

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Godrej Finance Limited  
(formerly known as Ensemble Holding & Finance Limited)**

**Report on the Audit of the Ind AS financial statements**

**Opinion**

We have audited the Ind AS financial statements of Godrej Finance Limited ('the company') (formerly known as Ensemble Holding & Finance Limited), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

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

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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Sr.no	Key Audit Matter	Response to Key Audit Matter
1	<p><b><u>Transition to IND AS accounting framework as described in note no. 45</u></b></p> <p>The Company has adopted Ind AS from 1<sup>st</sup> April 2022 with an effective date of 1<sup>st</sup> April 2021 for such transition. For periods up to and including the year ended 31<sup>st</sup> March 2022, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31<sup>st</sup> March 2023, together with the comparative financial information for the previous year ended 31<sup>st</sup> March 2022 and the transition date Balance Sheet as at 1<sup>st</sup> April 2021 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<p>Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</p> <p>Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</p> <p>Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>Tested the disclosures prescribed under Ind AS.</p>
2	<p><b><u>Information technology (IT) systems used in financial reporting process.</u></b></p> <p>The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.</p>	<p>We obtained an understanding of the Company's IT control environment relevant to the audit.</p> <p>We tested the design, implementation, and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting.</p>



		<p>We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.</p> <p>In addition to above, we have also relied on the work of the internal auditors.</p>
3	<p><b><u>Impairment of Financial Assets held at amortised cost:</u></b></p> <p>Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109, and the management estimation of the related impairment provisions this is a key audit matter.</p> <p>The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ul style="list-style-type: none"> <li>- Segmentation of loan book</li> <li>- Determination of exposure at default</li> <li>- Loan staging criteria</li> <li>- Calculation of probability of default / Loss given default</li> </ul> <p>The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>Refer note no. 6 to the Financial Statements.</p>	<p>We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our business understanding.</p> <p>We assessed the design and implementation of controls over loan impairment process used to calculate the impairment charge.</p> <p>We evaluated management's controls over collation of relevant information used for determining estimates for management overlays.</p> <p>We tested review controls over measurement of impairment allowances and disclosures in financial statements.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial



statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the 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, remuneration paid by the company to its Directors is in accordance with the provisions of this section.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 30 of the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has not been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or



otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company hence section 123 of the Companies Act, 2013 is not applicable.
- vi. Proviso to Rule 3(1) of Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March 2023.

**For Chhajed & Doshi**  
**Chartered Accountants**  
**(FRN: 101794W)**



**M. P. Chhajed**  
**Partner**  
**M. No. 049357**  
**Place: Mumbai**  
**Date: May 04, 2023**  
**UDIN: 23049357BGSKWY1688**

## **Annexure A to the Independent Auditor's Report**

**Annexure referred to in our report of even date to the members of Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited) on the accounts for the year ended 31st March 2023.**

- 3(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of Property, Plant and Equipment to cover all the items at major locations in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Based on the information and explanation given to us and on verification of the records of the Company, the physical verification was conducted by the company as per the verification plan during the year. No material discrepancies were observed on such verification.
- (c) The Company does not own any immovable properties therefore provisions of the clause 3(i)(c) of the order is not applicable.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information and explanation provided to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 3(ii) (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets namely financial asset. Based on our verification, the quarterly statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company.
- 3(iii) (a) The company being a Non-Banking Finance Company, the provisions of clause 3(iii)(a) are not applicable to the company.
- (b) According to the information and explanations given to us and based on the verification of the records and in our opinion the investments made, security given and the terms and conditions of the grant of loans and advances in nature of loans are not prejudicial to the company's interest. Further, the company has not provided any guarantee during the year.
- (c) The company being a Non-banking Finance company is in the business of granting loans and advances in the nature of loans. The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except accounts which are overdue and classified as special mention accounts or non-performing assets as per RBI norms.





- (d) The total amount overdue for more than ninety days is Rs. 0.04 lakhs with respect to two borrowers. Based on the information and explanations given to us and in our opinion reasonable steps have been taken by the company for recovery of principal and interest.
- (e) The company being a Non-Banking Finance Company, the provisions of clause 3(iii)(e) are not applicable to the company.
- (f) As per the information and explanation made available to us and in our opinion the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- 3(iv) The Company is a registered Non-Banking Finance Company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2020 is not applicable.
- 3(v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- 3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act, 2013 for the company.
- 3(vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 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 records of the Company examined by us, there are no cases of non-deposit of disputed dues in respect of statutory dues stated in (a) above except as stated below.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in Lakhs)	Amount Deposited under protest (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	AO	AY 2011-12	3.14	-
Income Tax Act, 1961	Income Tax	CIT (A)	AY 2016-17	3.58	-
Income Tax Act, 1961	Income Tax	AO	AY 2017-18	3.21	-
Income Tax Act, 1961	Income Tax	AO	AY 2017-18	1.40	-
Income Tax Act, 1961	Income Tax	AO	AY 2019-20	0.88	-



- 3(viii) As per the information and explanation provided to us and as represented to us, there were no 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.
- 3(ix) (a) According to the information and explanation given to us and based on our audit procedures, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations provided to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations and records provided to us the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations provided to us, in our opinion the funds raised on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations provided to us and on examination of records, 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.
- (f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 3(x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the order is not applicable.
- (b) Based on the information and explanations provided to us, the company has not made any preferential allotment or private placement of shares or convertible debenture (fully, partially or optionally convertible) during the year. However, shares have been issued to employees under the Employee Stock Option Scheme and via rights issue of shares. The requirements of section 42 and section 62 of the Companies Act, 2013, wherever applicable have been complied with and the funds raised have been used for the purposes for which they have been raised.
- 3(xi) (a) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by and on the company has been noticed or reported during the year. We have not been informed of any such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the explanation given to us by the management, no whistle blower complains were received during the year by the company.



- 3(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- 3(xiii) According to the information and explanations given to us and in our opinion, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- 3(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 3(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary companies or persons connected with them during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 3(xvi)(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- (b) The company is in the business of and has carried on the business of Non- Banking Financial activities during the year with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) The group does not have more than one core investment company as part of the group defined in Core Investment companies (Reserve Bank) Directions 2016.
- 3(xvii) The Company has incurred cash losses amounting to Rs. 6,212.47 lakhs during the financial year covered by our audit and Rs. 1,259.94 lakhs in the immediately preceding financial year.
- 3(xviii) There has been no resignation of the statutory auditors of the Company during the year.
- 3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



3(xx) The company is not required to contribute towards CSR so reporting under clause (xx)(a) to (b) is not applicable.

**For Chhajed & Doshi**  
**Chartered Accountants**  
**(FRN: 101794W)**



**M. P. Chhajed**  
**Partner**  
**M. No. 049357**  
**Place: Mumbai**  
**Date: May 04, 2023**  
**UDIN: 23049357BGSKWY1688**

**Annexure referred to in our report of even date to the members of Godrej Finance Limited (formerly Known as Ensemble Holding & Finance Limited) on the accounts for the year ended 31<sup>st</sup> March 2023**

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

We have audited the internal financial controls over financial reporting of Godrej Finance Limited (formerly Known as Ensemble Holding & Finance Limited) ("the Company") as of 31<sup>st</sup> March 2023, in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Chhajed & Doshi**  
**Chartered Accountants**  
**(FRN: 101794W)**



**M. P. Chhajed**  
**Partner**

**M. No. 049357**

**Place: Mumbai**

**Date: May 04, 2023**

**UDIN: 23049357BGSKWY1688**



To,  
The Board of Directors,  
Godrej Finance Limited  
(formerly known as Ensemble Holding and Finance Limited)

### INDEPENDENT AUDITORS' REPORT

1. We have been engaged by Godrej Finance Limited (formerly known as Ensemble Holding and Finance Limited) (the "Company") to verify and report on matters specified in the Reserve Bank of India's Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, DNBS. PD.03/66.15.001/2016-17 dated September 29, 2016 (the "Directions"), for the year ended March 31, 2023.

