



**STANDALONE
FINANCIAL
STATEMENTS**

Independent Auditor's Report

To the Members of
Godrej Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Godrej Industries Limited (the "Company"), which comprise the balance sheet as at March 31, 2023 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information, in which is included Returns audited by the branch auditor of the Company's branch incorporated in United Kingdom (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 and based on the consideration of audit report of the branch auditor on the financial information of a branch as was audited by the branch auditor, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, 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.

Description of Key Audit Matter

Revenue recognition

(Refer note 2.14 and note 27 to the standalone financial statements)

Key Audit Matter	How the matter was addressed in our audit
<p>As per IND AS 115 - 'Revenue from Contracts with Customers' revenue is recognized on transfer of control of goods or services to a customer, which is on dispatch / delivery as per the terms of contracts, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.</p> <p>Revenue recognition includes determination of pricing, effect of discounts, sales returns and adjustments for freight reimbursements.</p> <p>Due to the significance of the area and the risk of revenue being fraudulently overstated through manipulation on the timing of transfer of control, revenue recognition is considered as a key audit matter.</p>	<p>Our audit procedures to assess revenue recognition from sale of goods included the following:</p> <ul style="list-style-type: none"> Assessing the compliance of the revenue recognition accounting policies by comparing with Ind AS 115 - "Revenue from Contracts with Customers". Understood and evaluated the design and implementation and tested the operating effectiveness of key controls relating to revenue recognition. Testing the design, implementation and operating effectiveness of the Company's key general Information Technology (IT) controls and key IT application controls over the Company's systems for revenue recognition, by involving our IT specialists.

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Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Tested sales transactions on a sample basis by comparing the underlying sales invoices, sales orders, dispatch and delivery documents to assess whether revenue was recognized appropriately. • Tested the timing of recognition of revenue including performing cut-off procedures, to determine whether the same is in line with the terms of contracts. • Examining manual journal entries posted to revenue to identify any unusual or irregular items.

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 Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Report on Corporate Governance and shareholders' information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the 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 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 control that we identify during our audit.

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

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

Other Matters

1. The standalone financial statements include the audited financial information of one branch in United Kingdom, whose financial information reflect total assets of ₹ 0.17 crore as at March 31, 2023, total revenue of ₹ Nil and total net (loss) after tax ₹ (1.23) crore for the year ended March 31, 2023, before giving effect to consolidation adjustments as considered in the standalone financial statements, which has been audited by its branch auditor. The branch auditor's report on the financial statements of this branch has been furnished to us by the Management. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such auditor and the procedures performed by us are as stated below.

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The branch referred to above is located outside India whose audited financial information has been prepared in accordance with the accounting principles generally accepted in their country and which has been audited by the branch auditor under generally accepted auditing standards applicable in their country. The Company's Management has converted the audited financial information of such branch located outside India from the accounting principles generally accepted in their country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management.

2. The standalone financial statements of the Company for the year ended March 31, 2022, have been audited by predecessor firm, who have expressed an unmodified opinion on those standalone financial statements vide their report dated May 27, 2022, which has been furnished and has been relied upon by us for the purpose of our audit of the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - f. 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 is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.
 - c. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 47 to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding,

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whether recorded in writing or otherwise, that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (d)(i) and (d)(ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
 - f. 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.
- (C) 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 Company to its director during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Jamshed K. Udawadia
Partner
Membership No. 124658
UDIN: 23124658BGXLLJ2328
Mumbai, May 19, 2023

Independent Auditor's Report

Annexure 'A' to the Independent Auditor's Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023:

Statement on Matters Specified in paragraphs 3 and 4 of the Companies (Auditors Report) Order, 2020 :

- i)
 - (a)
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment (including Right of Use Assets and Investment Properties).
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment (including Right of Use Assets and Investment Properties) by which all Property, Plant and Equipment (including Right of Use Assets and Investment Properties) are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, and based on the audit procedures performed by us, the title deeds of immovable properties including Investment Properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.
 - (e) Based on the information and explanations provided to us and our verification of the books and 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 and rules made thereunder.
- ii)
 - (a) The inventories, except for goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate of each class of inventory.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such a bank are in agreement with the books of account of the Company.
- iii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 partnership or any other parties during the year. The Company has made investments in companies during the year, but has not made any investments in firms and limited liability partnership during the year.
 - (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made during the year are prima facie, not prejudicial to the interest of the Company.

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- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, reporting under provisions of paragraph 3(iii) (c) to (f) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or security as specified under sections 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and guarantee provided by the Company, in our opinion the provisions of section 186 of the Act have been complied with. The Company has not provided any security to the parties covered under Section 186 of the Act.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under provisions of paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) (a) According to the information and explanations given to us, and based on the audit procedures performed by us, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities wherever applicable, and there are no such outstanding dues as at March 31, 2023, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales tax, Octroi, Stamp duty, Excise duty, Custom duty and IncomeTax which have not been deposited on account of any dispute are as follow:

Name of Statute	Nature of Dues	Amount not deposited on account of demand (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	0.25	2012-2013	CESTAT
Central Excise Act, 1944	Excise duty	0.47	2009-2013	CESTAT
Central Excise Act, 1944	Excise duty	0.20	2013-2015	Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	0.16	2011-2012, 2014-15	Assistant Commissioner
Central Excise Act, 1944	Excise duty	0.14	2011-2012	CESTAT
Central Sales Tax Act 1956 and Local Sales Tax	Sales tax	11.12	2002-03, 2003-04	Supreme Court
Custom Duty Act	Custom duty	0.51	2004-2005	Commissioner (Appeals)
Custom Duty Act	Custom duty	10.69	2019-2020	CESTAT
Octroi	Octroi	0.24	1997-2003	Tribunal
Octroi	Octroi	0.03	1997-1998	Deputy Commissioner
Octroi	Octroi	0.02	1998-99, 2000-01	Supreme Court
Maharashtra Stamp Act	Stamp duty	1.82	2000-2001	Controlling Revenue Authority

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Name of Statute	Nature of Dues	Amount not deposited on account of demand (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	42.86	AY 2006-2007 AY 2007-2008 AY 2008 -2009 AY 2015-2016 AY 2016-2017 AY 2018-2019	Assessing Officer
Income-tax Act, 1961	Income tax	5.86	AY 2009-2010 AY 2013-2014 AY 2014-2015	CIT
Income-tax Act, 1961	Income tax	28.65	AY 2009-2010 AY 2013-2014 AY 2014-2015	High Court
Income-tax Act, 1961	Income tax	14.77	AY 2011-2012 AY 2012-2013	ITAT
Income-tax Act, 1961	Income tax	5.19	AY 2010-2011	Supreme Court

- viii) According to the information and explanations given to us, and based on the audit procedures performed by us, we have not come across any transactions 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.
- ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and based on the audit procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not raised any loans during the year by way of pledge of securities held in its subsidiaries, associates or joint ventures.

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- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3 (x) (a) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under provisions of paragraph 3 (x) (b) of the Order is not applicable to the Company.
- xi) (a) Based upon the audit procedures performed by us for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) In view of what is reported above in clause xi(a), the reporting under clause xi(b) of the Order is not applicable.
- (c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under provisions of paragraphs 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations and records made available to us by the Company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued during the financial year for the period under audit.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under provisions of paragraph 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under provisions of paragraph 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under provisions of paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group does not have more than one Core Investment Company (CIC), therefore reporting under provisions of paragraph 3 (xvi) (d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred any cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under provisions of paragraph 3 (xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of

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the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, reporting under provisions of paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable.
- xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of paragraph 3 (xxi) of the Order has been included in this report.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Jamshed K. Udwadia
Partner
Membership No. 124658
UDIN: 23124658BGXLLJ2328
Mumbai, May 19, 2023

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Annexure B to the Independent Auditor's report

The Annexure referred to in Paragraph 2 (A) (g) under 'Report on Other Legal and Regulatory Requirements' of 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 with reference to standalone financial statements 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 standalone financial statements of Godrej Industries Limited ("the Company") as at 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Independent Auditor's Report

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Jamshed K. Udadia
Partner
Membership No. 124658
UDIN: 23124658BGXLLJ2328
Mumbai, May 19, 2023

Balance Sheet as at March 31, 2023

Amount ₹ in Crore

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,274.36	1,239.04
Capital Work in Progress	3a	83.55	38.13
Right-of-use Assets	38	93.85	58.25
Investment Property	3b	438.36	446.45
Other Intangible Assets	3c	4.05	2.57
Financial Assets			
Investments in Subsidiaries and Associates	4	5,702.84	4,765.97
Other Investments	4a	21.86	20.14
Loans	5	0.90	0.87
Other Financial Assets	6	5.93	6.40
Deferred Tax Assets (Net)	7	0.50	0.50
Other Tax Assets (Net)		92.67	68.20
Other Non Current Assets	8	1.68	6.22
Current Assets			
Inventories	9	566.03	632.05
Financial Assets			
Investments	10	823.04	760.69
Trade Receivables	11	440.98	400.28
Cash and cash equivalents	12a	44.15	93.05
Bank balances other than Cash and Cash equivalents	12b	0.78	60.85
Loans	13	0.28	0.22
Other Financial Assets	14	18.58	22.28
Other Current Assets	15	97.30	61.15
TOTAL ASSETS		9,711.69	8,683.31
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	33.66	33.66
Other Equity	17	1,682.73	1,449.56
Total Equity		1,716.39	1,483.22
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	18	2,946.60	3,301.78
Lease Liabilities	38	23.59	28.74
Provisions	19	19.48	16.41
Current Liabilities			
Financial Liabilities			
Borrowings	20	3,930.38	2,852.34
Lease Liabilities	38	16.08	11.73
Trade Payables	21		
Outstanding dues of Micro and Small Enterprises		61.56	62.98
Outstanding dues of Creditors other than Micro and Small Enterprises		714.15	682.25
Other Financial Liabilities	22	248.44	202.72
Other Current Liabilities	23	22.81	27.56
Provisions	24	5.09	6.45
Current Tax Liabilities (Net)		7.12	7.13
Total Liabilities		7,995.30	7,200.09
TOTAL EQUITY & LIABILITIES		9,711.69	8,683.31
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone financial statements
As per our Report attached

For and on behalf of the Board of Directors of
Godrej Industries Limited
CIN No.: L24241MH1988PLC097781

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

N. B. Godrej
Chairman and Managing Director
DIN: 00066195

N. S. Nabar
Executive Director &
President (Chemicals)
DIN: 06521655

Jamshed K. Udawadia
Partner
M.No. : 124658
Mumbai, May 19, 2023

Clement Pinto
Chief Financial Officer
Mumbai, May 19, 2023

Tejal Jariwala
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2023

Amount ₹ in Crore

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Operations	27	4,487.96	3,339.60
Other Income	28	69.00	74.61
Total Income		4,556.96	3,414.21
Expenses			
Cost of Materials Consumed	29	2,943.47	2,357.76
Purchases of Stock in Trade		107.53	63.87
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	30	(3.99)	(74.27)
Employee Benefits Expenses	31	181.06	168.64
Finance Costs	32	477.63	363.90
Depreciation and Amortisation Expense	33	78.96	74.80
Other Expenses	34	539.73	439.69
Total Expenses		4,324.39	3,394.39
Profit Before Exceptional Items and Tax		232.57	19.82
Exceptional Items (net)	35	-	(64.01)
Profit / (Loss) Before Tax		232.57	(44.19)
Tax Expense			
Current Tax	37	-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
Profit / (Loss) After Tax for the Year		232.57	(44.19)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(1.62)	(1.63)
Income Tax on Items that will not be reclassified to Profit or Loss		-	-
		(1.62)	(1.63)
Total Comprehensive Income for the Year		230.95	(45.82)
Earnings Per Equity Share (Face Value ₹ 1 each)	36		
Basic		6.91	(1.31)
Diluted		6.91	(1.31)
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of
Godrej Industries Limited
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Company Secretary

Mumbai, May 19, 2023

Mumbai, May 19, 2023

Statement of Changes in Equity for the year ended March 31, 2023

Equity Share Capital (Refer Note 16)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount ₹ In Crore	No. of Shares	Amount ₹ In Crore
Balance at the beginning of the year	336,584,313	33.66	336,525,098	33.66
Changes in equity share capital during the year*	53,944	0.00	59,215	0.00
Balance at the end of the year	336,638,257	33.66	336,584,313	33.66

* Amount less than ₹ 0.01 crore.

Other Equity (Refer Note 17)

Amount ₹ in Crore

Particulars	Other Equity						Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Capital Redemption Reserve	Security Premium Account	Capital Reserve	Employee Stock Grants Outstanding	Remeasurements of the net defined benefit Plans	
Balance as at April 01, 2021	444.47	52.70	31.46	919.81	46.25	3.56	(5.61)	1,492.64
(Loss) for the year	(44.19)							(44.19)
Other Comprehensive Income (net of tax)							(1.63)	(1.63)
Transfer from Employee Stock Grants Outstanding				2.79		(2.79)		-
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)						2.74		2.74
Balance as at March 31, 2022	400.28	52.70	31.46	922.60	46.25	3.51	(7.24)	1,449.56
Profit for the year	232.57							232.57
Other Comprehensive Income (net of tax)							(1.62)	(1.62)
Transfer from Employee Stock Grants Outstanding				2.54		(2.54)		-
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)						2.22		2.22
Balance as at March 31, 2023	632.85	52.70	31.46	925.14	46.25	3.19	(8.86)	1,682.73

A description of the purposes of each Reserve within Equity has been disclosed in Note 17

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of
Godrej Industries Limited
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Tejal Jariwala
Company Secretary

Mumbai, May 19, 2023

Mumbai, May 19, 2023

Cash Flow Statement for the year ended March 31, 2023

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2023	Year ended March 31, 2022
1 Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	232.57	(44.19)
Adjustments for:		
Depreciation and Amortisation	78.96	74.80
Write down of Property, Plant and Equipment	-	66.57
Unrealised Foreign Exchange Loss	5.77	4.68
(Profit) on Sale of Investments	(24.41)	(26.84)
(Profit) / Loss on Sale of Property, Plant & equipments (Net)	(0.02)	0.35
Write Off of Property, Plant & Equipments	0.83	1.01
(Profit) / Loss on Investments measured at Fair Value through Profit and Loss	6.58	(10.20)
(Profit) on sale of subsidiary	-	(2.56)
Interest Income	(1.53)	(4.08)
Interest & Finance Charges	477.63	363.90
Employee Share based Payments	2.22	2.68
Provision for Doubtful Debts and Sundry Balances (net)	0.35	0.85
Operating Profit Before Working Capital Changes	778.95	426.97
Adjustments for :		
Increase / (Decrease) in Non-financial Liabilities	(4.66)	14.16
Increase in Financial Liabilities	34.44	134.44
(Increase) / Decrease in Inventories	66.02	(221.51)
(Increase) in Non-financial Assets	(36.03)	(7.85)
(Increase) / Decrease in Financial Assets	22.96	(166.27)
Cash Generated from Operations	861.68	179.94
Direct Taxes Paid	(24.48)	(21.31)
Net Cash Generated from Operating Activities	837.20	158.63
2 Cash Flow from Investing Activities:		
Purchase of Property, Plant & equipments, Investment Property & Intangibles (net)	(137.58)	(85.44)
Proceeds from Sale of Property, Plant & equipments	0.81	0.29
Purchase of Investments	(8,047.86)	(5,466.62)
Purchase of Investments in Subsidiaries	(936.87)	(2,105.35)
Proceeds from Sale of Subsidiary	-	5.73
Proceeds from Sale of Investments	8,001.62	6,059.89
Interest Received	1.46	4.05
Net Cash (used in) Investing Activities	(1,118.42)	(1,587.45)
3 Cash Flow from Financing Activities:		
Proceeds from issue of Equity shares	0.00	0.00
Proceeds from Non Current Borrowings	550.00	1,500.00
Net Proceeds from Current Borrowings	328.04	364.58
Repayment of Lease Liabilities	(14.26)	(14.24)
Repayment of Non Current Borrowings	(153.84)	(100.96)
Interest on Lease Liabilities	(3.90)	(3.87)
Interest & Finance Charges Paid	(473.72)	(290.80)
Net Cash Generated from Financing Activities	232.32	1,454.71
Net (Decrease) / Increase in Cash and Cash Equivalents	(48.90)	25.89
Cash and Cash Equivalents (Opening Balance)	93.05	67.16
Cash and Cash Equivalents (Closing Balance)	44.15	93.05

Cash Flow Statement for the year ended March 31, 2023

Notes :

Amount ₹ in Crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1 Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	18.56	17.27
(b) Deposits having maturity less than 3 months	25.05	75.25
Cash on hand	0.54	0.53
Cash and Cash Equivalents	44.15	93.05

2 Reconciliation of Liabilities arising from Financing activities

Amount ₹ in Crore

Particulars	As at March 31, 2022	Cash Flow	Non Cash Changes	As at March 31, 2023
Non Current Borrowings	3,301.78	550.00	(905.18)	2,946.60
Current Maturities of Long Term Debts (included under Current Borrowings)	153.85	(153.84)	903.84	903.85
Current Borrowings	2,698.49	328.04	0.00	3,026.53
Total Borrowings	6,154.12	724.20	(1.34)	6,876.98

3 The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

4 The accompanying notes form an integral part of the Standalone financial statements.

As per our Report attached

For and on behalf of the Board of Directors of
Godrej Industries Limited
CIN No.: L24241MH1988PLC097781

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

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M.No. : 124658

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 19, 2023

Mumbai, May 19, 2023

Notes to the Standalone Financial Statements

Note 1 : General Information

1 Corporate Information

Godrej Industries Limited ("the Company") was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL).

