.62
Other Financial Liabilities	-	-	10,089.68	10,089.68	-	-	-	-
Trade Payables	-	-	2,858.38	2,858.38	-	-	-	-
	-	-	5,06,479.67	5,06,479.67	-	-	2,264.29	2,264.29

As at March 31, 2022					(Amount Rs. in Lakh)			
Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Loans from financing activity	-	-	1,70,373.28	1,70,373.28	-	-	-	-
Other Financial Assets	-	-	217.75	217.75	-	-	-	-
Current								
Investments	4,129.77	-	-	4,129.77	4,129.77	-	-	4,129.77
Cash and Cash Equivalents	-	-	22,968.53	22,968.53	-	-	-	-
Other Bank Balances	-	-	0.10	0.10	-	-	-	-
Loans from financing activity	-	-	8,217.60	8,217.60	-	-	-	-
Other Financial Assets	-	-	2.02	2.02	-	-	-	-
	4,129.77	-	2,01,779.28	2,05,909.05	4,129.77	-	-	4,129.77
Financial liabilities								
Non Current								
Borrowings	-	-	1,09,839.98	1,09,839.98	-	-	-	-
Lease Liabilities	-	-	1,168.71	1,168.71	-	-	1,168.71	1,168.71
Current								
Borrowings	-	-	44,784.57	44,784.57	-	-	-	-
Lease Liabilities	-	-	415.41	415.41	-	-	415.41	415.41
Other Financial Liabilities	-	-	8,183.22	8,183.22	-	-	-	-
Trade Payables	-	-	2,044.20	2,044.20	-	-	-	-
	-	-	1,66,436.09	1,66,436.09	-	-	1,584.12	1,584.12

The fair value of cash and cash equivalents, other bank balances, other financial liabilities, trade payables approximate their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates 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 to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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Note 40: Fair Value Measurement (Continued)
Measurement of fair values

The Group uses the following hierarchy for determining and disclosing the fair value of Financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation Technique
Borrowings	The Group's borrowings are at floating rate of interest and the carrying value of loans approximates their fair value. Other borrowings which are short-term in nature and hence carrying value approximates their fair value.
Lease Liability	Lease liabilities are valued using Level 3 techniques. A change in one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly.
Loans and Advances	Substantially all loans are at floating rate of interest, the carrying value of loans approximates their fair value.
Investments in Mutual Funds	The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

There are no transfer between Level 1, 2 and 3, since there are no financial instruments at fair value under the category.

Note 41: Financial Risk Management

A Financial risk Management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risk, market risk, operational risk and compliance risk. The group's Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is integral to the whole business of the group. The group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

B Risk management framework

Risk Management forms an integral part of the group's operations. The group's Board of Directors with support of risk function has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has constituted following committees and defined their role for monitoring the risk management policies of the group.

Board level committees

Risk Management Committee of the Board (RMC): The purpose of the Committee is to assist the Board in its oversight of various risks

- i) Credit Risk
- ii) Liquidity and Interest Rate Risk
- iii) Operational Risk (Process, HR, Technology and Fraud)
- iv) Strategic Risks (including emerging and external risks)
- v) Compliance and Reputation Risk (compliance risk and reputation risk are covered through compliance risk management charter).

Borrowing and Investment Committee: Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

Asset Liability Management Committee of the Board (ALCO): ALCO shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Group. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Management Committee oversees how the management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The **Audit Committee** is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Committee (MCC): Committee members include Managing Director (MD), Chief Risk Officer (CRO), Chief Financial Officer (CFO) and Chief Business Officer (CBO). Committee approves policies on recommendation of concerned credit committee. It approves/ modifies/disapproves business proposal based on delegation of authority (DOA) approved by the Board and recommends proposals.

Fraud Risk Management Committee (FRMC): An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted who review the matters related to fraud risk and approve / recommend actions against frauds. FRMC consists of CFO, Head-Risk, Chief Human Resources Officer (CHRO) and Head-Legal and Compliance.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 41: Financial Risk Management (Continued)

C Risk Management approach for handling various types of risk

(a) Credit risk

The credit risk is governed by defined credit policies and Board approved DOA which undergo periodic review. The credit policies outline the type of products that can be offered, customer categories, targeted customer profile, credit approval process, DOA and limits etc. Each business unit is required to implement Group's credit policies and procedures and maintain the quality of its credit portfolio.