The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) as defined in Para 3(xxi) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and accordingly reporting is done for various clauses of the direction.

#### Management's Responsibility for the Compliance

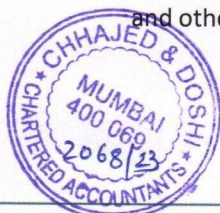
2. The Management of the Company is responsible for ensuring compliance with the Directions and other applicable regulations. This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls suitable for such compliance.
3. The Management of the Company is also responsible for maintenance of proper books of account and such other records as prescribed by Reserve bank of India and other applicable laws.

#### Auditors' Responsibility

4. This report is based on our examination of the audited books of account as at and for the year ended March 31, 2023, other relevant documents as considered necessary for the purposes of issuing this report and the information and explanations given to us by the Company.
5. We conducted our examination of matters stated in the report in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

7. On the basis of our examination of such audited books of account and other relevant records and documents and to the best of our information and explanations and representations given to us by the Management of the Company, we are of the opinion that the following assertions as per the Directions made by the Company below, are in agreement with the aforesaid audited books of account and other relevant records and documents maintained by the Company:



Head Office: 101, Hubtown Solaris, Near East West Flyover, N.S. Phadke Marg, Andheri (E), Mumbai-400 069  
☎ : 022-61037878 • e-mail: info@cndindia.com • www.cndindia.com

Branches : Ahmedabad: ☎ : 079-2646 4413 • Delhi: ☎ : 011-4611 3950 • Dombivli: ☎ : 0251-2860936



- i) The Company's principal business is conducting Non-Banking Financial activities and has obtained a Certificate of Registration No. N-13-00368 dated 03/12/2021 from the Reserve Bank of India. (This is the Date of revised Certificate of Registration (COR) post change in name of the Company from Ensemble Holdings & Finance Limited to Godrej Finance Limited. Original COR was issued on March 18, 1998.)
- ii) The company is entitled to continue to hold the Certificate of Registration in terms of its principal business criteria i.e. asset/income pattern as on 31st March 2023.
- iii) The Company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- iv) The Board of Directors has passed a resolution for non- acceptance of any public deposits at the meeting held on 12<sup>th</sup> April 2022.
- v) The Company has not accepted any public deposits during the year.
- vi) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- vii) The capital adequacy ratio as disclosed in the return submitted to the RBI in Form DNBS03 (erstwhile form NBS- 7), has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the RBI.
- viii) The Company has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio Form DNBS03 (erstwhile form NBS- 7) within the stipulated period.
- ix) The Company is not classified as NBFC Micro Finance Institutions (MFI) as defined in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

**Restriction on Use**

8. This Auditors' Report has been addressed to the Board of Directors of the Company as per the applicable directions. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Date: 04<sup>th</sup> May, 2023**  
**Place: Mumbai**



**For CHHAJED & DOSHI**  
**Chartered Accountants**  
**FRN: 101794W**

**CA M. P. Chhajed**  
**Partner**  
**Membership No: 049357**  
**UDIN: 23049357BGSKWZ2871**

**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

Balance Sheet as at March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>ASSETS</b>				
<b>(1) Financial Assets</b>				
(a) Cash and cash equivalents	3	11,865.55	2,469.74	78.71
(b) Bank balances other than (a) above	4	1,525.81	-	-
(c) Derivative financial instruments	5	25.41	-	-
(d) Loans	6	133,571.46	4,459.58	-
(e) Investments	7	19,514.26	4,129.78	400.27
(f) Other financial assets	8	176.58	7.23	-
		<b>166,679.07</b>	<b>11,066.33</b>	<b>478.98</b>
<b>(2) Non Financial Assets</b>				
(a) Current tax assets (net)	9	346.81	0.39	4.44
(b) Property, plant and equipment	10	590.36	-	-
(c) Right-of-use assets	10	1,362.92	771.62	-
(d) Intangible assets under development		60.55	1,342.90	-
(e) Other intangible assets	10	2,066.91	44.38	-
(f) Other non financial assets	11	490.62	34.26	-
		<b>4,918.17</b>	<b>2,193.55</b>	<b>4.44</b>
<b>Total Assets</b>		<b>171,597.24</b>	<b>13,259.88</b>	<b>483.42</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>(1) Financial Liabilities</b>				
(a) Payables	12			
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	12.1	25.68	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12.1	1,965.95	1,246.41	45.58
(b) Debt Securities	13	20,861.59	-	-
(c) Borrowings (Other than Debt Securities)	14	93,657.88	6,000.00	-
(d) Lease liabilities	35	1,406.14	780.18	-
(e) Other financial liabilities	15	4,982.07	-	-
		<b>122,899.31</b>	<b>8,026.59</b>	<b>45.58</b>
<b>(2) Non-Financial Liabilities</b>				
(a) Provisions	16	110.97	-	-
(b) Other non-financial liabilities	17	322.74	45.80	0.48
		<b>433.71</b>	<b>45.80</b>	<b>0.48</b>
<b>(3) Equity</b>				
(a) Equity share capital	18	55,470.33	7,020.72	657.46
(b) Other equity	19	(7,206.11)	(1,833.23)	(220.10)
		<b>48,264.22</b>	<b>5,187.49</b>	<b>437.36</b>
<b>Total Liabilities and Equity</b>		<b>171,597.24</b>	<b>13,259.88</b>	<b>483.42</b>

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.

2-49

As per our report of even date attached

For Chhajed &amp; Doshi

Chartered Accountants

Firm Registration No.: 101794W

M.P.Chhajed

Partner

Membership No. - 049357

Mumbai  
May 4, 2023

For and on behalf of the Board of Directors

Godrej Finance Limited

CIN: U67120MH1992PLC065457

Pirojsha Godrej

Director

DIN - 00432983

Mumbai  
May 4, 2023

Kunal Karnani

Chief Financial Officer

Mumbai  
May 4, 2023

Manish Shah

Director

DIN - 06422627

Mumbai  
May 4, 2023

Heer Parekh

Company Secretary

Mumbai  
May 4, 2023



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

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

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operations</b>			
(i) Interest Income	20	5,766.10	1.27
(ii) Fee and Commission Income	21	193.05	-
(iii) Net gain on fair value changes	22	600.71	42.77
<b>I Total revenue from operations</b>		<b>6,559.86</b>	<b>44.04</b>
<b>II Other Income</b>	23	3.59	0.29
<b>III Total Income ( I + II)</b>		<b>6,563.45</b>	<b>44.33</b>
<b>Expenses</b>			
(i) Finance costs	24	2,534.24	22.20
(ii) Impairment on financial instruments	25	888.56	36.14
(iii) Employee Benefits Expenses	26	6,616.02	687.22
(iv) Depreciation, amortization and impairment	10	685.39	75.86
(v) Other expenses	27	2,737.10	558.71
<b>IV Total expenses</b>		<b>13,461.31</b>	<b>1,380.13</b>
<b>V (Loss) before tax for the year ( III - IV)</b>		<b>(6,897.86)</b>	<b>(1,335.80)</b>
<b>VI Tax Expense</b>		<b>0.39</b>	<b>0.59</b>
(a) Current tax		-	-
(b) Deferred tax		-	-
(c) Short / (Excess) provision for earlier years		0.39	0.59
<b>VII Net (loss) after tax for the year ( V - VI)</b>		<b>(6,898.25)</b>	<b>(1,336.38)</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		(25.03)	-
<b>IX Total Comprehensive income for the year ( VII + VIII)</b>		<b>(6,923.28)</b>	<b>(1,336.38)</b>
<b>X Earnings per equity share in Rupees (Face value Rs. 10 each)</b>			
Basic and Diluted	29	(1.57)	(7.66)

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.