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 01, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 01, 2014. Vora Soaps Limited was amalgamated with the Company effective from December 14, 2017.

The Company is domiciled in India and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company's registered office is at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils & seeds, estate management and investment activities.

2 (a) Basis of preparation

These standalone financial statements have been prepared on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the "Ind As") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India.

The standalone financial statements have been prepared on a going concern basis. 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 as 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.

The standalone financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 19, 2023.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy 9 regarding financial assets and 10 regarding financial liabilities)
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Refer Note 39 and 40)

3 Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated.

4 Key estimates, Judgements and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the

Notes to the Standalone Financial Statements

Note 1 : General Information (Continued)

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.

Information about critical judgments in applying accounting policies that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows:-

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. (refer accounting policy 1 regarding Property, plant and equipment)
- Impairment of Property, Plant and Equipments, Investments and Investment Property (Refer Note 3 and 4)
- Recognition and measurement of defined benefit obligations (Refer Note 19, 24 and 39)
- Recognition of deferred tax assets (Refer Note 7 and 37)
- Fair value of financial instruments (Refer Note 42)
- Provisions and Contingent Liabilities (Refer Note 19, 24 and 25)
- Leases (Refer Note 38)

5 Standards issued but not yet effective

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 standalone 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 does not expect this amendment to have any significant impact in its standalone 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 standalone financial statements to be measured in a way that involves measurement uncertainty.

None of the amendments notified by MCA, which are applicable from April 1, 2023, are expected to have any material impact on the standalone financial statements of the Company.

6 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

Notes to the Standalone Financial Statements

Note 1 : General Information (Continued)

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.

Note 2 : Significant Accounting Policies

1 Property, Plant and Equipment

(i) Recognition and measurement

Property, plant and equipment (PPE) are measured at Original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital expenditure on tangible assets for Research and Development is classified under Property, Plant and Equipment and is depreciated on the same basis as other property, plant and equipment.

Property, Plant and equipment are derecognised from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant parts of Property, Plant and Equipments are required to be replaced, the Company derecognises the replaced part and recognises the new part with it's own associated useful life and it is depreciated accordingly.

(iii) Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except where the Company, based on technical evaluation, the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of the following items of PPE different from that prescribed in Schedule II to the Act.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The range of useful lives of the Property, Plant and Equipment are as follows:

- a) Plant and Machinery - 7 - 30 years
- b) Furniture and fixtures - 7- 10 years
- c) Office Equipments - 2 - 5 years
- d) Factory Building - 10- 30 years
- e) Non Factory Building - 10- 60 years
- f) Vehicles - 3- 8 years
- g) Computer Hardware - 3 - 5 years
- h) Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

2 Investment Property

(i) Recognition and measurement

Investment Property comprises of Freehold Land and Buildings.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

(ii) Depreciation

Depreciation on Building classified as Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

3 Intangible Assets

(i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization (other than goodwill and indefinite life intangibles) and any accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is recognised in the Statement of Profit and Loss.

(ii) Amortisation

Intangible Assets are amortised over the estimated useful life on Straight Line Method (SLM).

The useful lives of Intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Indefinite life intangibles are not amortised but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Computer Software is amortised in a Straight Line basis over a period of 3 years.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

4 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

5 Investments in Subsidiaries and Associates

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

6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

8 Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

9 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) Classification and 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.

(iii) Trade Receivables:

Trade receivables are initially recognised at their transaction price (as defined in Ind AS 115) unless those contain significant financing component determined in accordance with Ind AS 115 (or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115). As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

(iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

(v) Equity Instruments

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

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other 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 recognised 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 'Other Income' in the Statement of Profit and Loss.

(vi) 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.

(vii) 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.

10 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 liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method or are measured at fair value through profit and loss with changes in fair value being 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 cashflows under modified terms are substantially different.

11 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.

12 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Company also uses commodity futures contracts to hedge the exposure to oil price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The subsequent changes in fair value are recorded in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not follow hedge accounting.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

13 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

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 the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

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

14 Revenue Recognition

Revenue from contracts with customers

"As per provision of IND AS 115 - 'Revenue from Contracts with Customer-', revenue is recognised on transfer of control of goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Company as part of the contractual obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant uncertainty regarding the amount of consideration that will be derived from the sale of goods. The performance obligation in case of sale of goods is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Sales are recognised when goods are supplied and control over the goods sold is transferred to the buyer which is on dispatch / delivery as per the terms of contracts. Sales are net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

Other Operating Revenue

Dividend income is recognised when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Export Incentives are accrued when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with such incentives.

Other Income

Income on assets given on operating lease is recognised on a straight line basis over the lease term in the Statement of Profit and Loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

15 Employee Benefits

(i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service 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 renders the related service.

The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA) or Profit Before Tax (PBT) and Cashflow. The PLVR amount is related to actual improvement made in EVA or PBT and Cashflow over the previous year when compared with expected improvements.

(ii) Post Employment Benefits

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any which is determined on the basis of an actuarial valuation, shall be made good by the Company.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

(iii) Other Long-Term Employee Benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Remeasurement

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

of net obligation are recognised immediately in the Statement of Profit and Loss.

(iv) Termination Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

16 Share-Based Payments

Employees of the Company also receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

17 Leases

Effective 1st April, 2019, the company adopted IND AS 116 - Leases.

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it 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, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- (i) Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- (ii) If the supplier has a substantive substitution right, then the asset is not identified.
- (iii) Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- (iv) Company has the right to direct the use of the asset.
- (v) In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

Right-of-use asset is depreciated using straight-line method from the commencement date to the earlier of end of the useful life of the ROU asset or the end of the lease term. If the lease transfers the ownership of the underlying asset to the Company at the earlier of the useful life of the ROU asset or the end of the lease term or/if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, ROU will be depreciated from the commencement date to the end of the useful life of the underlying asset.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented as a separate category under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor:-

At the commencement or modification of a contract, that contains a lease component, the Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

18 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to Property, Plant and Equipment (PPE).

19 Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its

Notes to the Standalone Financial Statements

Note 2 : Significant Accounting Policies (Continued)

intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

20 Foreign Exchange Transactions

- (i) The standalone financial statements of the Company are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.
- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Standalone Statement of Profit and Loss of the period in which they are cancelled.

21 Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred Tax

Deferred income tax is recognised using the balance sheet approach in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred Tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

22 Earnings Per Share

Basic Earnings per share is calculated by dividing the profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to the Standalone Financial Statements

Note 3 : Property, Plant and Equipment

Particulars	Amount ₹ in Crore									
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles - Own	Computer Hardware	Office Equipments	Research Centre	Total
Gross Carrying Amount										
Balance as at April 01, 2021	3.71	8.04	690.42	722.48	21.93	33.53	18.85	24.70	1.13	1,524.79
Additions	9.71	-	-	95.22	0.84	1.34	6.31	0.21	0.01	113.64
Disposals / Adjustments (refer note 3(b))	-	-	20.56	(1.60)	(0.01)	(1.54)	(0.07)	(0.01)	-	17.34
Balance as at March 31, 2022	13.42	8.04	710.98	816.11	22.76	33.33	25.09	24.90	1.14	1,655.77
Additions	-	-	16.55	54.43	0.41	11.29	5.18	2.61	0.62	91.09
Disposals / Adjustments *	-	-	13.97	(15.18)	0.00	(1.53)	(0.26)	0.08	-	(2.92)
Balance as at March 31, 2023	13.42	8.04	741.50	855.36	23.17	43.09	30.01	27.59	1.76	1,743.94
Accumulated Depreciation										
Balance upto March 31, 2021	-	1.37	89.50	142.19	11.77	20.56	15.41	18.87	0.59	300.26
Charge for the year (refer note 4 below)	-	1.53	22.04	85.12	2.12	2.74	2.05	1.40	0.15	117.15
Disposals / Adjustments (refer note 3 (b))	-	-	0.90	(0.69)	(0.01)	(0.81)	(0.07)	-	-	(0.68)
Balance as at March 31, 2022	-	2.90	112.44	226.62	13.88	22.49	17.39	20.27	0.74	416.73
Charge for the year (refer note 4 below)	-	1.53	16.75	26.43	2.15	2.91	3.16	1.09	0.13	54.15
Disposals / Adjustments (refer note 38)*	-	-	-	(0.23)	0.00	(0.76)	(0.31)	0.00	-	(1.30)
Balance as at March 31, 2023	-	4.43	129.19	252.82	16.03	24.64	20.24	21.36	0.87	469.58
Net Carrying Amount										
Balance as at March 31, 2022	13.42	5.14	598.54	589.48	8.88	10.84	7.70	4.63	0.40	1,239.04
Balance as at March 31, 2023	13.42	3.61	612.31	602.53	7.14	18.45	9.77	6.23	0.89	1,274.36

* Amount less than ₹ 0.01 crore.

Notes :

1. Refer Note No 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Additions to Property, Plant and Equipment includes ₹ NIL (previous year ₹ 3.75 crore) on account of Capitalisation of borrowing cost on eligible project.
4. In the previous financial year 2021-22, the Company re-assessed the future economic benefits from certain Plant and Machinery and considering expected usage and market conditions, it recorded an exceptional expense of ₹ 66.57 crore to write down the Property, Plant & Equipment to estimated recoverable amount. (Refer Note 35)
5. Leasehold land having gross carrying amount of ₹ 23.07 crores as at 1st April 2021 has been reclassified to Right of Use Assets to conform with the recognition, presentation and disclosure principles as specified in Ind AS. This reclassification has no impact on the net profit / (loss) before tax for the year ended and total equity as at 31st March, 2022. (Refer Note No 38)

Notes to the Standalone Financial Statements

Note 3a : Capital Work in Progress

₹ in Crore

Particulars	Property, Plant and Equipment
Balance as at April 01, 2021	72.83
Additions during the year	76.61
Capitalised during the year	(111.31)
Balance as at March 31, 2022	38.13
Additions during the year	121.28
Capitalised during the year	(75.86)
Balance as at March 31, 2023	83.55

Notes:

- Additions to Capital Work in Progress includes ₹ Nil (previous year ₹ 2.69 crore) on account of Capitalisation of borrowing cost on eligible project.
- Capital Work in Progress ageing schedule:

₹ in Crore

Particulars	Projects in progress	Projects temporarily suspended	Total
Balance as at March 31, 2022			
Less than 1 year	37.52	-	37.52
1-2 years	0.43	-	0.43
2-3 years	0.18	-	0.18
More than 3 years	-	-	-
Total	38.13	-	38.13
Balance as at March 31, 2023			
Less than 1 year	11.73	-	11.73
1-2 years	71.82	-	71.82
2-3 years	-	-	-
More than 3 years	-	-	-
Total	83.55	-	83.55

- Projects Overdue as compared to Original timeline

₹ in Crore

Particulars	Project at Ambernath Factory	Projects at Valia Factory	Projects at Head Office
To be Completed in			
Less than 1 year	2.04	0.38	0.04
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-

- Projects which has exceeded its cost compared to its Original plan
There were no projects which have exceeded their original plan cost as at 31st March, 2023.

Notes to the Standalone Financial Statements

Note 3b : Investment Property

₹ in Crore

Particulars	Freehold Land	Buildings	Total
Gross Carrying Amount			
Balance as at April 01, 2021	0.38	494.83	495.21
Additions	-	0.26	0.26
Disposals / Adjustments (refer note 3)	-	(20.56)	(20.56)
Balance as at March 31, 2022	0.38	474.53	474.91
Additions / Adjustments	-	-	-
Disposals / Adjustments	-	-	-
Balance as at March 31, 2023	0.38	474.53	474.91
Accumulated Depreciation			
Balance upto April 01, 2021	-	21.02	21.02
Charge for the year	-	8.34	8.34
Disposals / Adjustments	-	(0.90)	(0.90)
Balance upto March 31, 2022	-	28.46	28.46
Charge for the year	-	8.09	8.09
Disposals / Adjustments	-	-	-
Balance upto March 31, 2023	-	36.55	36.55
Net Carrying Amount			
Balance as at March 31, 2022	0.38	446.07	446.45
Balance as at March 31, 2023	0.38	437.98	438.36
Fair Value			
As at March 31, 2022	10.88	519.87	530.75
As at March 31, 2023	10.88	556.82	567.70

Notes :

- Information regarding income and expenditure of Investment Property

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rental income derived from investment properties	28.59	28.99
Direct operating expenses	3.76	7.11
Gains arising from investment properties before depreciation	24.83	21.88
Less - Depreciation	8.09	8.34
Gains arising from investment properties	16.74	13.54

- The Company's investment properties consist of 16 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.

The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

- The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy.