Credit Risk assessment methodology

The Group has a structured credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The credit appraisal process involves critical assessment of quantitative and qualitative parameters subject to review and approval as per defined DOA. The credit assessment involves detailed analysis of industry, business, management, financials, end use etc. An internal rating is also assigned to the borrower based on defined parameters. For retail customers, the credit assessment is based on a parameterised approach. Credit risk monitoring and portfolio review. The group measures, monitors and manages credit risk at an individual borrower level. The credit risk for retail borrowers is being managed at portfolio level.

The credit assessment is carried out based on an internal risk assessment framework which rates the customers accordingly to various parameters. Data analytics is extensively used for effective risk monitoring.

Loans & Advances

Credit risk for loan & advances is managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Further, a major portion of exposure is secured by way of property and fixed deposits. Group also maintains an allowance for impairment that represent its estimate of expected losses in respect of loans & advances

Movement in Provision for Loss Allowance:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision for loss allowance		
Impairment Provision as on the Acquisition Date (23rd Aug, 2021)	754.37	188.23
Impairment loss recognised for period post acquisition	1,526.65	566.15
Closing provision for loss allowance	2,281.02	754.37

(b) Liquidity risk

A risk that the Group will encounter difficulty in meeting its day to day financial obligations is known as liquidity risk. Management of liquidity risk is done as follows:

- i) ALCO sets the strategy for managing liquidity risk commensurate with the business objectives.
- ii) ALCO has delegated the responsibility of managing overall liquidity risk and interest rate risk to Treasury. ALCO has set various gap limits for tracking liquidity risk. The CFO and head of treasury monitor the gap limits with actuals and present the same to the MD & CEO.
- iii) Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Group. Treasury team ensures the regulatory compliance to the liquidity risk related limits approved in the ALM policy by ALCO.
- iv) The Group's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the group's reputation.

The key elements of the Group's liquidity risk management strategy are as follows:

- i) Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the group also maintains a portfolio of highly liquid mutual fund units.
- ii) Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared periodically to monitor the maturity gaps in the Assets and Liabilities cash flows.
- iii) The Group carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

The below table analyses the Group's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 41: Financial Risk Management (Continued)
(b) Liquidity risk (Continued)

Maturity profile of financial liabilities

The following are the contractual maturities of financial liabilities:

(Amount Rs. in Lakh)

As at March 31, 2023

Particulars	Contractual Cash Flows					
	Total	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Trade payables	2,858.38	2,858.38	-	-	-	-
Borrowings	4,91,267.32	46,422.36	35,659.62	81,174.15	2,39,273.66	88,737.53
Lease Liability	2,264.29	324.16	339.45	725.75	874.93	-
Other Financial Liabilities	10,089.68	10,078.38	-	-	-	11.30
Total	5,06,479.67	59,683.28	35,999.07	81,899.90	2,40,148.59	88,748.83

Particulars	Contractual Cash Flows					
	Total	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Cash and Bank balance	77,768.02	75,247.34	2,520.68	-	-	-
Loans	5,13,399.49	25,713.98	19,322.60	25,658.23	53,210.91	3,89,493.77
Other financial assets	1,634.84	585.46	-	140.01	225.09	684.28
Total	5,92,802.35	1,01,546.78	21,843.28	25,798.24	53,436.00	3,90,178.05

As at March 31, 2022

Particulars	Contractual Cash Flows					
	Total	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Trade payables	2,044.20	2,044.20	-	-	-	-
Borrowings (other than debt securities)	1,54,624.55	28,374.96	16,409.62	20,122.68	69,396.04	20,321.25
Lease Liability	1,584.13	202.91	212.51	453.33	715.38	-
Other Financial Liabilities	8,171.49	8,171.49	-	-	-	-
Total	1,66,424.37	38,793.56	16,622.13	20,576.01	70,111.42	20,321.25

(c) Market risk

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Group's income or the value of its holdings of financial instruments. The objective of the group's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency while optimising the return on risk. ALCO sets up limits for each significant type of risk/aggregated risk and various products in the portfolio, with market liquidity being a primary factor in determining the level of limits.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Sensitivity analysis for fixed rate instruments

The group has fixed rate interest bearing liabilities and financial assets where no interest rate risk is perceived

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Exposure to interest rate risk Group's interest rate risk arises from borrowings and loans & advances to customers. The interest rate profile of the Group's interest-bearing financial instruments and sensitivity analysis as reported to the management of the Group are as follows:

Particulars	Rate sensitive			Rate sensitive		
	As at March 31, 2023	@ 100bps change increase	@ 100bps change decrease	As at March 31, 2022	@ 100bps change increase	@ 100bps change decrease
Fixed rate instruments						
Investments	19,524.49	-	-	-	-	-
Borrowings	73,363.56	-	-	9,921.18	-	-
Loans	57,784	-	-	6,031.88	-	-
Floating rate instruments						
Investments	-	-	-	-	-	-
Borrowings	4,17,903.76	4,179.04	(4,179.04)	1,44,703.37	1,447.03	(1,447.03)
Loans	4,57,896.48	4,578.96	(4,578.96)	1,73,313.38	1,733.13	(1,733.13)

e) Foreign currency risk

The group is currently not exposed to currency risk since its primary dealings are in INR.

f) Equity price risk

The group does not have any exposure to equities and hence it not exposed to any equity price risk.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 41: Financial Risk Management (Continued)

g) Operational Risk

The risk of direct or indirect potential loss arising from a wide variety of causes associated with the Group's processes, personnel, systems, or from external factors other than credit, compliance, reputation, market and liquidity risks. Management of operational risk forms an integral part of the Group's enterprise wide risk management systems. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Group's operational risk management framework.

Group has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The group immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. The group continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

g) Cyber Security Risk

Various measures are adopted to effectively protect the Group against phishing, social media threats and rogue mobile. Group ensures seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.

h) Regulatory and Compliance Risk

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Compliance team. Statutory compliances are handled by Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments. As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.

Note 42: Capital management

The primary objective of the group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximizes its value. The Group manages its capital structure and adjusts it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and for period ended 31 March 2022.

The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances and Current investments and adjusted capital includes capital & other equity reserves (other than hedge reserve).

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

Particulars	(Amount Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Non current borrowings	3,69,537.29	1,09,839.98
Current borrowings	81,810.92	44,784.57
Less: Cash and cash equivalents	73,721.58	22,968.53
Less: Other bank deposits	4,046.60	0.10
Less: Current Investments	19,524.49	4,129.77
Adjusted Net debt	3,54,055.54	1,27,526.15
Total equity	74,122.68	76,464.26
Net debt to adjusted equity ratio	4.78	1.67

There were no changes in the Group's approach to capital management during the year. The group is not subject to externally imposed capital requirements.

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 43: Disclosure of Ratios

Particulars	Formulas	For the year ended March 31, 2023	For the year ended March 31, 2022
Current ratio	= Current Assets /Current liabilities	1.49	0.64
Debt Equity ratio	= Total Debt / Shareholders' Equity	3.38	2.02
Debt service coverage ratio	= Annual Net Operating Income / Total Debt Service	0.04	(0.02)
Return on equity ratio	= Net Income/ Shareholder's Equity	(0.02)	(0.08)
Inventory Turnover ratio	= Cost of goods sold/Average Inventory	N/A	N/A
Trade payables turnover ratio	= Net Credit Purchases / Average Accounts Payable	N/A	N/A
Net profit ratio	= Net Profit/Net Sales	(0.09)	(1.15)
Return on capital employed	= EBIT/(Total Assets- Current Liabilities)	0.03	(0.02)

Note:

- i) The variance in return on equity, return on capital employed & net profit ratio is mainly on account of increase in revenues of the subsidiaries namely GHFL & GFL
- ii) The variance in current ratio & debt equity ratio is on account of increase in operations of subsidiaries namely GHFL & GFL
- iii) The variance in debt service coverage is on account of increase in operations & resultant increase in EBITA of subsidiaries namely GHFL & GFL

Note 44: Disclosure under Rule 11(e)(ii)

(Amount Rs. in Lakh)

Name of Entity	Date	Amount of fund advanced/ invested	Relationship	CIN	Registered Address
Godrej Housing Finance Limited	02-Jun-22	20,995.00	Subsidiary	U65100MH2018PLC315359	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079
	30-Mar-23	7,008.47			
Godrej Finance Limited	02-Jun-22	47,500.00	Subsidiary	U67120MH1992PLC065457	GODREJ ONE, PIROJSHANAGAR, EASTERN EXPRESS HIGHWAY, VIKHROLI (EAST) MUMBAI 400079
	30-Mar-23	2,863.38			

GODREJ CAPITAL LIMITED (Formerly known as Pyxis Holdings Limited)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 45: Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property
- (ii) The Company does not have any transactions with companies struck off
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Note 46: Corporate Social Responsibility

Contribution required to be made as per the provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous period.

Note 47: General

Information with regards to other matters specified in Schedule III to Companies Act, 2013 is either NIL or not applicable to the Company for the year.

For and on behalf of the Board of Directors

Manish Shah
Managing Director & CEO
DIN: 06422627

Pirojsha Adi Godrej
Non executive Chairperson
DIN: 00432983

Kunal Karnani
CFO