2-49

As per our report of even date attached

For Chhajed &amp; Doshi

Chartered Accountants

Firm Registration No.: 101794W

For and on behalf of the Board of Directors

Godrej Finance Limited

CIN: U67120MH1992PLC065457

M.P.Chhajed

Partner

Membership No. - 049357



Mumbai

May 4, 2023

Pirojsha Godrej

Director

DIN - 00432983

Mumbai

May 4, 2023

Kunal Karnani

Chief Financial Officer

Mumbai

May 4, 2023

Manish Shah

Director

DIN - 06422627

Mumbai

May 4, 2023

Heer Parekh

Company Secretary

Mumbai

May 4, 2023



# Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Statement of cash flow for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash flow from operating activities</b>		
(Loss) before tax	(6,897.86)	(1,335.80)
<b>Adjustments for</b>		
Net gain on fair value change	(597.71)	(42.77)
Impairment on financial assets	888.56	36.14
Depreciation, amortisation and impairment	681.22	75.86
Interest income on security deposits	(3.54)	(0.02)
<b>Operating cash flow before working capital changes</b>	<b>(5,929.33)</b>	<b>(1,266.59)</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase)/ Decrease in Other Bank balances	(1,525.81)	-
Increase/ (Decrease) in Derivative financial instruments	(25.41)	-
(Increase)/ Decrease in Loans	(130,000.44)	(4,495.72)
(Increase)/ Decrease in Other Financial Assets	(187.81)	(9.48)
(Increase)/ Decrease in Other non financial assets	(456.36)	(34.26)
Increase/ (Decrease) in Provisions	85.94	-
Increase/ (Decrease) in Trade Payables	745.21	1,200.83
Increase/ (Decrease) in Other financial liabilities	4,663.24	-
Increase/ (Decrease) in Other non-financial liabilities	276.94	45.32
<b>Cash (used in) operations</b>	<b>(132,353.83)</b>	<b>(4,559.90)</b>
(Income tax paid)/ Income tax refund received	(346.81)	3.46
<b>Net cash (used in) operating activities - A</b>	<b>(132,700.64)</b>	<b>(4,556.44)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(672.46)	-
Purchase of intangible assets	(2,252.68)	(44.76)
Movement in intangible assets under development	1,282.35	(1,342.90)
Purchase of investments	(272,970.04)	(7,953.60)
Proceeds from sale of investments	258,183.27	4,266.87
<b>Net cash generated from/(used in) investing activities - B</b>	<b>(16,429.56)</b>	<b>(5,074.39)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	50,000.00	6,363.26
Share issue expenses	-	(276.74)
Repayment of Lease Obligations	(312.31)	(64.66)
Proceeds from issue of debt securities	45,440.79	-
Repayment of debt securities	(24,464.16)	-
Proceeds from borrowings (other than Debt securities)	119,850.00	6,000.00
Repayment of borrowings (other than Debt securities)	(31,988.31)	-
<b>Net cash generated from financing activities - C</b>	<b>158,526.01</b>	<b>12,021.86</b>



# Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Statement of cash flow for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	<u>9,395.81</u>	<u>2,391.03</u>
Cash and cash equivalent as at the beginning of the year	2,469.74	78.71
Cash and cash equivalent as at the end of the year	11,865.55	2,469.74

## Notes:

### i) Reconciliation of cash and cash equivalents as per the statement of cash flow

Particulars	March 31, 2023	March 31, 2022
Cash and Cash Equivalents as per above comprise of the following		
- In Current accounts	1,887.42	2,469.74
- In certificate of deposits	9,978.13	-
Balances as per statement of cash flow	<u>11,865.55</u>	<u>2,469.74</u>

ii) The above Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 " Statement of Cash flow "

Significant Accounting Policies and accompanying notes forming part of the Financial Statements. 2-49

As per our report of even date attached  
For Chhajed & Doshi  
Chartered Accountants  
Firm Registration No.: 101794W

**M.P.Chhajed**  
Partner  
Membership No. - 049357



Mumbai  
May 4, 2023

For and on behalf of the Board of Directors  
Godrej Finance Limited  
CIN: U67120MH1992PLC065457

**Pirojsha Godrej**  
Director  
DIN - 00432983

Mumbai  
May 4, 2023

**Kunal Karnani**  
Chief Financial Officer

Mumbai  
May 4, 2023

**Manish Shah**  
Director  
DIN - 06422627

Mumbai  
May 4, 2023

**Heer Parekh**  
Company Secretary

Mumbai  
May 4, 2023



# Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Statement of changes in equity As at March 31, 2023

(Currency : Indian Rupees in lakhs)

## A. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	70,207,167	7,020.72	6,574,597	657.46	6,574,597	657.46
Add: Shares issued during year	484,496,124	48,449.61	63,632,570	6,363.26	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	554,703,291	55,470.33	70,207,167	7,020.72	6,574,597	657.46

## B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total Other Equity
	Securities premium	Special reserve u/s 45IC of RBI act, 1934	Retained Earnings	Remeasurement of defined benefit liabilities / assets	
Balance As at April 01, 2021	276.74	402.37	(899.21)	-	(220.10)
Profit for the year	-	-	(1,336.38)	-	(1,336.38)
Share issue expenses	(276.74)	-	-	-	(276.74)
Balance As at March 31, 2022	-	402.37	(2,235.59)	-	(1,833.23)
Profit for the year	-	-	(6,898.25)	-	(6,898.25)
Other comprehensive income/(loss) for the year	-	-	-	(25.03)	(25.03)
Issue of equity shares	1,550.39	-	-	-	1,550.39
Share issue expenses	-	-	-	-	-
Balance As at March 31, 2023	1,550.39	402.37	(9,133.84)	(25.03)	(7,206.11)

Nature and Purpose of reserve -Refer Note19A.

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.

2-49

As per our report of even date attached

For Chhajed & Doshi  
Chartered Accountants

Firm Registration No.: 101794W

M.P.Chhajed

Partner

Membership No. - 049357



Mumbai  
May 4, 2023

For and on behalf of the Board of Directors

Godrej Finance Limited

CIN: U67120MH1992PLC065457

Pirojsha Godrej

Director

DIN - 00432983

Mumbai

May 4, 2023

Kunal Karnani

Chief Financial Officer

Mumbai

May 4, 2023

Mamun Shah

Director

DIN - 06422627

Mumbai

May 4, 2023

Heer Parekh

Company Secretary

Mumbai

May 4, 2023



# Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

## 1. Corporate Information

Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited) was incorporated on February 17, 1992 and is registered with the Reserve Bank of India as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). The Company's primary business is advancing loans and financing. The Company has its registered office at Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400079. The Company is a wholly owned subsidiary of Godrej Capital Limited w.e.f from March 30, 2023.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from April 01, 2022 with effective transition date of April 01, 2021 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 ('the Act'). The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2021 and the comparative previous year has been restated / reclassified.

The Company uses accrual basis of accounting except in case of significant uncertainties. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2021 being the 'date of transition to Ind AS'.

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

The 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 04, 2023.

### 2.2 Basis of measurement

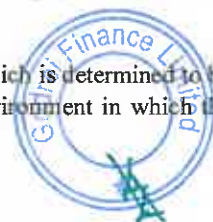
The financial statements have been prepared on an accrual basis under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant standards under Ind AS.

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

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

### 2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (rounded to the nearest lakhs) which is determined to be the functional currency of the Company and the currency of the primary economic environment in which the company operates.



**2.4 Presentation of financial statements**

The Balance Sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") as amended from time to time. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flow". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS, RBI and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2.5 Use of estimates and judgements**

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

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

**A. Useful lives of property, plant and equipment and intangible assets**

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

**B. Determination of lease term**

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**C. Fair value of financial instruments**

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



**D. Business model assessment**

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

**E. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

**F. Contingent liabilities**

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

**G. Employee Benefits**

**i) Short-term employee benefits**

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

**ii) Defined Contribution Plan**

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

**iii) Measurement of defined benefit obligations**

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

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

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





## **Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

### **Notes to the financial statements for the year ended March 31, 2023**

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

Details of the unfunded defined benefit plans for its employees are given in Note - 39 which is as certified by the actuary using projected unit credit method.