Notes to the Standalone Financial Statements

Note 3b : Investment Property (Continued)

4. Reconciliation of Fair Value

₹ in Crore

Particulars	Freehold Land	Buildings	Total
Opening balance as at April 01, 2021	4.15	512.60	516.75
Fair value changes	6.73	27.57	34.30
Purchases / Transfer from Property, Plant & Equipments (CWIP)	-	(20.30)	(20.30)
Opening balance as at April 01, 2022	10.88	519.87	530.75
Fair value changes	-	36.95	36.95
Purchases / Transfer from Property, Plant & Equipments (CWIP)	-	-	-
Closing balance as at March 31, 2023	10.88	556.82	567.70

Note 3c : Other Intangible Assets

₹ in Crore

Particulars	Computer Software
Gross Carrying Amount	
Balance as at April 01, 2021	6.36
Additions	1.95
Disposals	(0.01)
Balance as at March 31, 2022	8.30
Additions	2.94
Disposals	-
Balance as at March 31, 2023	11.24
Accumulated Depreciation	
Balance upto April 01, 2021	4.21
Charge for the year	1.52
Disposals	-
Balance upto March 31, 2022	5.73
Charge for the year	1.46
Disposals	-
Balance upto March 31, 2023	7.19
Net Carrying Amount	
Balance as at March 31, 2022	2.57
Balance as at March 31, 2023	4.05

Notes to the Standalone Financial Statements

Note 4 : Investments in Subsidiaries and Associates

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2023		As at March 31, 2022	
			Number	Amount	Number	Amount
Investment in Equity Instruments at cost (Fully Paid up unless stated otherwise)						
(a) Quoted Investments						
(i) Subsidiaries						
Godrej Properties Limited	5		131,618,294	1,780.47	131,452,194	1,761.04
Godrej Agrovet Limited	10		124,714,957	1,042.81	120,018,596	810.37
(ii) Associates						
Godrej Consumer Products Limited	1		242,812,860	1,366.20	242,812,860	1,366.20
(b) Unquoted Investments						
(i) Subsidiaries						
Godrej International Limited (Isle of Man)	£1		2,105,000	14.76	2,105,000	14.76
Godrej International Trading & Investments Pte. Limited	\$1		1,000,000	4.43	1,000,000	4.43
Godrej Capital Limited	10		214,130	1,494.17	129,033	809.17
Godrej One Premises Management Private Limited*	10		1,400	0.00	1,400	0.00
Godrej Industries Limited Employee Stock Option Trust*				0.00		0.00
(ii) Associates						
Personalitree Academy Ltd.	10		389,269	1.10	389,269	1.10
Share Application Money**				0.03		0.03
Less: Provision for Diminution in value of Investments				(1.13)		(1.13)
				-		-
				5,702.84		4,765.97
Aggregate Amount of Quoted Investments				4,189.48		3,937.61
Aggregate Amount of Unquoted Investments				1,514.49		829.49
Aggregate Amount of Impairment in Value of Investments				(1.13)		(1.13)
Market Value of Quoted Investments				42,225.42		45,433.46

* Amount less than ₹ 0.01 crore.

** Includes ₹ 0.03 crore paid towards share application money to Personalitree Academy Ltd.(an Associate Company) which is considered Doubtful.

Notes:

a) Information on Investment made in Subsidiaries during the year

S.No.	Name of the Company	No. Of Shares	Amount ₹ in Crore
1	Godrej Properties Limited	166,100	19.43
2	Godrej Agrovet Limited	4,696,361	232.44
3	Godrej Capital Limited	85,097	685.00

Notes to the Standalone Financial Statements

Note 4 : Investments in Subsidiaries and Associates (Continued)

b) Information on Subsidiaries and Associates:-

(i) Information on Subsidiaries

S.No.	Name of the Company	Country of Incorporation	March 31, 2023	March 31, 2022
1	Godrej Properties Limited *	India	47.34%	47.29%
2	Godrej Agrovet Limited	India	64.90%	62.47%
3	Godrej International Limited	Isle of Man	100.00%	100.00%
4	Godrej International Trading & Investments Pte. Ltd.	Singapore	100.00%	100.00%
5	Godrej Capital Limited	India	87.22%	87.11%
6	Godrej One Premises Management Private Limited	India	14.00%	14.00%
7	Godrej Industries Limited Employee Stock Option Trust	India	100.00%	100.00%

* The management has evaluated that the Company continues to exercise 'de facto' control over Godrej Properties Limited.

(ii) Information on Associates

S.No.	Name of the Company	Country of Incorporation	March 31, 2023	March 31, 2022
1	Godrej Consumer Products Limited	India	23.74%	23.75%

Note 4a : Non Current Financial Assets - Other Investments

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2023		As at March 31, 2022	
			Number	Amount	Number	Amount
1 Investment in Equity Instruments (Fully Paid up unless stated otherwise)						
At Fair Value Through Profit and Loss						
(a) Quoted Investments						
Agro Tech Foods Ltd.*		10	1	0.00	1	0.00
Colgate Palmolive India Ltd.*		1	2	0.00	2	0.00
Dabur India Ltd.*		1	6	0.00	6	0.00
Hindustan Unilever Ltd. *		1	751	0.19	751	0.15
Gillette India Ltd.*		10	1	0.00	1	0.00
Marico Ltd.*		1	80	0.00	80	0.00
Procter & Gamble Hygiene & Health Care Ltd.*		10	1	0.00	1	0.00
Venkys India Ltd.*		10	1	0.00	1	0.00
Advanced Enzyme Technologies Ltd.		2	3,000	0.07	3,000	0.08
Bajaj Finance Ltd.(F.V. change from ₹ 10 to ₹ 2)		2	450	0.25	450	0.33
Cera Sanitaryware Ltd.		5	1,189	0.76	1,189	0.59
DCM Ltd.		10	5,000	0.04	5,000	0.04
DCM Nouvelle Ltd.		10	5,000	0.07	5,000	0.12
HDFC Bank Ltd.		2	444	0.07	444	0.06
Infosys Ltd.		5	610	0.09	610	0.12
Just Dial Ltd		10	82	0.00	82	0.01
KSE Limited		10	65,467	10.66	65,467	13.88
Maruti Suzuki India Ltd.		5	50	0.04	50	0.04

Notes to the Standalone Financial Statements

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2023		As at March 31, 2022	
			Number	Amount	Number	Amount
Ruchi Soya Ltd*		2	35	0.00	35	0.00
Ujjivan Financial Services Ltd.		10	12,204	0.31	12,204	0.12
Vadilal Industries Ltd.		10	2,000	0.44	2,000	0.28
Whirlpool of India Ltd.		10	500	0.07	500	0.08
Zicom Electronics Sec. System Ltd.		10	173,918	0.00	173,918	0.00
Bharat Petroleum Corporation Limited		10	2,000	0.07	2,000	0.07
Wockhardt Ltd.		5	1,000	0.02	1,000	0.03
				13.15		16.00
(b) Unquoted Investments						
Bharuch Eco-Aqua Infrastructure Ltd.		10	440,000	0.44	440,000	0.44
Less : Provision for Impairment in the Value of Investment				(0.44)		(0.44)
				-		-
Avesthagen Ltd.		7	469,399	12.43	469,399	12.43
Less : Provision for Impairment in the Value of Investment				(12.43)		(12.43)
				-		-
CBay Infotech Ventures Pvt. Ltd.		10	112,579	2.33	112,579	2.33
Less : Provision for Impairment in the Value of Investment				(2.33)		(2.33)
				-		-
Gharda Chemicals Ltd.	a	100	114	0.12	114	0.12
Less : Provision for Impairment in the Value of Investment				(0.12)		(0.12)
				-		-
HyCa Technologies Pvt. Ltd.		10	12,436	1.24	12,436	1.24
Less : Provision for Impairment in the Value of Investment				(1.24)		(1.24)
				-		-
Tahir Properties Ltd (Partly paid) *	b	100	25	0.00	25	0.00
				-		-
Boston Analytics Inc.		\$1	1,354,129	6.91	1,354,129	6.91
Less : Provision for Impairment in the Value of Investment				(6.91)		(6.91)
				-		-
The Saraswat Co-op Bank Ltd.		10	1,000	0.02	1,000	0.02
Isprava Vesta Pvt. Ltd. (previously known as Isprava Technologies Ltd.)		10	195,831	0.04	195,831	0.04
Isprava Hospitality Pvt. Ltd.		10	35,434	0.04	35,434	0.03
Clean Max Enviro Energy Solution Pvt Ltd.		10	3,093	1.01	3,093	1.01
Brookings Institution India Centre*		100	125	0.00	125	0.00
Clean Max Kaze Private Lintied		10	24,418	4.29	-	-

Notes to the Standalone Financial Statements

Note 4a : Non Current Financial Assets - Other Investments (Continued)

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2023		As at March 31, 2022	
			Number	Amount	Number	Amount
2 Investment in Preference Shares (Fully Paid up unless stated otherwise)						
At Fair Value Through Profit and Loss						
(a) Unquoted Investment						
Tahir Properties Ltd (Class - A) (partly paid) *		100	25	0.00	25	0.00
Less: Forfeited*				0.00		0.00
				0.00		0.00
3 Investment in Partnership Firms						
At Fair Value Through Profit and Loss						
View Group LP *	c			0.00		0.00
Less : Provision for Impairment in the Value of Investment				0.00		0.00
				0.00		0.00
4 Investment in Units of Venture Capital Fund						
At Fair Value Through Profit and Loss						
Indian Fund for Sustainable Energy (Infuse Capital)		100	162,684	3.32	204,024	3.04
				21.86		20.14
Aggregate Amount of Quoted Investments				13.15		16.00
Aggregate Amount of Unquoted Investments				32.18		27.61
Aggregate Amount of Impairment in Value of Investments				(23.47)		(23.47)
Market Value of Quoted Investments				13.15		16.00

* Amount less than ₹ 0.01 crore.

Notes:

- a The said shares have been refused for registration by the investee company.
b Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
c View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

Note 5 : Non Current Financial Assets - Loans

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
1 Other Loans				
(a) Secured and Considered Doubtful (Refer note 2 below)		10.33		10.33
Less : Allowance for Bad and Doubtful Loans		(10.33)		(10.33)
				-
(b) Unsecured and Considered Good				
Loans to employees			0.90	0.87
			0.90	0.87

Notes:

- 1 There are no loans which have significant increase in credit risk.
2 The Company had advanced an amount of ₹ 10.33 crores under diverse loan-cum-pledge agreements to certain individuals who had pledged certain equity shares as security. The Company enforced its security and lodged the shares for transfer in its name. The said transfer application of the Company was rejected, and the Company had preferred an application to the Company Law Board (CLB) against rejection of the said transfer application. The CLB rejected the application of the Company and advised the parties to approach the High

Notes to the Standalone Financial Statements

Court. The Company filed an appeal before the Hon'ble Bombay High Court against the order of the Company Law Board under section 10F of the Companies Act, which was disposed with the direction that the transfer of shares be kept in abeyance till the pendency of the arbitration proceedings between the parties. The Hon'ble Bombay High Court had by its order dated September 18, 2012, restrained the Company from *inter alia*, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Hon'ble Bombay High Court which was dismissed by the Hon'ble Supreme Court. The Ld. Sole Arbitrator, Justice (Retired)*, A.P. Shah on June 29, 2019 passed an Award ruling that the Company shall return all the pledged shares along with the original loan-cum-pledge agreements and the power of attorneys executed by the said individuals in favour of the Company to the said individuals upon the said individuals repaying an amount of ₹ 10.33 crores to the Company.

The Company has challenged this Award before the Hon'ble High Court of Bombay by way of Section 34 petition under the Arbitration & Conciliation Act, 1996. The Hon'ble Bombay High Court by its Order dated September 13, 2019 has stayed the operation and execution of the said Award dated June 29, 2019 till the final disposal of the said Section 34 Petition. The matter is pending for final hearing before the Hon'ble Bombay High Court.

The management is confident of recovery of this amount as the underlying value of the said shares is substantially greater than the amount of loan advanced. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

3 Details of Loans under section 186 (4) of Companies Act, 2013.

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Maximum Balance During the Year	Amount outstanding	Maximum Balance During the Year	Amount outstanding
1 Loans where there is no repayment schedule				
(i) Federal & Rashmikant	5.83	5.83	5.83	5.83
(ii) M/s Dhruv & Co. (Regd.)	4.18	4.18	4.18	4.18
(iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck	0.32	0.32	0.32	0.32
2 Loans to Employees	1.31	0.90	1.12	0.87

Note 6 : Non Current Financial Assets - Others

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Bank Deposit with more than 12 months maturity	1.32	1.26
2 Secured		
(a) Interest Accrued on Loans (Refer Note 1 below)	3.15	3.15
Provision for Doubtful Interest Accrued	(3.15)	(3.15)
	-	-
3 Unsecured		
(a) Interest Accrued on Loans	1.03	1.03
Provision for Doubtful Interest Accrued	(1.03)	(1.03)
	-	-
4 Security Deposits		
(a) Unsecured and Considered Doubtful	0.95	0.95
Less : Allowance for Bad and Doubtful Deposit	(0.95)	(0.95)
	-	-
5 Other Deposits	4.61	5.14
	5.93	6.40

Note:

- 1 Interest on loan referred to in sub note (2) under Note 5 - Non Current Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.

Notes to the Standalone Financial Statements

Note 7 : Deferred Tax Assets (Net)

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Liabilities		
(a) Written Down Value of Assets	197.55	170.53
(b) Others	0.58	0.58
2 Assets		
(a) Provision for Employee Benefits	0.72	0.86
(b) Provision for Loss Allowance for Debts/Advances	4.71	4.48
(c) Other Provisions	12.59	12.45
(d) Unabsorbed Depreciation	179.52	152.73
(e) Investments	0.03	0.03
(f) Indexation benefit on Land	1.06	1.06
Deferred Tax Assets (net) - (Refer note 37)	0.50	0.50

Note 8 : Other Non Current Assets

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Capital Advances		
Considered Good	1.30	5.72
2 Prepaid Expenses	0.38	0.50
	1.68	6.22

Note 9 : Inventories

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Raw Materials [includes Goods in transit ₹ 28.35 crore (previous year ₹ 14.45 crore)]	245.16	316.87
2 Packing Material	4.50	4.65
3 Work in Progress	179.33	152.25
4 Finished Goods [includes Goods in transit ₹ 24.04 crore (previous year ₹ 31.39 crore)]	123.66	146.74
5 Stock in Trade	-	0.01
6 Stores and Spares	13.38	11.53
	566.03	632.05

Notes:

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST Input Tax Credit.
- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks. Monthly statements of stock and book debts are filed with the bank which are in agreement with the books of accounts.
- The write-down of inventories during the year amounted to ₹ 13.68 crores (previous year ₹ 4.39 crores). The write-downs/ provisions are included in cost of materials consumed.

Notes to the Standalone Financial Statements

Note 10 : Current Financial Assets - Investments

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2023	As at March 31, 2022
1 Investment in Mutual Funds (quoted)			823.04	760.69
2 Other Investment at fair value through Profit and Loss				
(a) Unquoted Investment				
Optionally Convertible Loan Notes/Promissory Notes				
Boston Analytics Inc. (15%)	a	\$ 750,000	3.00	3.00
Less : Provision for Impairment in the Value of Investment			(3.00)	(3.00)
			-	-
Boston Analytics Inc. (20%)	a	\$ 15,50,000	6.73	6.73
Less : Provision for Impairment in the Value of Investment			(6.73)	(6.73)
			-	-
Boston Analytics Inc. (12%)	b	\$ 950,000	4.69	4.69
Less : Provision for Impairment in the Value of Investment			(4.69)	(4.69)
			-	-
			823.04	760.69
Aggregate Amount of Quoted Investments			823.04	760.69
Aggregate Amount of Unquoted Investments			14.42	14.42
Aggregate Amount of Impairment in Value of Investments			(14.42)	(14.42)
Market Value of Quoted Investments			823.04	760.69

Notes:

- a The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company did not exercise, were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- b 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

Note 11 : Current Financial Assets - Trade Receivables

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Secured and Considered Good (Refer Note 1 below)	15.66	17.43
2 Unsecured and Considered Good	425.32	382.85
3 Unsecured and Credit impaired as per Schedule III	2.91	2.56
Less : Loss Allowance for Credit Impaired	(2.91)	(2.56)
	-	-
	440.98	400.28

Notes to the Standalone Financial Statements

Trade Receivables ageing based on due date

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
As at March 2023						
Undisputed Trade receivables						
(i) Considered good	440.86	0.01	0.07	0.04	-	440.98
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	0.68	0.57	0.56	0.18	1.99
Disputed Trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	0.92	0.92
Less : Loss Allowance for Credit Impaired	-	(0.68)	(0.57)	(0.56)	(1.10)	(2.91)
Total	440.86	0.01	0.07	0.04	-	440.98
As at March 2022						
Undisputed Trade receivables						
(i) Considered good	400.16	0.06	0.02	0.04	-	400.28
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	0.52	0.85	0.09	0.18	1.64
Disputed Trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	0.92	0.92
Less : Loss Allowance for Credit Impaired	-	(0.52)	(0.85)	(0.09)	(1.10)	(2.56)
Total	400.16	0.06	0.02	0.04	-	400.28

Note:

- Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.

Note 12 a : Current Financial Assets - Cash and Cash Equivalents

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Balances with Banks		
(a) Current Accounts	18.56	17.27
(b) Deposits having maturity less than 3 months	25.05	75.25
2 Cash on Hand	0.54	0.53
	44.15	93.05

Note 12 b : Current Financial Assets - Other Bank Balances

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Deposits with more than 3 months but less than 12 months maturity	0.39	60.38
2 Other Bank Balances (Refer Note 1 below)	0.39	0.47
	0.78	60.85

Notes:

Other Bank Balances include :

- Balance of ₹ 0.28 crore (previous year ₹ 0.36 crore) unclaimed dividends.

Notes to the Standalone Financial Statements

Note 13 : Current Financial Assets - Loans

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
Unsecured Loans				
(a) Current Maturity of Long term Loans				
Considered Good	0.28		0.22	
Considered Doubtful *	0.00		0.00	
Provision for Doubtful Loan *	0.00		0.00	
		0.28		0.22
		0.28		0.22

* Amount less than ₹ 0.01 crore.

Note:

Details of Loans as per section 186 (4) of Companies Act, 2013.

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Maximum Balance During the Year	Amount outstanding	Maximum Balance During the Year	Amount outstanding
1 Loans to Employees	0.28	0.28	0.22	0.22
2 Inter Corporate Deposit				
Tricom India Limited	-	-	5.77	-

Note 14 : Current Financial Assets - Others

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
1 Other Receivables				
Considered Good		18.51		21.38
Considered Doubtful	0.42		0.42	
Allowance for Doubtful Other Receivables	(0.42)		(0.42)	
		-		-
2 Interest Accrued on Loans and Deposits		0.07		0.90
		18.58		22.28

Note 15 : Other Current Assets

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
1 Deposits		3.56		2.84
2 Balance with Statutory Authorities		37.35		19.58
3 Other Advances				
(a) Advance to Suppliers				
Considered Good	32.06		24.94	
Considered Doubtful	0.36		0.74	
Provision for Doubtful Advances	(0.36)		(0.74)	
		32.06		24.94
(b) Employee Advance		0.03		0.25
(c) Prepaid Expenses		11.81		8.24
(d) Other Advances		11.52		3.25
4 Export Benefits Receivables		0.97		2.05
		97.30		61.15

Notes to the Standalone Financial Statements

Note 16 : Equity

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	Amount	Nos	Amount
1 Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		180.00		180.00
2 Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	336,638,257	33.66	336,584,313	33.66
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
3 Reconciliation of number of Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	336,584,313	33.66	336,525,098	33.66
Issued during the year	53,944	0.00	59,215	0.00
Number of Shares outstanding at the end of the year	336,638,257	33.66	336,584,313	33.66
4 Rights, Preferences And Restrictions attached to Shares				
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
5 Share Holding Information				
(a) Shareholders holding more than 5% of Equity Shares in the Company:				
Rishad Kaikhushru Naoraji and others (Partners of RKN Enterprises)- 12.65% (previous year 12.65%)	42,583,272	4.26	42,583,272	4.26
Godrej Foundation - 13.37% (previous year 13.37%)	45,014,972	4.50	45,014,972	4.50
Jamshyd Naoraji Godrej 9.34% (previous year 9.34%)	31,429,854	3.14	31,429,854	3.14
Nyrika Holkar 8.01% (previous year 6.73%)	26,962,038	2.26	22,636,500	2.26
6 Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)				
Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)				
(a) Employee Stock Grant vesting on 13/05/22	-	-	17,153	0.00
(b) Employee Stock Grant vesting on 30/06/22	-	-	19,454	0.00
(c) Employee Stock Grant vesting on 31/05/23	17,589	0.00	19,454	0.00
(d) Employee Stock Grant vesting on 21/05/22	-	-	16,318	0.00
(e) Employee Stock Grant vesting on 21/05/23	12,335	0.00	16,318	0.00
(f) Employee Stock Grant vesting on 21/05/24	12,335	0.00	16,318	0.00
(g) Employee Stock Grant vesting on 01/06/22	-	-	1,018	0.00
(h) Employee Stock Grant vesting on 01/06/23	509	0.00	1,018	0.00
(i) Employee Stock Grant vesting on 01/06/24	509	0.00	1,018	0.00
(j) Employee Stock Grant vesting on 27/05/23	17,179	0.00	-	-

Notes to the Standalone Financial Statements

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	Amount	Nos	Amount
(k) Employee Stock Grant vesting on 30/05/23	2,707	0.00	-	-
(l) Employee Stock Grant vesting on 05/09/23	1,452	0.00	-	-
(m) Employee Stock Grant vesting on 06/12/23	713	0.00	-	-
(n) Employee Stock Grant vesting on 27/05/24	22,051	0.00	-	-
(o) Employee Stock Grant vesting on 27/05/25	22,051	0.00	-	-
The exercise period in respect of the stock grants mentioned above is one month.				

7 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.

8 There are no calls unpaid.

9 There are no forfeited shares.

(*) Amount less than ₹ 0.01 crore.

Details of shares held by promoters

Sr. No.	Entity Type	Promoter Name	As at 31 st March 2023			As at 31 st March 2022		
			No. of Shares	% of Total Shares	% change	No. of Shares	% of Total Shares	% change
1	Promoter	Adi Barjorji Godrej	607,692	0.18	0.00	607,692	0.18	0.00
2	Promoter	Nadir Barjorji Godrej	599,008	0.18	0.00	599,008	0.18	0.00
3	Promoter	Jamshyd Naoroji Godrej	31,429,854	9.34	0.00	31,429,854	9.34	9.28
4	Promoter	Smita Godrej Crishna	607,634	0.18	0.00	607,634	0.18	0.00
5	Promoter	Rishad Kaikhushru Naoroji	50	0.00	0.00	50	0.00	0.00
6	Promoter Group	Tanya Arvind Dubash	741,755	0.22	0.00	741,755	0.22	0.00
7	Promoter Group	Nisaba Godrej	741,753	0.22	0.00	741,753	0.22	0.00
8	Promoter Group	Pirojsha Adi Godrej	741,758	0.22	0.00	741,758	0.22	0.00
9	Promoter Group	Karla Bookman	237,000	0.07	0.00	237,000	0.07	0.00
10	Promoter Group	Sasha Godrej	241,200	0.07	0.00	241,200	0.07	0.00
11	Promoter Group	Lana Godrej	265,000	0.08	0.00	265,000	0.08	0.00
12	Promoter Group	Burjis Nadir Godrej	5,694,975	1.69	0.00	5,694,975	1.69	0.00
13	Promoter Group	Sohrab Nadir Godrej	5,282,647	1.57	0.00	5,282,647	1.57	0.00
14	Promoter Group	Hormazd Nadir Godrej	1,731,000	0.51	0.00	1,731,000	0.51	0.00
15	Promoter Group	Pheroza Jamshyd Godrej	33	0.00	0.00	33	0.00	0.00
16	Promoter Group	Navroze Jamshyd Godrej	10,157,316	3.02	0.00	10,157,316	3.02	2.72
17	Promoter Group	Raika Jamshyd Godrej	997,089	0.30	0.00	997,089	0.30	0.30
18	Promoter Group	Vijay Mohan Crishna	-	0.00	0.00	-	0.00	0.00
19	Promoter Group	Nyrika Holkar	26,962,038	8.01	1.28	22,636,500	6.73	6.73
20	Promoter Group	Freyan Crishna Bieri	13	0.00	0.00	13	0.00	0.00
21	Promoter Group	Adi Godrej, Tanya Dubash, Nisaba Godrej and Pirojsha Godrej (Trustees of ABG Family Trust)	11,507,016	3.42	0.00	11,507,016	3.42	0.00

Notes to the Standalone Financial Statements

Note 16 : Equity (Continued)

Sr. No.	Entity Type	Promoter Name	As at 31 st March 2023			As at 31 st March 2022		
			No. of Shares	% of Total Shares	% change	No. of Shares	% of Total Shares	% change
22	Promoter Group	Tanya Dubash and Pirojsha Godrej (Trustees of TAD Family Trust)	11,934,517	3.55	0.00	11,934,517	3.55	0.75
23	Promoter Group	Tanya Dubash and Pirojsha Godrej (Trustees of TAD Children Trust)	1	0.00	0.00	1	0.00	0.00
24	Promoter Group	Nisaba Godrej and Pirojsha Godrej (Trustees of NG Family Trust)	11,934,518	3.55	0.00	11,934,518	3.55	0.75
25	Promoter Group	Nisaba Godrej and Pirojsha Godrej (Trustees of NG Children Trust)	1	0.00	0.00	1	0.00	0.00
26	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Family Trust)	11,191,318	3.32	0.00	11,191,318	3.32	0.75
27	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Children Trust)	1	0.00	0.00	1	0.00	0.00
28	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
29	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of NBG Family Trust)	11,507,016	3.42	0.00	11,507,016	3.42	0.00
30	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of BNG Family Trust)	7,999,103	2.38	0.00	7,999,103	2.38	0.75
31	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of SNG Family Trust)	8,394,193	2.49	0.00	8,394,193	2.49	0.75
32	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of HNG Family Trust)	8,935,621	2.65	0.00	8,935,621	2.65	0.75
33	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of RNG Family Trust)	1	0.00	0.00	1	0.00	0.00
34	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of BNG Successor Trust)	1	0.00	0.00	1	0.00	0.00
35	Promoter Group	Nadir Godrej, Hormazd Godrej and Burjis Godrej (Trustees of BNG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
36	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of SNG Successor Trust)	1	0.00	0.00	1	0.00	0.00

Notes to the Standalone Financial Statements

Note 16 : Equity (Continued)

Sr. No.	Entity Type	Promoter Name	As at 31 st March 2023			As at 31 st March 2022		
			No. of Shares	% of Total Shares	% change	No. of Shares	% of Total Shares	% change
37	Promoter Group	Nadir Godrej, Hormazd Godrej and Sohrab Godrej (Trustees of SNG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
38	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of JNG Family Trust)	-	0.00	0.00	-	0.00	-2.72
39	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of PJG Family Trust)	1	0.00	0.00	1	0.00	0.00
40	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of NJG Family Trust)	1	0.00	0.00	1	0.00	0.00
41	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of RJG Family Trust)	1	0.00	0.00	1	0.00	0.00
42	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of The Raika Godrej Family Trust)	-	0.00	0.00	-	0.00	-0.30
43	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of Navroze Lineage Trust)	-	0.00	0.00	-	0.00	-4.64
44	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of Raika Lineage Trust)	-	0.00	0.00	-	0.00	-4.64
45	Promoter Group	Smita Godrej Crishna, Vijay Mohan Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of SGC Family Trust)	-	0.00	0.00	-	0.00	-2.94
46	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of FVC Family Trust)	8,414,608	2.50	-1.29	12,740,146	3.79	0.00
47	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of NVC Family Trust)	-	0.00	0.00	-	0.00	-3.79
48	Promoter Group	Smita Godrej Crishna, Vijay Mohan Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of VMC Family Trust)	1	0.00	0.00	1	0.00	0.00
49	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of NVC Children Trust)	1	0.00	0.00	1	0.00	0.00

Notes to the Standalone Financial Statements

Note 16 : Equity (Continued)

Sr. No.	Entity Type	Promoter Name	As at 31 st March 2023			As at 31 st March 2022		
			No. of Shares	% of Total Shares	% change	No. of Shares	% of Total Shares	% change
50	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of FVC Children Trust)	1	0.00	0.00	1	0.00	0.00
51	Promoter Group	Rishad Kaikhushru Naoroji & Others (Partners of RKN Enterprises)	42,583,272	12.65	0.00	42,583,272	12.65	0.00
52	Promoter Group	Anamudi Real Estates LLP	1,916,792	0.57	0.00	1,916,792	0.57	-1.97
53	Promoter Group	Godrej Seeds & Genetics Limited	-	0.00	0.00	-	0.00	-2.52
54	Promoter Group	AREL Enterprise LLP	2,770,983	0.82	0.00	2,770,983	0.82	0.00
Total Promoter Holding			226,126,787	67.17		226,126,787	67.18	

Note 17 : Other Equity

A Summary of Other Equity Balances

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
1 Capital Redemption Reserve	31.46	31.46
2 Securities Premium Account	925.14	922.60
3 Capital Reserve	46.25	46.25
4 Employee Stock Grants Outstanding	3.19	3.51
5 General Reserve	52.70	52.70
6 Retained Earnings	623.99	393.04
	1,682.73	1,449.56

Refer Statement of Changes in Equity for detailed movement in Other Equity balances

B Nature and purpose of reserve

- Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This Reserve can be used only for the purposes specified in the Companies Act, 2013.
- Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. These are stated net of amount relating to Remeasurement of defined benefit plans.

Notes to the Standalone Financial Statements

Note 18 : Non Current Financial Liabilities - Borrowings

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Unsecured Borrowings		
(a) Bonds and Debentures (Refer Note 2 & 3 below)		
Non Convertible Debentures	2,792.75	2,994.09
(b) Term Loans		
(i) From Banks (Refer Note 1 & 2 below)	153.85	307.69
	2,946.60	3,301.78

Notes:

1 Unsecured Loans from Banks

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	153.85	307.69

2 The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.

3 During the year, the Company has issued 55,000 Unsecured Redeemable Non Convertible Debentures (NCD) of face value ₹ 1 lac each. The total value of NCD is ₹ 550 crore. The NCD is listed on National Stock Exchange. The Company will utilise the proceeds to meet its business purposes, investments in body corporate(s), repayment / prepayment of certain loans and for general corporate purposes.

During previous year, the Company had issued 15,000 Unsecured Redeemable Non Convertible Debentures (NCD) of face value ₹ 10 lac each. The total value of NCD is ₹ 1500 crore. The NCD is listed on National Stock Exchange. The Company will utilise the proceeds to meet its business purposes, investments in body corporate(s), repayment / prepayment of certain loans and for general corporate purposes.