#### **iv) Compensated Absences**

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

#### **H. Effective interest rate method**

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

#### **I. Measurement of impairment of loans and advances**

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

### **2.6 Amendments to existing IndAS**

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

#### **Ind AS 1 – Presentation of Financial Statements**

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

#### **Ind AS 12 – Income Taxes**

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

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

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



## Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

### 2.7 Significant accounting policies

#### 2.7.1 Financial Instruments

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

##### 2.7.1.1 Financial assets

###### i) Initial recognition and measurement

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

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

###### ii) Subsequent measurement

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

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

###### Debt instruments at amortised cost

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

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

###### Financial Assets at Amortised Cost

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

###### Fair value through other comprehensive income (FVOCI)

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

###### Fair value through Profit and Loss (FVTPL)

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





## Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

### iii) Reclassifications

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

### iv) Impairment

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

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

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

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

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

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

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

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

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

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

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

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

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



## Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

### Measurement of ECL

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

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

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

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

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

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

#### v) Write - offs

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

### 2.7.1.2 Financial liabilities

#### i) Initial recognition and measurement

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

#### ii) Subsequent measurement

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

#### Financial liabilities at amortised cost

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

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



## Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

### 2.7.1.3 De-recognition, Modification and Transfer

#### Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised when ;

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under as 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

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

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

#### Financial Liability

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

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



## **Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

Notes to the financial statements for the year ended March 31, 2023

### **2.7.1.4 Offsetting of financial instruments**

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

### **2.7.2 Derivative financial instruments**

The company holds derivative financial instruments to hedge its foreign currency risk and interest rate risk exposures. The derivatives are measured to their fair value at the balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk and are measured at fair value through profit or loss.

### **2.7.3 Cash and Cash equivalents**

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

### **2.7.4 Fair value measurement**

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

When measuring the fair value of a financial asset or a financial liability, the 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 are as follows :

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

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

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

### **2.7.5 Share capital**

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

### **2.7.6 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.





**2.7.7 Foreign currency transactions and balances**

**i) Initial recognition:**

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii) Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**iii) Exchange differences:**

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

**2.7.8 Property, Plant and Equipment (Tangible assets) & Depreciation**

**i) Recognition and measurement**

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

**ii) Subsequent measurement**

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

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

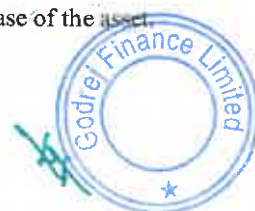
**iii) Depreciation**

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

<b>Particulars</b>	<b>Estimated useful life by the Company</b>
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Computer Hardware	3 - 5 Years
Office Equipment	5 Years
Vehicles	5 Years
Furniture and Fixtures	10 Years

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



**2.7.9 Intangible assets**

**i) Recognition and measurement**

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

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

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

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

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

**ii) Amortisation of intangible assets**

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

On review of estimates related to the intangible assets following changes have been made prospectively during the year:

- Life of certain core intangible assets is increased from 5 years to 10 years
- Residual value of intangible assets updated to zero

**2.7.10 Employee Benefits Expenses**

**2.7.10.1 Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**2.7.10.2 Post-Employment Benefits**

**Defined contribution schemes**

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023**

**Defined Benefit schemes**

**Gratuity**

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its longterm nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

**Other Long term employee benefits**

**Accumulated compensated absences**

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

**2.7.11 EMPLOYEE SHARE BASED PAYMENTS**

**Equity-settled scheme:**

Equity-settled share-based payments made by the parent Company to the employees of the Company are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. Fair value determined at the grant date is reduced by payment, If any, made to the parent, is recognised as deemed contribution to equity from parent.

**2.7.12 Impairment of non-financial assets**

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

**2.7.13 Earnings per share**

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

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



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**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023**

**2.7.14 Income Taxes**

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

**Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

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

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

**Deferred income tax**

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

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

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

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



## Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)

Notes to the financial statements for the year ended March 31, 2023

### 2.7.15 Leases

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

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

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

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

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

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

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

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

### 2.7.16 Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023**

**2.7.17 Revenue and Expense Recognition**

**2.7.17.1 Interest income**

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

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

**2.7.17.2 Commission and fee income**

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

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

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

**2.7.17.4 Dividend income**

Dividend income is recognized when:

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

**2.7.17.5 Interest expenses**

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

**2.7.17.6 Borrowing costs**

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

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

**2.8 Approach on exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS):**

The Company has adopted Ind AS with effect from April 01, 2022 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 01, 2021. The figures for the previous period have been restated, regrouped and reclassified whenever required to comply with the requirement of Ind AS and Schedule III-Division III.

The detailed note on the same has been provided in 'Note-45 First-time adoption of Ind AS'





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>3. Cash and cash equivalents</b>			
a) Balances with Banks			
i) in current accounts	1,887.42	2,469.74	78.71
ii) in certificate of deposits	9,978.13	-	-
<b>Total</b>	<b>11,865.55</b>	<b>2,469.74</b>	<b>78.71</b>

**4. Bank balances other than cash and cash equivalents**

a) In fixed deposit accounts			
i) in deposit accounts having original maturity more than 3 months	1,525.81	-	-
<b>Total</b>	<b>1,525.81</b>	<b>-</b>	<b>-</b>

**Note:** Balance with Banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date and the same has been marked as lien against credit facilities.

**5. Derivative financial instruments**

The company has taken the forward contract. The table below shows the fair value of derivative financial instrument recorded as asset.

**Fair value assets**
**Part I**

Spot and forwards			
Notional Amounts	-	-	-
Fair Value-Assets	25.41	-	-
<b>Total derivative financial instruments</b>	<b>25.41</b>	<b>-</b>	<b>-</b>

**Part II**

Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:

Undesignated derivatives			
Notional Amounts	-	-	-
Fair Value-Assets	25.41	-	-
<b>Total</b>	<b>25.41</b>	<b>-</b>	<b>-</b>

The company holds derivative financial instruments to hedge its foreign currency risk and interest rate risk exposures. The derivatives are measured to their fair value at the balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk and are measured at fair value through profit or loss.





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>6. Loans</b>			
<b>At amortised cost</b>			
<b>A. Product wise Details</b>			
At Amortised cost			
a) Term loans	118,739.72	4,495.72	-
b) Pass through certificates	15,756.44	-	-
<b>Total (A) - Gross</b>	<b>134,496.16</b>	<b>4,495.72</b>	<b>-</b>
Less: Impairment loss allowance	(924.70)	(36.14)	-
<b>Total (A) - Net</b>	<b>133,571.46</b>	<b>4,459.58</b>	<b>-</b>
<b>B. Security wise Details</b>			
At Amortised cost			
a) Secured by tangible assets	133,260.72	4,495.72	-
b) Unsecured	1,235.44	-	-
<b>Total (B) - Gross</b>	<b>134,496.16</b>	<b>4,495.72</b>	<b>-</b>
Less: Impairment loss allowance	(924.70)	(36.14)	-
<b>Total (B) - Net</b>	<b>133,571.46</b>	<b>4,459.58</b>	<b>-</b>
<b>C. Region wise Details</b>			
At Amortised cost			
a) Loans in India	-	-	-
- Public sector	-	-	-
- Others	-	-	-
b) Loans outside India	134,496.16	4,495.72	-
<b>Total (C) - Gross</b>	<b>134,496.16</b>	<b>4,495.72</b>	<b>-</b>
Less: Impairment loss allowance	(924.70)	(36.14)	-
<b>Total (C) - Net</b>	<b>133,571.46</b>	<b>4,459.58</b>	<b>-</b>
<b>D. Nature of Loan wise Details</b>			
At Amortised cost			
a) Term loans	118,739.72	4,495.72	-
b) Pass through certificates	15,756.44	-	-
<b>Total (D) - Gross</b>	<b>134,496.16</b>	<b>4,495.72</b>	<b>-</b>
Less: Impairment loss allowance	(924.70)	(36.14)	-
<b>Total (D) - Net</b>	<b>133,571.46</b>	<b>4,459.58</b>	<b>-</b>



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

6. Loans (Continued)  
6.1 Analysis of changes in the gross carrying amount and corresponding Impairment loss allowance in relation to loans:

Particulars	As at March 31, 2023					
	Stage 1		Stage 2		Stage 3	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
<b>Balance as at the beginning of the year</b>	4,495.72	36.14	-	-	4,495.72	36.14
New Assets Originated or Purchased, net of repayments	130,000.44	888.56	-	-	-	888.56
Transfer during the year	-	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	(352.84)	(43.39)	352.84	43.39	-	-
Impact of changes in credit risk on account of stage movements	(29.87)	(15.50)	-	-	29.87	15.50
Amounts written off	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	134,113.45	865.81	352.84	43.39	29.87	15.50
					134,496.16	924.70

Particulars	As at March 31, 2022					
	Stage 1		Stage 2		Stage 3	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
<b>Balance as at the beginning of the year</b>	-	-	-	-	-	-
New Assets Originated or Purchased, net of repayments	4,495.72	36.14	-	-	-	36.14
Transfer during the year	-	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	4,495.72	36.14	-	-	4,495.72	36.14

There were no loans outstanding as on 01st April, 2021



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

Notes to the financial statements for the year ended March 31, 2023 (Continued)

Particulars	(Currency : Indian Rupees in lakhs)		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>7. Investments</b>			
Investments Carried at fair value through profit and loss			
a) Mutual Fund (Quoted)	19,514.26	4,129.78	400.27
<b>Total</b>	<b>19,514.26</b>	<b>4,129.78</b>	<b>400.27</b>
<b>Of the Above</b>			
a) Investment in India	19,514.26	4,129.78	400.27
b) Investments outside India	-	-	-
<b>Total</b>	<b>19,514.26</b>	<b>4,129.78</b>	<b>400.27</b>
<b>8. Other financial assets</b>			
Unsecured, considered good			
a) Security deposits	108.37	7.23	-
b) Others receivables	68.21	-	-
<b>Total</b>	<b>176.58</b>	<b>7.23</b>	<b>-</b>
<b>9. Current tax assets (net)</b>			
a) Advance Income Taxes (net)	346.81	0.39	4.44
[Net of provision for income tax Rs. 149.24 Lakhs (As at March 31, 2022 - Rs. 149.24 Lakhs; As at April 01, 2021 - Rs. 149.24 Lakhs)]			
<b>Total</b>	<b>346.81</b>	<b>0.39</b>	<b>4.44</b>



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**10. Property, Plant and Equipment - Tangible Assets, Other Intangible Assets and Right of use assets**

Particulars	Tangible assets					Right-of-use assets*		Other intangible assets	
	Leasehold Improvements (A)	Office Equipments (B)	Furniture & Fixtures (C)	Vehicles (D)	Computers (E)	Total F = (A+B+C+D+E)	Right of use assets Total	Computer Software	Total
<b>A. Gross carrying amount</b>									
Balance at April 01, 2021 (deemed cost)	-	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	847.11	44.76	44.76
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	-	-	-	-	-	-	847.11	44.76	44.76
Addition	69.13	41.87	0.25	71.49	489.72	672.46	964.44	2,252.68	2,252.68
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	69.13	41.87	0.25	71.49	489.72	672.46	1,811.55	2,297.44	2,297.44
<b>B. Accumulated Depreciation / amortisation</b>									
Balance at April 01, 2021	-	-	-	-	-	-	-	-	-
Depreciation / Amortisation expense	-	-	-	-	-	-	75.48	0.38	0.38
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	-	-	-	-	-	-	75.48	0.38	0.38
Depreciation / Amortisation expense	4.06	5.78	0.02	10.46	61.78	82.10	373.15	230.15	230.15
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	4.06	5.78	0.02	10.46	61.78	82.10	448.63	230.53	230.53
<b>C. Net carrying amount (A-B)</b>									
As at March 31, 2022	-	-	-	-	-	-	771.62	44.38	44.38
As at March 31, 2023	65.07	36.09	0.23	61.03	427.94	590.36	1,362.92	2,066.91	2,066.91

\*Refer note 35 for detailed disclosure related to Leases

**D. Ageing schedule**

Particulars	Amount in Intangibles under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Project in progress *	60.55	-	-	-	60.55
Project temporarily suspended	-	-	-	-	-
As at March 31, 2022					
Project in progress *	1,342.90	-	-	-	1,342.90
Project temporarily suspended	-	-	-	-	-
As at April 01, 2021	-	-	-	-	-
Project in progress *	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

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





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	
<b>11. Other non financial assets</b>					
Unsecured, considered good					
a) Balances with statutory authorities		213.11	25.98	-	
b) Advances to vendors		101.26	-	-	
c) Prepaid expenses		175.24	8.28	-	
d) Advances to employees		1.01	-	-	
<b>Total</b>		<b>490.62</b>	<b>34.26</b>	<b>-</b>	
<b>12. Payables</b>					
<b>12.1 Trade payables * #</b>					
a) total outstanding dues of micro enterprises and small enterprises		25.68	-	-	
b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,965.95	1,246.41	45.58	
<b>Total</b>		<b>1,991.63</b>	<b>1,246.41</b>	<b>45.58</b>	
<b>12.1.1 Trade Payable Ageing</b>					
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
<b>As at March 31, 2023</b>					
i) MSME	25.68	-	-	-	25.68
ii) Others	159.99	-	-	-	159.99
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>185.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185.67</b>
<b>As at March 31, 2022</b>					
i) MSME	-	-	-	-	-
ii) Others	19.48	-	-	-	19.48
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>19.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.48</b>
<b>As at April 01, 2021</b>					
i) MSME	-	-	-	-	-
ii) Others	39.71	-	-	-	39.71
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>39.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.71</b>
<b>*Note:</b>					
<b>Particulars</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 01, 2021</b>	
Trade payables as per above ageing		185.67	19.48	39.71	
Add: Unbilled dues		1,805.96	1,226.93	5.87	
<b>Total</b>		<b>1,991.63</b>	<b>1,246.41</b>	<b>45.58</b>	
# Refer note 33: Dues to Micro, Small Enterprises					



(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>13 Debt securities</b>			
<b>13.1 At amortised cost</b>			
<b>A. Secured (Refer Note 13.3)</b>			
a) Non convertible debentures (listed, fully paid and privately placed)	20,120.10	-	-
(A)	20,120.10	-	-
<b>B. Unsecured (Refer Note 13.4)</b>			
a) Commercial Papers	741.49	-	-
(B)	741.49	-	-
<b>Total</b>	<b>20,861.59</b>	<b>-</b>	<b>-</b>
<b>13.2 Of the Above</b>			
i) Debt securities in India	20,861.59	-	-
ii) Debt securities outside India	-	-	-
<b>Total</b>	<b>20,861.59</b>	<b>-</b>	<b>-</b>

**13.3 Terms of repayment of Non convertible debentures As at March 31, 2023**

Original maturity (In no. of days)	Due within 1 year	Due 1 to 3 Years	More than 3 years	Total
<b>Issued at par and redeemable at par</b>				
Upto 365	-	-	20,000.00	20,000.00
Interest accrued and impact of EIR	232.79	-	(112.69)	120.10
<b>Total</b>	<b>232.79</b>	<b>-</b>	<b>19,887.31</b>	<b>20,120.10</b>

**Scrip-Wise Details**

Name	Face Value	Types of Charge	ROI	Amount
8.17% Secured Rated Listed Redeemable NCD Series A Date Of Maturity 30/04/2026	20,000.00	Pari-pasu	8.17%	20,120.10

**Note :** Non convertible debentures are secured by way of pari-passu charge in favour of debenture trustee on the Standard Assets/ receivables, investments and cash & cash equivalents to the extent required to maintain Asset Cover of 100% of debenture outstanding except those receivables exclusively charged against which refinance is availed or will be availed from government bodies.