The particulars of NCDs and the utilisation of proceeds is as under:-

₹ In Crore

Particulars	NCD 6.24%	NCD 6.43%	NCD 6.92%	NCD 7.58%	NCD 8.35%	NCD 8.30%	Total
Amount received from NCD (7500 NCDs of Face value of ₹ 10,00,000 each)	750.00	750.00	750.00	750.00	-	-	3,000.00
Amount received from NCD (30,000 NCDs of Face value of ₹ 1,00,000 each)	-	-	-	-	300.00	-	300.00
Amount received from NCD (25,000 NCDs of Face value of ₹ 1,00,000 each)	-	-	-	-	-	250.00	250.00
Repayment Terms	Single principal to be repaid at the end of the term, 14 th July, 2023	Single principal to be repaid at the end of the term, 26 th Apr, 2024	Single principal to be repaid at the end of the term, 14 th May, 2025	Single principal to be repaid at the end of the term, 28 th September, 2028	Single principal to be repaid at the end of the term, 12 th Dec, 2025	Single principal to be repaid at the end of the term, 12 th June, 2026	
Utilisation of Funds till 31 st March 2021 for business purposes, investments in body corporate(s), repayment / pre-payment of certain loans and for general corporate purposes	480.00	43.45	-	-	-	-	523.45
Utilisation of Funds till 31 st March 2022 for business purposes, investments in body corporate(s), repayment / pre-payment of certain loans and for general corporate purposes	270.00	706.55	750.00	147.16	-	-	1,873.71

Notes to the Standalone Financial Statements

Note 18 : Non Current Financial Liabilities - Borrowings (Continued)

Particulars	NCD 6.24%	NCD 6.43%	NCD 6.92%	NCD 7.58%	NCD 8.35%	NCD 8.30%	Total
Utilisation of Funds till 31 st March 2023 for business purposes, investments in body corporate(s), repayment / pre-payment of certain loans and for general corporate purposes	-	-	-	602.84	-	-	602.84
Balance unutilised amount temporarily invested in Mutual Fund and Bank Fixed Deposit	-	-	-	-	300.00	250.00	550.00

Note 19 : Non Current Provisions

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
(a) Provision for Gratuity (Refer Note 39)	16.83	13.20
(b) Provision for Compensated absences	2.07	2.66
(c) Provision for Pension (Refer Note 39)	0.27	0.22
(d) Provision for other Benefits	0.31	0.33
	19.48	16.41

Note 20 : Current Financial Liabilities - Borrowings

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Secured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks	0.29	0.03
(b) Short Term Loans (Refer Note 1 & 2 below)	-	15.00
2 Unsecured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 2 below)	22.10	49.44
(b) Short Term Loans		
(i) From Banks (Refer Note 2 below)	1,045.00	1,175.00
(ii) From Other Parties (Refer Note 2 below)	-	75.00
(c) Other Loans		
(i) Commercial Papers (Refer Note 3 below)	1,959.14	1,384.02
3 Current Maturities of Long Term Borrowings (refer note 4 below)		
Unsecured		
(a) Term Loan from Bank	153.85	153.85
(b) Non Convertible Debentures	750.00	-
	3,930.38	2,852.34

Notes:

1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.

Notes to the Standalone Financial Statements

Note 20 : Current Financial Liabilities - Borrowings (Continued)

2 Unsecured Loans from Bank/ Other parties

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Loan carries interest rate of 6.9%p.a. repayable by July 22	-	275.00
Loan carries interest rate from 6.1%p.a.to 6.35% p.a. repayable by July 22	-	450.00
Loan carries interest rate from 7.1%p.a.to 7.15% p.a. repayable by Aug 22	-	100.00
Loan carries interest rate of 6.9% p.a. repayable by Jun 22	-	100.00
Loan carries interest rate of 6.6% p.a. repayable by Apr 22	-	50.00
Loan carries interest rate from 5.45%p.a.to 5.55% p.a. repayable by Jun 22	-	200.00
Loan carries interest rate at 6.20% p.a. repayable within 6 months	-	4.44
Loan carries interest rate at 5.05% p.a. repayable within 6 months	-	45.00
Loan carries interest rate from 6.8%p.a. repayable by May 22	-	15.00
Loan carries interest rate from 6.65%p.a. repayable by June 22	-	75.00
Loan carries interest rate from 7.60%p.a.to 8.15% p.a. repayable by Aug'23	100.00	-
Loan carries interest rate of 8.0% p.a. repayable by May'23	50.00	-
Loan carries interest rate of 8.25% p.a. repayable by Apr'23	35.00	-
Loan carries interest rate from 8.05%p.a.to 8.45% p.a. repayable by June'23	330.00	-
Loan carries interest rate from 8.42%p.a.to 8.63% p.a. repayable by Apr'23	120.00	-
Loan carries interest rate from 7.89%p.a.to 7.97% p.a. repayable by May'23	200.00	-
Loan carries interest rate from 7.55%p.a.to 7.65% p.a. repayable by Apr'23	100.00	-
Loan carries interest rate from 8.45%p.a.to 8.63% p.a. repayable by May'23	110.00	-
Loan carries interest rate at 6.30% p.a. repayable by April 23	22.10	-

3 Commercial Papers

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Commercial Papers carries interest at 3.87% p.a. to 4.23% p.a. repayable during the period April to June 2022.	-	1,384.02
Commercial Papers carries interest at 7.15% p.a. to 7.80% p.a. repayable during the period April to June 2023.	1,959.14	-

4 Current Maturities of Long Term Borrowings

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	153.85	153.85
NCD Carries a interest rate of 6.24%, repayable in July 2023	750.00	-

5 The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

Notes to the Standalone Financial Statements

Note 21 : Current Financial Liabilities - Trade Payables

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Trade Payables		
(a) Total Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)	61.56	62.98
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	126.92	151.86
2 Acceptances	587.23	530.39
	775.71	745.23

Trade Payable ageing Schedule

₹ in Crore

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding for following periods from due date of payment							
As at March 31, 2023							
(i) MSME	-	61.56	-	-	-	-	61.56
(ii) Others	54.67	645.22	8.91	3.36	1.65	0.34	714.15
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	54.67	706.78	8.91	3.36	1.65	0.34	775.71
As at March 31, 2022							
(i) MSME	-	62.98	-	-	-	-	62.98
(ii) Others	44.95	626.59	3.58	2.43	1.57	3.13	682.25
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	44.95	689.57	3.58	2.43	1.57	3.13	745.23

Note:

- 1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the financial year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Crore

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	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)		
a.	Principal amount due to micro and small enterprise	61.56	62.98
b.	Interest due on above *	-	0.00
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	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	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	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	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

* Amount less than ₹ 0.01 crore

Notes to the Standalone Financial Statements

Note 22 : Current Financial Liabilities - Others

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Interest Accrued but not Due on Borrowings	130.81	129.46
2 Unclaimed Dividends	0.28	0.36
3 Unclaimed Matured Deposits		
(a) Principal Amount	0.03	0.13
(b) Interest accrued Thereon	-	-
	0.03	0.13
4 Others		
(a) Other Creditors (includes employee benefits & capex payables)	90.09	57.57
(b) Deposits	27.02	14.49
(c) Derivative Contracts Payable	0.18	0.68
(d) Other Payables	0.03	0.03
	117.32	72.77
	248.44	202.72

Note:

- 1 There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 23 : Other Current Liabilities

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Advance received from Customers	9.55	12.57
2 Statutory Liabilities	12.22	14.21
3 Other Liabilities	1.04	0.78
	22.81	27.56

Note 24 : Current Provisions

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
(a) Provision for Gratuity (Refer Note 39)	3.88	3.44
(b) Provision for Compensated absences	1.13	2.81
(c) Provision for Pension (Refer Note 39)	-	0.12
(d) Provision for other Benefits	0.08	0.08
	5.09	6.45

Notes to the Standalone Financial Statements

Note 25 : Contingent Liabilities

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Claims against the Company not acknowledged as debts		
(a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.	1.22	1.46
(b) Customs Duty demands relating to lower charge, differential duty, classification, etc.	11.20	-
(c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.	43.99	41.99
(d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
(e) Stamp duties claimed on certain properties which are under appeal by the Company.	1.82	1.82
(f) Income tax demands relating to disallowance against sec. 14A in respect of exempt income, Depreciation on Land/ rights in Land of Godrej One etc. against which the Company has preferred appeals.	97.33	97.33
(g) Industrial relations matters under appeal.	0.43	0.35
(h) Demand of Arrears of Rent / Compensation by Mumbai Port Trust Authority - refer note 3 below	159.58	-
(i) Others	4.00	4.00
2 Surety Bonds		
Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 4 below.	31.65	32.56

Notes:

- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- The Company had received a notice from a Lessor demanding differential rent amounting to ₹ 159.58 crores upto March 31, 2023, for certain plots of land situated at Wadala. The Company has filed detailed replies denying any liability to pay such differential lease rental. Management has obtained legal advice, basis which, the Company believes that it has a very strong case and accordingly, no provision for the same has been made in the financial Statements but has been considered as a contingent liability.
- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :
The Corporate surety bond of ₹ 31.65 crore (previous year ₹ 32.56 crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an Associate company.

Note 26 : Commitments

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
1 Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances amounting to ₹ 1.30 crore (previous year - ₹ 5.72 crore)]	12.29	16.11
2 Uncalled liability on partly paid shares / debentures (*)	0.00	0.00

* Amount less than ₹ 0.01 crore

Notes to the Standalone Financial Statements

Note 27 : Revenue From Operations

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Sale of Products (Refer Note 2 and 3 below)	4,301.96	3,180.49
2 Other Operating Revenues		
(a) Export Incentives	15.58	10.65
(b) Sale of Scrap	5.14	4.31
(c) Dividend Income (Refer Note 1 below)	117.97	96.59
(d) Rental Income	47.31	47.56
	4,487.96	3,339.60

Notes:

- Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.
- Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of products in the following major segments:

₹ in Crore

Sale of Products	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Chemicals Segment		
Domestic Sale	2,762.34	2,141.15
Export Sale	1,383.45	894.72
2 Vegoils Segment		
Domestic Sale	154.58	142.94
3 Other Segment - Wind Energy		
Domestic Sale	1.59	1.68
	4,301.96	3,180.49

- Reconciliation of revenue from contracts with customer

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from contracts with customer as per the contract price	4,307.63	3,186.09
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	(5.66)	(5.81)
b) Sales Returns / Credits / Reversals	-	(0.01)
c) Any other adjustments	(0.01)	0.22
Revenue from contracts with customer as per the statement of Profit and Loss	4,301.96	3,180.49

Notes to the Standalone Financial Statements

Note 28 : Other Income

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Interest Income	1.53	4.08
2 Profit on sale of Property, Plant and Equipment	0.02	-
3 Profit on Sale of Current Investments	24.41	26.84
4 Write back of Provision for Doubtful Debt	-	1.15
5 Income from Investment measured at FVTPL	-	10.20
6 Business Support Service	34.35	28.13
7 Miscellaneous Income	8.69	4.21
	69.00	74.61

Note 29 : Cost of Materials Consumed

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Raw Materials Consumed		
Inventory at the Commencement of the Year	316.87	175.29
Add : Purchases (Net)	2,802.04	2,437.28
	3,118.91	2,612.57
Less : Inventory at the Close of the Year (1)	245.16	316.87
	2,873.75	2,295.70
2 Packing Materials Consumed		
Inventory at the Commencement of the Year	4.65	4.24
Add : Purchases (Net)	69.57	62.47
	74.22	66.71
Less : Inventory at the Close of the Year (2)	4.50	4.65
	69.72	62.06
Total Material Consumed (1+2)	2,943.47	2,357.76

Note 30 : Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Inventory at the Commencement of the Year		
Finished Goods	146.74	95.58
Stock in Trade	0.01	0.08
Work in Progress	152.25	129.07
	299.00	224.73
2 Inventory at the End of the Year		
Finished Goods	123.66	146.74
Stock in Trade	-	0.01
Work in Progress	179.33	152.25
	302.99	299.00
Changes in Inventories (1-2)	(3.99)	(74.27)

Notes to the Standalone Financial Statements

Note 31 : Employee Benefits Expenses

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Salaries and Wages (Net)	158.18	148.17
2 Contribution to Provident and Other Funds (Refer Note 39)	11.83	10.15
3 Employee Share based payments (Refer Note 40) (net)	2.22	2.68
4 Staff Welfare Expense	8.83	7.64
	181.06	168.64

Note 32 : Finance Costs

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Interest Expense		
Gross Interest	450.80	346.00
Less : Capitalised to Capital Work in Progress	-	(2.69)
Net Interest	450.80	343.31
2 Other Borrowing Costs		
a) Discounting Charges	21.98	15.49
b) Others	4.85	5.10
	477.63	363.90

Note 33 : Depreciation

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Depreciation on Property, Plant & Equipments	54.15	117.15
Less : Write down of Property, Plant and Equipment (Refer Note 35)	-	(66.57)
	54.15	50.58
2 Depreciation on Investment Property	8.09	8.34
3 Amortisation of Other Intangible Assets	1.46	1.52
4 Depreciation on Right of Use Assets	15.26	14.36
	78.96	74.80

Note 34 : Other Expenses

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Consumption of Stores and Spares	30.91	19.11
2 Power and Fuel	144.61	112.69
3 Processing Charges	12.92	8.10
4 Rent	1.54	0.84
5 Rates and Taxes	7.54	7.81
6 Repairs and Maintenance		
(a) Machinery	23.16	16.84
(b) Buildings	20.47	20.07
(c) Other Assets	0.62	0.62

Notes to the Standalone Financial Statements

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
7 Insurance	5.84	3.67
8 Freight	110.29	111.18
9 Commission	9.97	7.16
10 Advertisement and Publicity	4.29	2.29
11 Selling and Distribution Expenses	18.16	16.67
12 Provision for Doubtful Debts and Advances	0.29	-
13 Loss on Foreign Exchange Translation	4.45	10.38
14 Loss on Sale of Property, Plant and Equipment	-	0.35
15 Research Expense	2.79	2.42
16 Legal and Professional fees	30.25	28.13
17 Fair Value Loss on Investments measured at FVTPL	6.58	-
18 Auditor's Remuneration (Refer Note 1 below)	1.17	0.79
19 Miscellaneous Expenses	103.88	70.57
	539.73	439.69

Notes :

1 Auditor's Remuneration

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Auditors - Limited Review and Statutory Audit Fees	0.79	0.73
(b) Tax Audit Fees	0.15	-
(c) Taxation Matters	0.17	-
(d) Other services	0.06	0.06
	1.17	0.79

Note 35 : Exceptional Item

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Profit on sale of Non Current Investments (Refer note 1 below)	-	2.56
2 Write down of Property Plant and Equipment (Refer note 2 below)	-	(66.57)
	-	(64.01)

Notes :

- An application was made to the Reserve Bank of India (RBI) on April 5, 2021 to seek its approval for change in shareholding and change in Directors of Ensemble Holdings & Finance Limited (a subsidiary of the Company) (renamed as Godrej Finance Limited w.e.f. November 03, 2021) by virtue of proposed transfer of shares from its existing shareholders (i.e. Godrej Industries Limited and its nominees) to Pyxis Holdings Limited,(renamed as Godrej Capital Limited w.e.f October 26, 2021) a subsidiary of the Company. The RBI had approved the said proposal vide its letter dated June 2, 2021. The procedure for the change in the shareholding and directors, as per the guidelines of the RBI, has been completed. Effective August 24th 2021, Godrej Finance Limited had become a direct subsidiary of Godrej Capital Limited. Net Gain of Rs. 2.56 crores has been recorded on sale of holding in Godrej Finance Limited to Godrej Capital Limited in standalone financial statements of the Company.
- During the previous financial year, the Company has reassessed the future economic benefits from certain plant and machinery and considering expected usage and market conditions it has recorded an exceptional expense of ₹ 66.57 crore to write down the Property, Plant and Equipment to estimated recoverable amount.

Notes to the Standalone Financial Statements

Note 36 : Earnings Per Share

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	336,584,313	336,525,098
(b) Number of equity shares issued during the year (in units)	53,944	59,215
(c) Number of equity shares outstanding at the end of the year (in units)	336,638,257	336,584,313
(d) Weighted average number of equity shares outstanding during the year (in units)	336,624,771	336,567,373
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	336,692,382	336,645,487
(b) Effect of Dilution/ Share based payments	55,305	46,895
(c) Number of potential equity shares at the end of the year (in units)	336,747,687	336,692,382
(d) Weighted average number of potential equity shares outstanding during the year (in units)	336,740,889	336,690,820
3 Profit / (Loss) for the Year after tax (Amount ₹ in Crore)	232.57	(44.19)
(a) Basic Earnings Per Share of ₹ 1 each	6.91	(1.31)
(b) Diluted Earnings Per Share of ₹ 1 each	6.91	(1.31)

Note 37 : Income Tax Expense

1 Tax Expense recognised in the Statement of Profit and Loss

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	11.97	(3.01)
Recognition of previously unrecognised tax losses	(11.97)	3.01
Deferred Tax Expense - (credit)	-	-
Tax Liability of earlier years	-	-
Tax Expense For the Year	-	-

2 Amounts recognised in Other Comprehensive Income

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability (asset)	-	-
	-	-

3 Reconciliation of effective tax rate

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Profit / (Loss) Before Tax	232.57	(44.19)
Tax using the Company's statutory tax rate	58.53	(11.12)
Tax effect of		
Income not subject to tax	(4.65)	(5.16)
Amounts which are not deductible for taxable income	2.44	4.89
Previously unrecognised tax losses and unabsorbed depreciation utilised against taxable income	(44.35)	3.01
Deferred tax assets not recognized because realization is not probable	(11.97)	8.38
	0.00	0.00

Notes to the Standalone Financial Statements

Note 37 : Income Tax Expense (Continued)

The applicable statutory tax rate for the year ended March 31, 2023 is 25.168% (PY 25.168%). The Company has not recognised Deferred tax assets on unused tax losses and unused tax credits (refer note 5 below) as there is no reasonable certainty of availing the same in future years against normal taxes.

4 Movement in deferred tax balances

₹ in Crore

Particulars	Net balance April 1, 2022	Recognised in Statement of Profit and Loss	Net balance March 31, 2023	Deferred tax asset March 31, 2023	Deferred tax liability March 31, 2023
Deferred tax asset					
Property, Plant and Equipment	(170.53)	(27.02)	(197.55)	-	(197.55)
Indexation benefit on land and shares	1.06	-	1.06	1.06	-
Employee benefits	0.86	(0.14)	0.72	0.72	-
Provision for Doubtful Debts / Advances	4.48	0.23	4.71	4.71	-
Unabsorbed Depreciation	152.73	26.79	179.52	179.52	-
Other provisions	12.45	0.14	12.59	12.59	-
Others (Related to EHFL Demerger)	(0.58)	-	(0.58)	-	(0.58)
Investments (Acquisition on account of EHFL)	0.03	-	0.03	0.03	-
Tax assets (Liabilities)	0.50	(0.00)	0.50	198.63	(198.13)
Net tax assets	0.50	(0.00)	0.50	198.63	(198.13)

₹ in Crore

Particulars	Net balance April 1, 2021	Recognised in Statement of Profit and Loss	Net balance March 31, 2022	Deferred tax asset March 31, 2022	Deferred tax liability March 31, 2022
Deferred tax asset					
Property, Plant and Equipment	(177.76)	7.23	(170.53)	-	(170.53)
Indexation benefit on land and shares	1.06	-	1.06	1.06	-
Employee benefits	1.35	(0.49)	0.86	0.86	-
Provision for Doubtful Debts / Advances	6.26	(1.78)	4.48	4.48	-
Unabsorbed Depreciation	157.84	(5.11)	152.73	152.73	-
Other provisions	12.30	0.15	12.45	12.45	-
Others (Related to EHFL Demerger)	(0.58)	-	(0.58)	-	(0.58)
Investments (Acquisition on account of EHFL)	0.03	-	0.03	0.03	-
Tax assets (Liabilities)	0.50	(0.00)	0.50	171.61	(171.11)
Net tax assets	0.50	(0.00)	0.50	171.61	(171.11)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant Management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Details of unused tax losses is given in note 5 below.

As the Company does not have any intention to dispose off investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Notes to the Standalone Financial Statements

Note 37 : Income Tax Expense (Continued)

5 Tax losses carried forward

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Expiry date		
31/3/2023	91.54	153.69
31/3/2024	110.09	110.09
31/3/2025	133.22	133.22
31/3/2026	119.43	119.43
31/3/2027	100.02	100.02
31/3/2028	103.87	103.87
31/3/2029	69.07	69.07
	727.24	789.39
Unabsorbed Depreciation never expires	815.09	930.72

Note 38 : Leases

1. Right of use Assets- Cost, Accumulated Depreciation and Carrying Amount

₹ in Crore

Particulars	Land	Buildings	Total
	Cost		
Balance as at April 1, 2021 (refer note 3)	31.07	104.97	136.04
Additions	-	3.80	3.80
Disposals	-	(41.38)	(41.38)
Balance as at March 31, 2022	31.07	67.39	98.46
Additions / Adjustments	50.86	-	50.86
Disposals	(8.00)	-	(8.00)
Balance as at March 31, 2023	73.93	67.39	141.32
Accumulated depreciation and impairment			
Balance upto April 1, 2021	6.96	60.27	67.23
Depreciation	2.93	11.43	14.36
Disposals	-	(41.38)	(41.38)
Balance upto March 31, 2022	9.89	30.32	40.21
Depreciation	3.83	11.43	15.26
Disposals / Adjustments	(8.00)	-	(8.00)
Balance upto March 31, 2023	5.72	41.75	47.47
Carrying amounts			
Balance as at March 31, 2022	21.18	37.07	58.25
Balance as at March 31, 2023	68.21	25.64	93.85

2. Breakdown of lease expenses

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Short-term lease expense	1.04	0.84
Low value lease expense	-	-
Total lease expense	1.04	0.84

Notes to the Standalone Financial Statements

Note 38 : Leases (Continued)

3. Cash outflow on leases

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Repayment of lease liabilities	14.26	14.24
Interest on lease liabilities	3.90	3.87
Short-term lease expense	1.04	0.67
Low value lease expense	-	-
Total cash outflow on leases	19.20	18.78

4. Lease Liability - Maturity analysis (Undiscounted amounts)

₹ in Crore

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
As at March 31, 2023						
Lease liabilities						
Principal Repayment	39.67	16.08	15.47	8.12	-	7.98%
Interest Repayment	4.32	2.66	1.36	0.30	-	7.98%
	43.99	18.74	16.83	8.42	-	-
As at March 31, 2022						
Lease liabilities						
Principal Repayment	40.47	11.73	12.82	15.92	-	7.98%
Interest Repayment	5.52	2.80	1.82	0.90	-	7.98%
	45.99	14.53	14.64	16.82	-	-

5. Lease Liability- Maturity analysis (Discounted amounts)

₹ in Crore

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
As at March 31, 2023						
Lease liabilities						
Principal Repayment	39.67	16.08	15.47	8.12	-	7.98%
As at March 31, 2022						
Lease liabilities						
Principal Repayment	40.47	11.73	12.82	15.92	-	7.98%

6. As a Lessor

Undiscounted lease payments to be received for operating leases

₹ in Crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Year 1	33.76	35.05
More than 1 year and less than 5 years	53.46	56.34
Total	87.22	91.39

Notes to the Standalone Financial Statements

Note 39 : Employee Benefits

1 DEFINED CONTRIBUTION PLAN

Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

2 DEFINED BENEFIT PLAN

Gratuity :

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential Life Insurance Co. Ltd, HDFC Standard Life Insurance Co. Ltd. and SBI Life Insurance Co. Ltd, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2023.

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Plan assets at period end, at fair value	114.22	106.45
Provident Fund Corpus	107.88	101.38

Valuation assumptions under Deterministic Approach:

Weighted Average Yield 8.42%

Guaranteed Rate of Interest 8.15%

Pension :

The Company has Pension plan for eligible employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

3 Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 7.35% p.a. has been considered based on the current investment pattern in Government securities.

4 Amounts Recognised as Expense :

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 4.16 crore (previous year ₹ 4.41 crore) has been included in Note 31 Employee Benefits Expenses.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 2.44 crore (previous year ₹ 2.48 crore) has been included in Note 31 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 1.54 crore (previous year ₹ 1.46 crore) has been included in Note 31 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.02 crore (previous year ₹ 0.24 crore) has been included in Note 31 Employee Benefits Expenses.

Notes to the Standalone Financial Statements

Note 39 : Employee Benefits (Continued)

5 The amounts recognised in the Company's financial statements as at the year end are as under :

₹ in Crore

Particulars	Gratuity		Pension	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
1 Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	35.33	34.94	0.07	0.91
Current Service Cost	1.43	1.57	-	-
Interest Cost	2.14	2.42	-	-
Contribution by Plan Participants			-	-
Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	(0.66)	0.24	0.03	(0.18)
Actuarial (Gain) / Loss on Obligation due to experience adjustments	1.81	0.22	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.01	0.61	-	-
Benefits Paid	(3.16)	(4.67)	(0.06)	(0.66)
Present value of the obligation at the end of the year	36.90	35.33	0.04	0.07
2 Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	18.68	21.76	-	-
Expected return on Plan Assets	1.13	1.51	-	-
Return on Plan Assets, Excluding Interest Income	(0.46)	(0.56)	-	-
Contributions by the Employer	0.00	0.64	-	-
Benefits Paid	(3.16)	(4.67)	-	-
Fair value of Plan Assets at the end of the year	16.19	18.68	-	-
3 Amounts Recognised in the Balance Sheet :				
Present value of Obligation at the end of the year	36.90	35.33	-	-
Fair value of Plan Assets at the end of the year	16.19	18.68	-	-
Net Obligation at the end of the year	20.71	16.65	-	-
4 Amounts Recognised in the statement of Profit and Loss :				
Current Service Cost	1.43	1.57	-	-
Interest cost on Obligation	2.14	2.42	-	-
Expected return on Plan Assets	(1.13)	(1.51)	-	-
Net Cost Included in Personnel Expenses	2.44	2.48	-	-
5 Amounts Recognised in Other Comprehensive Income (OCI):				
Actuarial Loss on Obligation For the Year	1.16	1.07	-	-
Return on Plan Assets, Excluding Interest Income	0.46	0.56	-	-
Net Expense For the Period Recognised in OCI	1.62	1.63	-	-
6 Actual Return on Plan Assets	0.67	0.95	-	-
7 Estimated Contribution to be made in Next Financial Year	3.88	3.44	-	-

Notes to the Standalone Financial Statements

Note 39 : Employee Benefits (Continued)

₹ in Crore

Particulars	Gratuity		Pension	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
8 Actuarial Assumptions				
i) Discount Rate	7.35% P.A.	6.70% P.A.	7.35% P.A.	6.08% P.A.
ii) Expected Rate of Return on Plan Assets	7.35% P.A.	6.70% P.A.	-	-
iii) Salary Escalation Rate	6.00% P.A.	6.00% P.A.	-	-
iv) Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Crore

Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.96)	1.04	(1.00)	1.09
Future salary growth (1% movement)	1.04	(0.98)	1.09	(1.03)
Rate of employee turnover (1% movement)	0.05	(0.05)	0.02	(0.02)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

7 Expected future benefit payments of Gratuity

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
1 st following year	13.39	11.16
2 nd following year	3.92	5.36
3 rd following year	4.99	3.77
4 th following year	3.90	3.99
5 th following year	3.83	3.35
Sum of Years 6 to 10	11.77	11.76
Thereafter	5.39	5.56

8 Details of Plan Assets

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
ICICI Prudential Life Insurance	0.68	0.66
HDFC Standard Life Insurance	6.27	6.13
SBI Life Insurance	9.24	11.89
	16.19	18.68

Notes to the Standalone Financial Statements

Note 40 : Employee Stock Benefit Plans

1 Employee Stock Grant Scheme

- (a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- (b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- (c) The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- (d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- (e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- (f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- (g) The Exercise Price of the shares has been fixed at ₹1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

Following table lists the average inputs to the model used for the plan:

Particulars	Year Ended	Year Ended	Description of the Inputs used
	March 31, 2023	March 31, 2022	
Dividend yield %	0.00%	0.00%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	10%-13%	12%-14%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Risk free Interest rate %	5.9% to 6.8%	4.4% to 5.3%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Expected life of share options	1 to 3 years	1 to 3 years	
Weighted Average Market price on date of granting the options (₹)	433.65	560.70	

- (h) The Status of the above plan is as under:

Particulars	Year Ended	Year Ended	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
	March 31, 2023	March 31, 2022		
Options Outstanding at the Beginning of the Year	108,069	120,389		
Options Granted	70,305	56,466		
Options Vested	53,944	59,215		
Options Exercised	53,944	59,215	1.00	459.10
Options Lapsed / Forfeited	15,000	9,571		
Total Options Outstanding at the end of the year	109,430	108,069		

- (i) The weighted average exercise price of the options outstanding as on March 31, 2023 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2023 is 0.88 years (previous year 0.84 years).