There were no outstanding non convertible debentures as at 31 March 2022 & 01 April 2021.

**13.4 Terms of repayment of Commercial paper As at March 31, 2023**

Original maturity (In no. of days)	Due within 1 year	Due 1 to 3 Years	More than 3 years	Total
<b>Issued at discount and redeemable at par</b>				
Upto 365	740.17	-	-	740.17
Discount accrued	1.32	-	-	1.32
<b>Total</b>	<b>741.49</b>	<b>-</b>	<b>-</b>	<b>741.49</b>

**Note:**

Interest rate ranges from 6.10 % p.a. to 8.15 % p.a. as at 31 March 2023.

Face value commercial paper is 800 lakhs as at 31 March 2023.

There were no outstanding commercial papers as at 31 March 2022 & 01 April 2021.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>14 Borrowings (Other than debt securities)</b>			
<b>14.1 At amortised cost</b>			
Secured * (Refer Note 14.3)			
a) Term loans from banks	91,138.89	1,000.00	-
b) Loan repayable on demand from banks	2,518.99	5,000.00	-
<b>Total</b>	<b>93,657.88</b>	<b>6,000.00</b>	<b>-</b>
<b>14.2 Of the Above</b>			
i) Borrowings in India	93,657.88	6,000.00	-
ii) Borrowings outside India	-	-	-
<b>Total</b>	<b>93,657.88</b>	<b>6,000.00</b>	<b>-</b>

\*Note: Loans taken from banks are secured by first pari passu charge on standard receivables of the company, both present and future excluding those receivables which are/will be exclusively charged to government bodies and first pari-passu charge on current assets including cash and cash equivalent of the company present and future, to the extent required to make any short fall in stipulated security cover.

There were no borrowings outstanding as on 01 April, 2021.

**14.3 Repayment terms of Borrowings (Other than debt securities)**

Terms of repayment of Borrowings (Other than debt securities) As at March 31, 2023

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	Amount
<b>Monthly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	-	-	-	-	-
<b>Quarterly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	10	7,771.83	32	35,905.26	29	38,317.11	81,994.20
<b>On maturity (bullet)</b>							
Upto 365 Days	3	11,518.99	-	-	-	-	11,518.99
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	-	-	-	-	-
Interest accrued and impact of EIR	-	-	-	-	-	-	144.69
<b>TOTAL</b>							<b>93,657.88</b>

Interest rates range from 5.60% p.a. to 8.45% p.a.

Terms of repayment of Borrowings (Other than debt securities) As at March 31, 2022

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	Amount
<b>Monthly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	-	-	-	-	-
<b>Quarterly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	-	-	-	-	-
<b>On maturity (bullet)</b>							
Upto 365 Days	2.00	6,000.00	-	-	-	-	6,000.00
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	-	-	-	-	-	-	-
Interest accrued and impact of EIR	-	-	-	-	-	-	-
<b>TOTAL</b>							<b>6,000.00</b>

Interest rates range from 6.00% p.a. to 7.35% p.a.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>15. Other financial liabilities</b>			
a) Book overdraft	3,930.47	-	-
b) Payable to Employees	1,037.97	-	-
c) Advances received from customers	13.63	-	-
<b>Total</b>	<b>4,982.07</b>	<b>-</b>	<b>-</b>
<b>16. Provisions</b>			
a) Provision for Employee Benefits			
i) Gratuity (Refer note.39)	83.35	-	-
ii) Compensated absences	27.62	-	-
<b>Total</b>	<b>110.97</b>	<b>-</b>	<b>-</b>
<b>17. Other non-financial liabilities</b>			
Statutory dues payable	322.74	45.80	0.48
<b>Total</b>	<b>322.74</b>	<b>45.80</b>	<b>0.48</b>





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

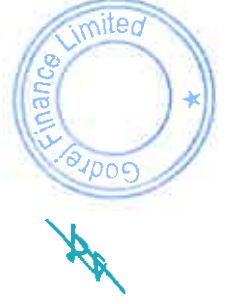
**18. Equity share capital**

**a) Share capital authorised, issued, subscribed and paid up :**

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised Share capital:</b>						
Equity shares of Rs.10/- each	2,000,000,000	200,000.00	1,000,000,000	100,000.00	10,000,000	1,000.00
<b>Total</b>	<b>2,000,000,000</b>	<b>200,000.00</b>	<b>1,000,000,000</b>	<b>100,000.00</b>	<b>10,000,000</b>	<b>1,000.00</b>
<b>Issued, Subscribed and fully paid up:</b>						
Equity Shares of Rs. 10 each	554,703,291	55,470.33	70,207,167	7,020.72	6,574,597	657.46
<b>Total</b>	<b>554,703,291</b>	<b>55,470.33</b>	<b>70,207,167</b>	<b>7,020.72</b>	<b>6,574,597</b>	<b>657.46</b>

**b) Reconciliations of the number of shares and equity share capital :**

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>						
Balance at the beginning of year	70,207,167	7,020.72	6,574,597	657.46	6,574,597	657.46
Add: Shares issued during year	484,496,124	48,449.61	63,632,570	6,363.26	-	-
<b>Balance at the end of the year</b>	<b>554,703,291</b>	<b>55,470.33</b>	<b>70,207,167</b>	<b>7,020.72</b>	<b>6,574,597</b>	<b>657.46</b>



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**18. Equity share capital**

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
(i) Equity shares held by holding entity:						
Godrej Industries Limited	-	-	-	-	-	-
Godrej Capital Limited (including 1 share each held by its nominees)	554,703,291	100.00%	66,696,811.00	95.00%	6,574,597	100.00%

**d) Details of Shareholder holding more than 5% shares as at the end of the year in the company :**

Name of Shareholders	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
<u>Equity Shares of Rs. 10 each fully paid up</u>						
Godrej Industries Limited	-	-	-	-	-	-
Godrej Capital Limited (including 1 share each held by its nominees)	554,703,291	100.00%	66,696,811	95.00%	6,574,597	100.00%

**e) Details of Shareholding of Promoters :**

Name of Promoter	Change during the period	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
		No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Godrej Industries Limited	-	-	-	-	-	-	-
Godrej Capital Limited (including 1 share each held by its nominees)	5.00%	554,703,291	100.00%	66,696,811	95.00%	6,574,597	100.00%



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**18. Equity share capital**

**f) Rights, Preferences and Restrictions Attached to Shares**

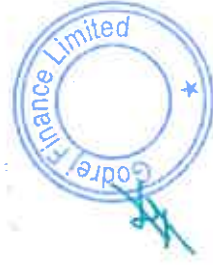
**Equity Shares**

The Company has one class of equity shares. Each equity share entitles the holder to one vote. 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.

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

h) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash, or as bonus shares from the date of incorporation. The Company has not bought back any of its equity shares.

i) There are no calls unpaid on any equity shares, and forfeited shares.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>19. Other equity</b>			
a) Securities premium	1,550.39	-	276.74
b) Special reserve u/s 45IC of RBI act, 1934	402.37	402.37	402.37
c) Retained Earnings	(9,133.84)	(2,235.59)	(899.21)
d) Other comprehensive income	(25.03)	-	-
<b>Total</b>	<b>(7,206.11)</b>	<b>(1,833.23)</b>	<b>(220.10)</b>

**A. Nature and purpose of reserves**

**a. Securities premium**

Securities premium represents the amount of premium received by the Company on the issuance of shares. The utilisation of the Securities premium is in accordance with the provisions of the Companies Act, 2013.

**b. Special reserve u/s 45IC of RBI act, 1934**

Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the RBI Act). Appropriation from this reserve fund is permitted only for the purposes specified by RBI.

**c. Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.

**d. Other Comprehensive income**

It represents the gain / (loss) on account of actuarial valuation of defined benefit obligation.

**B. Movement in Other equity**

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<b>a) Securities premium</b>			
Balance as at beginning of the year	-	276.74	276.74
Add : Premium Received on issue of shares	1,550.39	-	-
Less : Share issue expenses	-	(276.74)	-
<b>Balance as at end of the year</b>	<b>(a) 1,550.39</b>	<b>-</b>	<b>276.74</b>
<b>b) Special reserve u/s 45IC of RBI act, 1934</b>			
Balance as at beginning of the year	402.37	402.37	402.37
Add : Transfer from retained earnings	-	-	-
<b>Balance as at end of the year</b>	<b>(b) 402.37</b>	<b>402.37</b>	<b>402.37</b>
<b>c) Retained Earnings</b>			
Balance as at beginning of the year	(2,235.59)	(899.21)	(899.04)
Add : Profit / (Loss) for the year	(6,898.25)	(1,336.38)	(0.17)
Less: Other comprehensive income for the year	-	-	-
<b>Balance as at end of the year</b>	<b>(c) (9,133.84)</b>	<b>(2,235.59)</b>	<b>(899.21)</b>
<b>d) Other comprehensive income</b>			
Balance as at beginning of the year	-	-	-
Add : Transfer from retained earnings	(25.03)	-	-
<b>Balance as at end of the year</b>	<b>(d) (25.03)</b>	<b>-</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>(7,206.11)</b>	<b>(1,833.23)</b>	<b>(220.10)</b>



*[Handwritten signature]*





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>20. Interest Income</b>		
a) On financial assets measured at amortised cost		
i) Interest income on loans	5,476.53	1.03
ii) Interest income on deposits	216.02	0.24
b) On financial assets measured at Fair value through profit and loss (FVTPL)		
i) Interest income from investment	73.55	-
<b>Total</b>	<b>5,766.10</b>	<b>1.27</b>
<b>21. Fee and Commission Income</b>		
Fee income and other charges	193.05	-
<b>Total</b>	<b>193.05</b>	<b>-</b>
<b>22. Net gain on fair value changes</b>		
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
On trading portfolio		
i) Profit on liquid mutual funds	597.71	42.77
ii) Profit on debt securities and other investments held for trade (net)	3.00	-
<b>Total</b>	<b>600.71</b>	<b>42.77</b>
<b>Fair value changes:</b>		
i) Realised	586.45	42.06
ii) Unrealised	14.26	0.71
<b>Total</b>	<b>600.71</b>	<b>42.77</b>
<b>23. Other Income</b>		
a) Interest income on security deposits	3.52	0.02
b) Interest on income tax refund	-	0.27
c) Miscellaneous income	0.07	-
<b>Total</b>	<b>3.59</b>	<b>0.29</b>



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>24. Finance costs</b>		
a) On Financial liabilities measured at amortised cost		
i) Interest on borrowings (other than debt securities)	1,880.35	1.90
ii) Interest on debt securities	535.84	-
iii) Interest expense on leases	88.92	17.69
iv) Other Borrowing costs	29.13	2.61
<b>Total</b>	<b>2,534.24</b>	<b>22.20</b>
<b>25. Impairment of financial instruments</b>		
On Financial assets measured at amortised cost		
Loans (Refer note: 6)	888.56	36.14
<b>Total</b>	<b>888.56</b>	<b>36.14</b>
<b>26. Employee Benefits Expense</b>		
a) Salaries, bonus and allowances (Net)*	6,102.15	686.83
b) Contribution to provident fund and other funds	207.67	-
c) Gratuity expenses (Refer note: 39)	-	-
d) Share based payments (Refer note: 36)	18.72	-
e) Staff welfare expense	287.48	0.39
<b>Total</b>	<b>6,616.02</b>	<b>687.22</b>
<b>*Notes:</b>		
Salaries, bonus and allowances is net of salary cost recovered/reimbursed from/to related parties. Refer related party transaction Note- 37		
Salaries, bonus and allowances net of salary cost capitalised to Intangible Assets Under Development during the current year Rs.108.31 Lakhs		
(Previous Year: Rs.402.85 Lakhs).		
<b>27. Other expenses</b>		
a) Advertisement and Sales Promotion expenses	377.04	-
b) Auditor's fees and expenses (Refer note below)	15.31	5.18
c) Commission and Brokerage	12.44	0.40
d) Travelling and Conveyance	221.78	0.05
e) Computer & IT Expenses	568.66	50.02
f) Commission and sitting fee to Directors	15.17	-
g) Communication Expenses	21.56	0.28
h) Electricity Expenses	35.48	1.34
i) Housekeeping Expenses	132.94	2.96
j) Legal and Professional Fees	339.85	425.03
k) Loan sourcing cost	355.29	-
l) Membership and Subscription Fees	130.00	-
m) Office expenses	36.42	0.51
n) Printing and stationery	59.37	4.65
o) Rates, duties and taxes	4.52	12.45
p) Recruitment Expenses	270.17	11.24
q) Rent expenses	72.26	12.71
r) Repair and Maintenance- Others	63.77	31.38
s) Miscellaneous Expenses	5.07	0.51
<b>Total</b>	<b>2,737.10</b>	<b>558.71</b>
<b>27.1 Auditors' fees and expenses</b>		
Payments to auditor		
a) Audit fees	13.90	18
b) Certification	1.41	-
<b>Total</b>	<b>15.31</b>	<b>5.18</b>



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

28. Tax expense and related balances	Particulars	As at	As at
		March 31, 2023	March 31, 2022
Deferred Tax Assets (DTA)	Business loss and others	2,558.61	345.91
	DTA restricted to	<b>568.28</b>	<b>2.48</b>
Deferred Tax Liabilities (DTL)	WDV as per Books	(167.37)	(2.23)
	Unrealized gain on Mutual Fund	(3.59)	(0.25)
	Unamortised Borrowing Cost under EIR Basis	(74.56)	-
	Unamortised Loan Acquisition Cost under EIR Basis	(322.76)	-
	<b>Total DTL</b>	<b>(568.28)</b>	<b>(2.48)</b>

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



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**29. Earning per Share**

**Year Ended March 31,  
2023 2022**

**Basic and Diluted earning per share**

a) Profit/(Loss) after tax attributable to equity shareholders for Basic EPS	(6,898.25)	(1,336.38)
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	4,392.21	174.52
c) Nominal value of equity shares (Rs. per share)	10.00	10.00
d) Basic and diluted earnings per share (EPS) (Rs. per share)	(1.57)	(7.66)

**30. Commitments and contingencies**

**A. Contingent liabilities**

The contingent liabilities which are pending against the company as at 31st March, 2023 are Rs. 12.20 Lakhs (As at 31st March, 2022: Rs. 11.32 Lakhs and As at 01st April 01, 2021: Nil).

**B. Capital commitments**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	646.91	265.75	-

**31. Investor Education and Protection Fund**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund As at March 31, 2023 (As at 31st March, 2022: Nil and As at 01st April 01, 2021: Nil).

**32. Unhedged foreign currency exposures**

The Company has unhedged foreign currency exposure of Rs. Nil As at March 31, 2023 (As at 31st March, 2022: Nil and As at 01st April 01, 2021: Nil).

**33. Dues to Micro, Small Enterprises**

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

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
i) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	25.68	-	-
ii) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-	-
iii) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-	-
v) The amount of interest accrued and remaining unpaid at the end of accounting year;	-	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the year ended and as at March 31, 2022 and March 31, 2021 to Micro, Small and Medium Enterprises on account of principal or interest.