Notes to the Standalone Financial Statements

Note 41 : Related Party Information

a) Names of related parties and description of relationship	
Parties where control exists	
1	Godrej Agrovet Limited - Subsidiary Company
1.1	Godvet Agrochem Limited
1.2	Astec LifeSciences Limited (including its following subsidiaries)
1.2.1	Behram Chemicals Private Limited
1.2.2	Comercializadora Agricola Agrostrachem Cia Ltda
1.3	Creamline Dairy Products Limited
1.4	Godrej Tyson Foods Limited
1.5	Godrej Maxximilk Private Limited
Joint Venture	
1.6	ACI Godrej Agrovet Private Limited, Bangladesh
1.7	Omnivore India Capital Trust
Associates	
1.8	Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE)
2	Godrej Properties Limited - Subsidiary Company
2.1	Oasis Landmarks LLP (w. e. f 1 March 2022)
2.2	Godrej Garden City Properties Private Limited
2.3	Prakritiplaza Facilities Management Private Limited
2.4	Godrej Prakriti Facilities Private Limited
2.5	Godrej Genesis Facilities Management Private Limited
2.6	Godrej Hillside Properties Private Limited
2.7	Godrej Highrises Properties Private Limited
2.8	Citystar Infraprojects Limited
2.9	Godrej Residency Private Limited
2.10	Godrej Home Developers Private Limited
2.11	Godrej Projects Development Limited
2.12	Godrej Project Developers & Properties LLP
2.13	Godrej Projects (Soma) LLP
2.14	Godrej City Facilities Management LLP
2.15	Godrej Construction Projects LLP
2.16	Godrej Highrises Realty LLP
2.17	Godrej Green Properties LLP
2.18	Godrej Skyview LLP
2.19	Godrej Athenmark LLP
2.20	Ashank Realty Management LLP
2.21	Godrej Olympia LLP
2.22	Ashank Facility Management LLP
2.23	Godrej Green Woods Private Limited
2.24	Godrej Precast Construction Private Limited
2.25	Godrej Properties Worldwide Inc., USA
2.26	Godrej Realty Private Limited
2.27	Godrej Florentine LLP

Notes to the Standalone Financial Statements

Note 41 : Related Party Information (Continued)

a) Names of related parties and description of relationship

2.28	Godrej Living Private Limited (w.e.f. Feb 1, 2022)
2.29	Yerwada Developers Private Limited (w. e. f 9 December 2021 upto January 30,2022)
2.30	Ashank Land & Building Private Limited (w.e.f. May 19, 2022)
2.31	Godrej Reserve LLP (Subsidiary w.e.f October 01, 2022)
2.32	Wonder City Buildcon Private Limited (Subsidiary w.e.f. March 29, 2023)
2.33	Maan-Hinje Township Developers LLP (Subsidiary w.e.f. March 29, 2023)
2.34	Godrej Home Constructions Private Limited (Subsidiary w.e.f. March 29, 2023)

a) Names of related parties and description of relationship

Joint Ventures

2.35	Godrej Redevelopers (Mumbai) Private Limited
2.36	Godrej Greenview Housing Private Limited
2.37	Wonder City Buildcon Private Limited (Joint venture upto March 28, 2023)
2.38	Godrej Home Constructions Private Limited (Joint venture upto March 28, 2023)
2.39	Wonder Projects Development Private Limited
2.40	Godrej Real View Developers Private Limited
2.41	Pearlite Real Properties Private Limited
2.42	Godrej Skyline Developers Private Limited
2.43	Godrej Green Homes Private Limited (Formerly Known as Godrej Green Homes Limited)
2.44	Yujya Developers Private Limited (Merged with Madhuvan Enterprises Private Limited) w.e.f. 27 th March, 2023
2.45	Vivrut Developers Private Limited
2.46	Madhuvan Enterprises Private Limited
2.47	Mosiac Landmarks LLP
2.48	Dream World Landmarks LLP
2.49	Oxford Realty LLP
2.50	Godrej SSPDL Green Acres LLP
2.51	Caroa Properties LLP
2.52	M S Ramaiah Ventures LLP
2.53	Oasis Landmarks LLP (upto 28 February 2022)
2.54	Godrej Amitis Developers LLP (formerly known as Amitis Developers LLP)
2.55	Godrej Property Developers LLP
2.56	A R Landcraft LLP
2.57	Prakhhyat Dwellings LLP
2.58	Godrej Highview LLP
2.59	Godrej Projects North Star LLP
2.60	Godrej Developers & Properties LLP
2.61	Godrej Reserve LLP (Joint venture upto September 30, 2022)
2.62	Godrej Irismark LLP
2.63	Roseberry Estate LLP
2.64	Suncity Infrastructures (Mumbai) LLP
2.65	Maan-Hinje Township Developers LLP (Joint venture upto March 29, 2023)
2.66	Godrej Vestamark LLP
2.67	Manyata Industrial Parks LLP

Notes to the Standalone Financial Statements

Note 41 : Related Party Information (Continued)

a) Names of related parties and description of relationship

2.68	Godrej Odyssey LLP
2.69	Universal Metro Properties LLP.
2.70	Embellish Houses LLP
2.71	Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP)
2.72	Mahalunge Township Developers LLP (Formerly Known as Godrej Land Developers LLP)
2.73	Yerwada Developers Private Limited (w. e. f. 31 January 2022)
2.74	Godrej Projects North LLP (w. e. f 3 December 2021)
2.75	Godrej Housing Projects LLP
2.76	Vagishwari Land Developers Private Limited
2.77	Godrej Macbricks Private Limited
2.78	Munjal Hospitality Private Limited

3 Godrej Capital Ltd - Subsidiary Company

3.1	Godrej Finance Limited (Earlier known as Ensemble Holdings & Finance Limited w.e.f August 23, 2021)
3.2	Godrej Housing Finance Limited (w.e.f August 24, 2021)
3.3	Pyxis Employee Stock Option Trust
4	Godrej International Limited - Subsidiary Company
5	Godrej International Trading & Investments Pte Limited - Subsidiary Company
6	Godrej One Premises Management Private Limited - Subsidiary Company
7	Godrej Industries Limited Employee Stock Option Trust - Subsidiary Entity

Associates

8	Godrej Consumer Products Limited and its stepdown subsidiaries
8.1	PT Godrej Consumer Products Indonesia (Earlier known as PT Megasari Makmur)
8.2	Strength of Nature, LLC
8.3	Subinite Pty Ltd
8.4	Laboratoria Cuenca S.A.
8.5	Godrej Consumer Products International FZCO
8.6	Godrej Nigeria Limited
8.7	Canon Chemicals Limited
8.8	Godrej Household Products Lanka (Private) Limited
8.9	COSMETICA NACIONAL S.A.
8.10	LORNA NIGERIA LIMITED
8.11	GODREJ GLOBAL MIDDLE EAST FZE

9 Companies under common ownership

9.1	Godrej & Boyce Manufacturing Company Limited
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10 Key Management Personnel

10.1	Mr. A. B. Godrej - Chairman Emeritus (retired w.e.f September 30, 2021)
10.2	Mr. N. B. Godrej - Chairman & Managing Director (effective October 1, 2021)
10.3	Ms. T. A. Dubash - Executive Director & Chief Brand Officer
10.4	Mr. N. S. Nabar - Executive Director & President (Chemicals)
10.5	Mr. C. G. Pinto - Chief Financial Officer
10.6	Ms. Tejal Jariwala - Company Secretary

Notes to the Standalone Financial Statements

Note 41 : Related Party Information (Continued)

a) Names of related parties and description of relationship

11 Non-Executive Directors

11.1	Mr. J.N. Godrej
11.2	Mr. V.M. Crishna (upto November 8, 2021)
11.3	Mr. P. A. Godrej
11.4	Mr. K.N. Petigara (upto April 1, 2021)
11.5	Mr. Mathew Eipe
11.6	Dr. Ganapati D. Yadav
11.7	Ms. Monaz Noble
11.8	Ms. Shweta Bhatia
11.9	Mr. Sandeep Murthy
11.10	Mr. Ajay Kumar Vaghani (effective June 23, 2021)

12 Relatives of Key Management Personnel

12.1	Ms. N. A. Godrej - Sister of Ms. Tanya Dubhash
12.2	Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
12.3	Mr. B. N. Godrej - Son of Mr. N. B. Godrej
12.4	Mr. S. N. Godrej - Son of Mr. N. B. Godrej
12.5	Mr. H. N. Godrej - Son of Mr. N. B. Godrej
12.6	Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
12.7	Master A. A. Dubash - Son of Ms. Tanya Dubash
12.8	Master A. A. Dubash - Son of Ms. Tanya Dubash
12.9	Ms. N. N. Nabar - Wife of Mr. N. S. Nabar
12.10	Mr. P. A. Godrej - Brother of Ms. Tanya Dubash

13 Enterprises over which key management personnel exercise significant influence

13.1	Anamudi Real Estates LLP
13.2	Godrej Seeds & Genetics Limited
13.3	Meghmani Organics Limited

14 Enterprises over which relative of key management personnel exercise significant influence

14.1	Shata Trading & Finance Private Limited
14.2	Shilawati Trading & Finance Private Limited
14.3	NG Family Trust
14.4	PG Family Trust
14.5	BNG Family Trust
14.6	SNG Family Trust
14.7	HNG Family Trust
14.8	Godrej Fund Management and Investment Advisers Private Limited w.e.f. April 8, 2022
14.9	Karukachal Developers Private Limited
14.10	Eranthus Developers Private Limited
14.11	Praviz Developers Private Limited
14.12	Godrej Holdings Private Limited
14.13	Ceres Developers Private Limited
14.14	Transpolar Logistics (India) Private Limited
14.15	Mindcrescent Wellness Ventures Private Limited

15 Post Employment Benefit Trust where reporting entity exercises significant influence

15.1	Godrej Industries Employees Provident Fund
15.2	Godrej Industries Ltd Group Gratuity Trust

Notes to the Standalone Financial Statements

b) Transactions with Related Parties

₹ in Crore

Nature of Transaction	Subsidiary Companies	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Enterprises over which Relative of Key Management Personnel exercise significant influence	Total
Sale of Goods *	8.67	118.50	0.52	-	-	96.75	-	224.44
<i>Previous Year *</i>	<i>6.54</i>	<i>90.19</i>	<i>0.22</i>	-	<i>0.25</i>	<i>74.83</i>	-	<i>172.03</i>
Purchase of goods	2.74	25.15	0.01	-	-	107.41	-	135.31
<i>Previous Year</i>	-	<i>27.33</i>	-	-	-	<i>65.31</i>	-	<i>92.64</i>
Purchase of Property, Plants & Equipments & Purchase of Investment Property	-	0.04	0.80	-	-	-	-	0.84
<i>Previous Year</i>	-	<i>0.00</i>	<i>0.04</i>	-	-	-	-	<i>0.04</i>
Commission / Royalty received	-	0.24	-	-	-	-	-	0.24
<i>Previous Year</i>	-	<i>0.27</i>	-	-	-	-	-	<i>0.27</i>
Licence fees / Service charges / Storage Income	13.95	15.49	-	-	-	-	0.32	29.76
<i>Previous Year</i>	<i>14.67</i>	<i>18.58</i>	<i>0.02</i>	-	-	-	<i>0.04</i>	<i>33.31</i>
Other Income *	1.45	1.00	0.00	-	-	0.00	0.02	2.47
<i>Previous Year</i>	<i>0.73</i>	<i>0.19</i>	-	-	<i>0.01</i>	-	-	<i>0.93</i>
Recovery of establishment & Other Expenses	27.94	28.15	-	-	-	-	0.29	56.38
<i>Previous Year</i>	<i>21.13</i>	<i>27.43</i>	<i>1.71</i>	-	-	<i>7.70</i>	<i>0.09</i>	<i>58.06</i>
Rent, Establishment & other expenses paid	11.19	13.50	5.17	-	-	6.98	4.25	41.09
<i>Previous Year</i>	<i>8.96</i>	<i>13.29</i>	<i>5.22</i>	-	<i>0.91</i>	-	<i>2.20</i>	<i>30.58</i>
Dividend income	117.82	-	-	-	-	-	-	117.82
<i>Previous Year</i>	<i>96.01</i>	-	-	-	-	-	-	<i>96.01</i>
Remuneration to Key Management Personal								
Short term employee benefit	-	-	-	31.04	-	-	-	31.04
Post employment benefit	-	-	-	0.87	-	-	-	0.87
Share based payment	-	-	-	0.80	-	-	-	0.80
<i>Previous Year</i>	-	-	-	-	-	-	-	-
<i>Short term employee benefit</i>	-	-	-	<i>27.76</i>	-	-	-	<i>27.76</i>
<i>Post employment benefit</i>	-	-	-	<i>0.80</i>	-	-	-	<i>0.80</i>
<i>Share based payment</i>	-	-	-	<i>0.85</i>	-	-	-	<i>0.85</i>

Notes to the Standalone Financial Statements

Note 41 : Related Party Information (Continued)

₹ in Crore

Nature of Transaction	Subsidiary Companies	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Mangement Personnel exercise significant influence	Enterprises over which Relative of Key Mangement Personnel exercise significant influence	Total
Other Deposits refund	-	0.93	-	-	-	-	-	0.93
<i>Previous Year</i>	-	-	-	-	-	-	-	-
Other Deposits accepted	4.07	-	-	-	-	-	-	4.07
<i>Previous Year</i>	1.60	0.22	-	-	-	-	-	1.82
Sale of Investments	-	-	-	-	-	-	-	-
<i>Previous Year</i>	5.73	-	-	-	-	-	-	5.73
Purchase of Investments	685.00	-	-	-	-	-	-	685.00
<i>Previous Year</i>	809.16	-	-	-	-	-	-	809.16
Commission paid to Director	-	-	-	0.60	-	-	-	0.60
<i>Previous Year</i>	-	-	-	0.58	-	-	-	0.58
Directors Fees	-	-	-	0.78	-	-	-	0.78
<i>Previous Year</i>	-	-	-	0.71	-	-	-	0.71
Balance Outstanding								
Receivables *	4.86	23.01	0.19	-	-	0.01	0.02	28.09
<i>Previous Year *</i>	6.67	21.52	0.24	-	-	7.96	-	36.39
Payables	0.28	2.26	0.39	-	-	-	0.02	2.95
<i>Previous Year</i>	0.04	1.81	0.41	0.01	-	-	0.04	2.31
Deposit Payable	6.66	1.59	-	-	-	-	0.31	8.56
<i>Previous Year</i>	2.90	2.52	-	-	-	-	-	5.42
Advance Given	-	-	-	-	-	22.97	-	22.97
<i>Previous Year</i>	-	-	-	-	-	-	-	-
Guarantees outstanding	-	31.65	-	-	-	-	-	31.65
<i>Previous Year</i>	-	32.56	-	-	-	-	-	32.56

* Amount less than ₹ 0.01 crores

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes to the Standalone Financial Statements

Note 41 : Related Party Information (Continued)

c) Significant Related Party Disclosure

₹ in Crore

Nature of Transaction	Company Name	As at March 2023	As at March 2022
Sale of Goods	Godrej Consumer Products Limited	85.33	69.25
Sale of Goods	Godrej Seeds & Genetics Limited	96.68	74.83
Purchase of Goods	Godrej Consumer Products Limited	25.15	27.33
Purchase of Goods	Godrej Seeds & Genetics Limited	107.41	65.31
Commission / Royalty received	Godrej Consumer Products Limited	0.24	0.27
Licence fees / Service charges / Storage Income	Godrej Consumer Products Limited	15.49	18.58
Recovery of establishment & other Expenses	Godrej Consumer Products Limited	28.11	27.43
Recovery of establishment & other Expenses	Godrej Agrovet Limited	9.91	7.73
Recovery of establishment & other Expenses	Godrej Properties Limited	14.40	10.44
Rent, Establishment & other expenses paid	Godrej Consumer Products Limited	13.50	13.31
Rent, Establishment & other expenses paid	Godrej Properties Limited	0.02	0.09
Rent, Establishment & other expenses paid	Godrej & Boyce Manufacturing Company Limited	5.17	5.46
Dividend income	Godrej Agrovet Limited	117.82	96.01
Sale of Investments	Godrej Capital Limited	-	5.73
Purchase of Investments	Godrej Capital Limited	685.00	809.16
Other Deposits accepted	Godrej Properties Limited	1.79	-
Other Deposits accepted	Godrej Agrovet Limited	-	0.11
Other Deposits accepted	Godrej Projects Development Ltd	1.98	-

Note 42 : Fair Value Measurement

Refer Note 2 sub note 9 & 10 for accounting policy on Financial Instruments.

The fair values 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.

1 Accounting classification and fair values

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

₹ in Crore

As at March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
Investments								
Other Investments*	21.86	-	-	21.86	13.15	-	8.71	21.86
Loans								
Loans to Employees	-	-	0.90	0.90	-	-	-	-
Other financial assets	-	-	5.93	5.93	-	-	-	-

Notes to the Standalone Financial Statements

Note 42 : Fair Value Measurement (Continued)

₹ in Crore

As at March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Current								
Current investments	823.04	-	-	823.04	823.04	-	-	823.04
Trade receivables	-	-	440.98	440.98	-	-	-	-
Cash and cash equivalents	-	-	44.15	44.15	-	-	-	-
Other bank balances	-	-	0.78	0.78	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Others	-	-	0.28	0.28	-	-	-	-
Other Current Financial Assets	-	-	18.58	18.58	-	-	-	-
	844.90	-	511.60	1,356.50	836.19	-	8.71	844.90
Financial liabilities								
Non-Current								
Borrowings - Non Convertible Debentures	-	-	2,792.75	2,792.75	-	2,746.78	-	2,746.78
Borrowings - Term Loans from Banks	-	-	153.85	153.85	-	-	-	-
Lease Liabilities	-	-	23.59	23.59	-	-	-	-
Current								
Borrowings	-	-	3,930.38	3,930.38	-	748.25	-	748.25
Lease Liabilities	-	-	16.08	16.08	-	-	-	-
Trade and other payables	-	-	775.71	775.71	-	-	-	-
Derivative liabilities	0.18	-	-	0.18	-	0.18	-	0.18
Other financial liabilities	-	-	248.26	248.26	-	-	-	-
	0.18	-	7,940.62	7,940.80	-	3,495.21	-	3,495.21

₹ in Crore

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
Investments								
Other Investments*	20.14	-	-	20.14	16.00	-	3.83	19.83
Loans								
Loans to Employees	-	-	0.87	0.87	-	-	-	-
Other financial assets	-	-	6.40	6.40	-	-	-	-
Current								
Current investments	760.69	-	-	760.69	760.69	-	-	760.69
Trade receivables	-	-	400.28	400.28	-	-	-	-
Cash and cash equivalents	-	-	93.05	93.05	-	-	-	-
Other bank balances	-	-	60.85	60.85	-	-	-	-
Loans								
Others	-	-	0.22	0.22	-	-	-	-
Other Current Financial Assets	-	-	22.28	22.28	-	-	-	-
	780.83	-	583.95	1,364.78	776.69	-	3.83	780.52

Notes to the Standalone Financial Statements

Note 42 : Fair Value Measurement (Continued)

₹ in Crore

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-Current								
Borrowings - Non Convertible Debentures	-	-	2,994.09	2,994.09	-	3,034.88	-	3,034.88
Borrowings - Term Loans from Banks	-	-	307.69	307.69	-	-	-	-
Lease Liabilities	-	-	28.74	28.74	-	-	-	-
Current								
Borrowings	-	-	2,852.34	2,852.34	-	-	-	-
Lease Liabilities	-	-	11.73	11.73	-	-	-	-
Trade and other payables	-	-	745.23	745.23	-	-	-	-
Derivative liabilities	0.68	-	-	0.68	-	0.68	-	0.68
Other financial liabilities	-	-	202.04	202.04	-	-	-	-
	0.68	-	7,141.86	7,142.54	-	3,035.56	-	3,035.56

* The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

2 Measurement of fair values

The Company 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 fair values of investments in mutual fund units 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.
- The Company uses the Discounted Cash Flow valuation technique (in relation to financial assets measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined for financial asset measured at fair value through profit and loss are classified as Level 2.
- The Company uses the discounted cash flow valuation technique (in relation to financial liabilities measured at amortised cost) which involves determination of the present value of expected payments, discounted using bank rate. The fair value of non-convertible debentures is valued using FIMMDA guidelines.

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
Forward contracts	The fair value is determined using forward exchange rates at the reporting date.

Notes to the Standalone Financial Statements

Note 43 : Financial Risk Management

1 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 risks and Commodity price risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances and Bank balances and derivative transactions.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Company bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring.

The Company maintains adequate security deposits for sales made to its distributors. For other trade receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors individual loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing analysis of trade receivables is disclosed in Note 11

The movement in Provision for Loss Allowance is as follows:

Particulars	₹ in Crore	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Provision for Loss Allowance	2.98	3.86
Impairment loss recognised	0.45	0.89
Balance written back	-	-
Amounts written off	(0.10)	(1.77)
Closing Provision for Loss Allowance	3.33	2.98

Bank Balances and derivative transactions

Bank Accounts / derivative transactions are maintained / carried out with Banks having high credit ratings

Notes to the Standalone Financial Statements

Note 43 : Financial Risk Management (Continued)

3 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.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other Debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at Balance Sheet Dates:

₹ in Crore

As at March 31, 2023	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non Current Borrowings	2,946.60	3,680.61	115.63	100.91	1,090.92	1,566.30	806.85
Non Current Lease Liabilities	23.59	25.25	-	-	16.83	8.42	-
Current Borrowings	3,930.38	4,010.20	3,930.70	79.50	-	-	-
Current Lease Liabilities	16.08	18.74	9.37	9.37	-	-	-
Trade and other payables	775.71	775.71	775.71	-	-	-	-
Other financial liabilities	248.44	248.44	248.44	-	-	-	-

₹ in Crore

As at March 31, 2022	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non Current Borrowings	3,301.78	4,175.46	166.88	59.44	1,126.02	1,959.42	863.70
Non Current Lease Liabilities	28.74	31.46	-	-	14.64	16.82	-
Current Borrowings	2,858.32	5,233.76	2,354.18	2,800.55	79.03	-	-
Current Lease Liabilities	11.73	14.53	7.27	7.26	-	-	-
Trade and other payables	745.23	745.23	745.23	-	-	-	-
Other financial liabilities	202.72	202.72	202.72	-	-	-	-

4 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company's exposure to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4(i) Currency risk

The Company is exposed to currency risk on account of its Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Notes to the Standalone Financial Statements

Note 43 : Financial Risk Management (Continued)

Exposure to currency risk (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at Balance Sheet dates are as below:

₹ in Crore

As at March 31, 2023	USD	EURO
Financial assets		
Current		
Trade Receivables	177.39	4.98
Less : Forward Contracts for Trade Receivables	(10.27)	-
	167.12	4.98
Financial liabilities		
Current		
Trade and other payables	272.35	0.21
Less: Forward contracts for Trade Payables	(72.76)	-
	199.59	0.21
As at March 31, 2022	USD	EURO
Financial assets		
Current		
Trade Receivables	175.54	10.00
Less : Forward Contracts for Trade Receivables	(3.79)	-
	171.75	10.00
Financial liabilities		
Current		
Trade and other payables	386.57	0.39
Less: Forward contracts for Trade Payables	(173.18)	-
	213.39	0.39

The following significant exchange rates have been applied as at the Balance Sheet dates:

INR	Year-end spot rate	
	As at	As at
	March 31, 2023	March 31, 2022
USD 1	82.18	75.79
EUR1	89.37	84.17

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Profit or (loss) and Equity		Profit or (loss) and Equity	
	Strengthening	Weakening	Strengthening	Weakening
USD - 1% Movement	-	-	0.42	(0.42)
USD - 3% Movement	0.97	(0.97)	-	-
EUR - 4% Movement	(0.19)	0.19	-	-
EUR - 3% Movement	-	-	(0.29)	0.29
	0.78	(0.78)	0.13	(0.13)

Notes to the Standalone Financial Statements

Note 43 : Financial Risk Management (Continued)

4(ii) 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.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows:

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Fixed rate borrowings	6,569.28	5,592.58
Variable rate borrowings	307.70	561.54
	6,876.98	6,154.12

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

₹ in Crore

Particulars	Profit or (loss) and Equity	
	100 bp increase	100 bp decrease
As at March 31, 2023		
Variable-rate instruments	(3.08)	3.08
Interest rate swaps	-	-
Cash flow sensitivity (net)	(3.08)	3.08
As at March 31, 2022		
Variable-rate instruments	(5.62)	5.62
Interest rate swaps	-	-
Cash flow sensitivity (net)	(5.62)	5.62

4(iii) Commodity Price risk

The Company is exposed to commodity risks mainly due to price volatility in Palm oil derivatives and Rapeseed Oil. We enter into fixed price contracts with suppliers and in certain cases, enter into back to back sale contract with customers. We periodically review the open exposure of Raw material regularly.

Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Notes to the Standalone Financial Statements

Note 43 : Financial Risk Management (Continued)

Forward Contracts outstanding:

USD in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Forward Contract to Purchase (USD) [17 contracts (previous year 50 contracts)]	0.89	2.29
Forward Contract to Sell (USD) [5 contracts (previous year 2 contracts)]	0.13	0.05

Note 44 : Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company 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.

₹ in Crore

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-Current Borrowings	2,946.60	3,301.78
Current Borrowings	3,930.38	2,852.34
Gross Debt	6,876.98	6,154.12
Less : Cash and Cash Equivalents	(44.15)	(93.05)
Less : Other Bank Balances	(0.78)	(60.85)
Less : Current Investments	(823.04)	(760.69)
Adjusted Net debt	6,009.01	5,239.53
Total Equity	1,716.39	1,483.22
Adjusted Net Debt to Equity ratio	3.50	3.53

Note 45 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at Balance Sheet Dates:

₹ in Crore

As at March 31, 2023	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
Financial liabilities						
Current						
Derivative liabilities	0.18	-	0.18	-	-	0.18
Total	0.18	-	0.18	-	-	0.18

₹ in Crore

As at March 31, 2022	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
Financial liabilities						
Current						
Derivative liabilities	0.69	0.01	0.68	-	-	0.68
Total	0.69	0.01	0.68	-	-	0.68

Notes to the Standalone Financial Statements

Note 45 : Master netting or similar agreements (Continued)

Offsetting arrangements

Derivatives

The Company enters into derivative contracts for hedging foreign exchange exposures. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

Note 46 : Ratios

Ratio analysis and its elements

Particulars	As at March 31, 2023	As at March 31, 2022	Change %	Reason for more than 25% change
Debt Equity Ratio (based on net debt)	3.50	3.53	(1%)	
Debt Equity Ratio (based on gross debt)	4.01	4.15	(3%)	
Debt Service Coverage Ratio (DSCR)	1.23	1.05	18%	
Interest Service Coverage Ratio (ISCR)	1.69	1.09	55%	Company has borrowed long term fund of ₹ 550 crore during the year and ₹ 1500 crore in previous year. The fund is utilised for strategic investment in subsidiary Companies. Interest expense has increased due to incremental borrowing.
Current Ratio	0.40	0.53	(25%)	
Long Term Debt to Working Capital	(0.98)	(1.81)	(46%)	Reduction in long term debt and reduction in working capital has improved the ratio
Bad Debts to Account Receivable Ratio	0.00%	0.00%		
Current Liability Ratio	0.63	0.54	17%	
Total Debts to Total Assets	0.71	0.71	0%	
Debtors Turnover (Annualised)	10.67	10.28	4%	
Inventory Turnover (Annualised)	5.09	4.50	13%	
Operating Margin (%)	16.05%	11.50%	40%	Operating Margin of Chemicals Division of the Company has improved significantly due to value added products and favourable market conditions
Return on Equity Ratio	14.54%	(2.94%)	(595%)	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the Company
Trade Payable turnover Ratio	3.92	3.71	6%	
Net Capital Turnover Ratio*	-	-		
Net Profit Margin (%)	5.18%	(1.32%)	(492%)	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the company. Moreover, in previous financial year, Net profit margin had been impacted due to write down on certain property, plant and equipments and higher finance costs due to incremental borrowings.
Return on capital employed	8.32%	4.20%	98%	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the Company.
Return on investment:				
Fixed Deposits with Banks	1.78%	3.04%	(41%)	Temporary surplus invested in fixed deposits were utilised for business thereby reducing the fixed deposits during the year
Mutual Funds	4.01%	3.64%	10%	
Investments other than specified above	2.24%	2.59%	(13%)	
Adjusted EBIDTA (%)	16.05%	11.50%	40%	Operating Margin of Chemicals Division of the Company has improved significantly due to value added products and favourable market conditions

Notes to the Standalone Financial Statements

Note 46 : Ratios (Continued)

Formulae used for Calculation of Key Ratios and Financial indicators:

Debt Equity Ratio (Gross) = Total Debt /Equity

(Net) Debt - Equity Ratio = DEBT [Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes FD) - Liquid Investments] / Equity

Debt Service Coverage Ratio = EBIDA / [Interest Expense + Repayment of Long Term Borrowings during the period (netted off to the extent of Long term Loans availed during the same period for the repayments)]

Interest Service Coverage Ratio = EBIDA / Interest Expense

EBIDA = Net Profit/(Loss) After Tax + Interest Expense + Depreciation and Amortisation Expenses+Loss/(Profit) (net) on sale of Property, Plant and Equipment

Current Ratio = Current Assets/Current Liabilities

Long term Debt to Working Capital = Non Current Borrowing / (Current assets-Current Liabilities)

Bad Debts to Accounts Receivable Ratio = Bad Debts/Accounts Receivable

Current Liability Ratio = Current Liabilities /Total Liabilities

Total Debt to Total Assets = (Non Current Borrowing+Current Borrowing)/Total Assets

Debtors Turnover = Revenue from Operations / Average Trade Receivable

Inventory Turnover = (Cost of Materials Consumed + Purchases of Stock in Trade + Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress) / Average Inventory

Operating profit ratio = (Earnings before exceptional item, interest, taxes, depreciation, amortization expenses less Other Income)/ Revenue from operations

Net Profit Margin = Profit/(Loss) for the period/ Revenue from Operations

Return on Equity Ratio= Net Profits after taxes /Average Shareholder's Equity

Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables

Net capital turnover ratio = Net Sales/Working Capital

Return on capital employed (ROCE) =Earning before interest and taxes/Capital Employed

Capital Employed = Tangible Net worth +Total Debt+Deferred Tax Liabilities

Return on investment= Income generated from invested funds/ Average value of investments

* as working capital is negative Net Capital Turnover ratio has not been provided.

Note 47 : Utilisation of Borrowed Funds and Share Premium

- a) To the best of our knowledge and belief, other than the details mentioned below, the Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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) To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 to or on behalf of the Ultimate Beneficiaries.

Details of investments made by the Company in an intermediary during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount Invested
Godrej Capital Limited (CIN: U67100MH2019PLC330262)	Subsidiary	Equity	2 nd June, 2022	685.00

Notes to the Standalone Financial Statements

Details of investments made by Godrej Capital Limited (subsidiary of Godrej Industries Limited), as intermediary, in the equity share capital of Godrej Housing Finance Limited and Godrej Finance Limited during the year (Ultimate Beneficiaries):

Amount ₹ in Crore

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount Invested
Godrej Housing Finance Limited (CIN: U65100MH2018PLC315359)	Subsidiary	Equity	2 nd June, 2022	209.95
Godrej Finance Limited (CIN: U67120MH1992PLC065457)	Subsidiary	Equity	2 nd June, 2022	475.00

The above investments are in compliance with the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).

Note 48 : Struck off Companies

Relationship with Struck off Companies

₹ in Crore

Sr. No.	Name of struck off company	Nature of transactions	Transactions during the year March 31, 2023	Balance outstanding as at March 31, 2023	Relationship with the Struck off company
1	3H Health And Hygiene Pvt. Ltd	Payables	0.02	-	Vendor

Note 49 : Dividend On Equity Shares

The Company has not declared or paid any dividend during the year FY 2022-23.

Note 50

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

Note 51

Corporate Social Responsibility contribution required to be made as per provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous year.

Note 52

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 53

Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current period's classification.

As per our Report attached

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

Jamshed K. Udawadia
Partner
M.No. : 124658
Mumbai, May 19, 2023

For and on behalf of the Board of Directors of
Godrej Industries Limited
CIN No.: L24241MH1988PLC097781

N. B. Godrej
Chairman and Managing Director
DIN: 00066195

Clement Pinto
Chief Financial Officer
Mumbai, May 19, 2023

N. S. Nabar
Executive Director &
President (Chemicals)
DIN: 06521655

Tejal Jariwala
Company Secretary