**34. Segment Reporting**

The Company's main business is financing by way of loans against property in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per Ind-AS 108 dealing with Operating Segment.





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**35. Leases**

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

**(i) Right of use Asset**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Right of use Asset	771.62	-
Add: Addition for new leases	964.44	847.11
Less: Depreciation charge for the year (net of deduction)	(373.15)	(75.48)
<b>Closing Right of use Asset</b>	<b>1,362.92</b>	<b>771.62</b>

**(ii) Movement in Lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening lease liabilities	780.18	-
Add: Addition for new leases	938.27	844.84
Add: Interest on lease liabilities	88.92	17.69
Less: Lease payments	(401.23)	(82.35)
<b>Closing lease liabilities</b>	<b>1,406.14</b>	<b>780.18</b>

**(iii) Amount recognised in Statement of Profit and Loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation charge of right-of-use assets	373.15	75.48
(b) Interest on lease liabilities	88.92	17.69
(c) Expense relating to short-term leases	72.26	12.71
<b>Total</b>	<b>534.33</b>	<b>105.88</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The total cash outflow of leases	401.23	82.35

**(v) Maturity analysis (undiscounted amounts)**

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	462.65	249.09
One to five years	1,123.42	628.52
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>1,586.07</b>	<b>877.61</b>

Lease liabilities included in the statement of financial position

Current	382.22	204.35
Non-Current	1,023.92	575.83
Weighted average effective interest rate %	6.50% to 7.00%	6.50% to 7.00%



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**36. Expenditure on Corporate Social Responsibility**

The Company has not incurred/ provided any expenses towards Corporate Social Responsibility as mandated by Section 135 of the Companies Act, 2013 ("the Act"). The Company has made its assessment of the book profit as per Section 198 of the Act and the same is below the threshold limits specified under the Section 135 of the Act.

**37. Related Party Disclosure**

As per the requirement of Ind AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

**37.1 List of related parties**

**A. Ultimate Holding Company**

Godrej Industries Limited (w.e.f.24 August, 2021)

**B. Holding Company**

Godrej Capital Limited (w.e.f.24 August, 2021)

**C. Fellow Subsidiaries**

Godrej Housing Finance Limited  
Godrej Properties Limited

**D. Key management personnel (KMP)**

Tanya Dubash (Till January 18, 2023)  
Pooja Godrej (Non-Executive Director) (w.e.f. August 25, 2021)  
Manish Shah (Non-Executive Director) (w.e.f. August 25, 2021)  
Hemant Adarkar\* (Independent Director) (w.e.f. October 25, 2022)  
Anisha Motwani\* (Independent Director) (w.e.f. January 9, 2023)  
Pankaj Gupta (Chief Executive Officer) (w.e.f. November 9, 2022)  
Kunal Karnani (Chief Financial Officer) (w.e.f. June 1, 2022)  
Heer Parekh (Company Secretary) (w.e.f. March 22, 2022)

\*Categorised as Key Management Personnel as per definition of Ind AS 24, however Directors continue to be Independent Director as defined in section 149 (6) of the Companies Act, 2013.



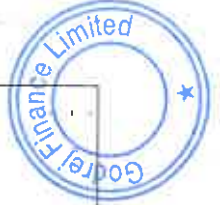
Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

37.2 Transactions and Balances with Related parties

Sr. No.	Nature of Transaction	Ultimate Holding Company			Holding Company			Fellow Subsidiaries			Key management personnel		
		FY 2023	FY 2022	FY 2021	FY 2023	FY 2022	FY 2021	FY 2023	FY 2022	FY 2021	FY 2023	FY 2022	FY 2021
Transactions with Related parties													
1	Issue of equity shares	-	-	-	47,500.00	6,012.22	-	-	-	-	-	-	-
2	Dividend income received on behalf of	-	-	-	-	-	0.05	-	-	-	-	-	-
3	Cost Reimbursement Paid To	111.27	-	-	17.18	-	-	635.62	1,589.67	-	-	-	-
4	Cost Reimbursement Recovered From	2.35	-	-	62.30	-	-	959.26	-	-	-	-	-
5	Remuneration to Key Management Personnel	-	-	-	-	-	-	-	-	-	386.51	-	-
Balances with related parties as at the end of the year													
6	Trade Payables	8.36	-	-	-	-	39.71	206.51	713.08	-	-	-	-
7	Other Receivables	2.78	-	-	-	-	-	28.01	-	-	-	-	-

Sr. No.	Nature of Transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Key management personnel	
		FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
1	Issue of equity shares Godrej Capital Limited	-	-	47,500.00	6,012.22	-	-	-	-
2	Dividend income received on behalf of Godrej Industries Limited	-	-	-	-	-	-	-	-
3	Cost Reimbursement Paid To Godrej Industries Limited Godrej Capital Limited Godrej Housing Finance Limited	111.27	-	17.18	-	635.62	1,589.67	-	-
4	Cost Reimbursement Recovered From Godrej Industries Limited Godrej Capital Limited Godrej Housing Finance Limited Godrej Properties Limited	2.35	-	62.30	-	-	-	-	-
5	Remuneration to Key Management Personnel Short term employee benefit Post employment benefit Sitting fees	-	-	-	-	958.47	0.79	301.66 70.85 14.00	-
6	Trade Payables Godrej Industries Limited Godrej Housing Finance Limited	8.36	-	-	-	206.51	713.08	-	-
7	Other Receivables Godrej Industries Limited Godrej Housing Finance Limited Godrej Properties Limited	2.78	-	-	-	27.08	0.93	-	-

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



**38. Share based payment arrangement (Employee Stock Option Plan)**

**38.01** The Godrej Capital Employee Stock Option Scheme 2021 ("ESOP Scheme 2021") of the parent company was approved and adopted by its members at an Extraordinary General Meeting held on January 5, 2021 and Employee Stock Option Scheme 2022 ("ESOP Scheme 2022") of the parent company was approved and adopted by its members at an Annual General Meeting held on June 1, 2022. The Scheme is administered by parent company's Board of Directors. The Scheme applies to all the Eligible Employees, who are the permanent employees of the parent company or any Subsidiary of the such parent Company, on the date of Grant of Options. The Compensation Committee of the parent company would decide the entitlement of each employee based on his/her performance, level, grade, seniority and such other parameters as may be decided by the Compensation Committee. The Exercise Price will be as decided by the Compensation Committee. The Options granted would vest after twenty on months but not later than fifty seven months from the date of Grant of Options or as may be decided by Compensation committee. Exercise period is 7 (seven) years from the date of Vesting of Options or such other period as may be decided by the Compensation Committee, within which the Employee should exercise his right to apply for transfer of Equity Shares of the Company to him pursuant to the Option Vested in him in accordance with the ESOP Scheme 2021 and ESOP Scheme 2022.

The fair value of the options at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the options. The compensation costs, if any, is amortised on a straight line basis.

During the year, the parent company granted stock options to employees under the ESOP 2022 Plan where the exercise price was linked to the fair value of shares on the date of the grant.

(Currency : Indian Rupees in lakhs)

**38.02 Movements in the number of share options outstanding under the ESOP Scheme 2021 is set out below:**

	As at March 31, 2023		As at March 31, 2022	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year	2,430	10.00	2,118	10.00
Granted	-	-	347	10.00
Vested	-	-	-	-
Exercised	-	-	-	-
Forfeited/Cancelled	-	-	-	-
Lapsed/Expired	122	10.00	35	10.00
Options outstanding at the end of the year*	<u>2,308</u>	<u>10.00</u>	<u>2,430</u>	<u>10.00</u>
Options exercisable at the end of the year/ period	-	-	-	-

\*Options outstanding at the end of previous year pertains to employee transferred during the year from Group Company.

**38.03 Movements in the number of share options outstanding under the ESOP Scheme 2022 is set out below:**

	As at March 31, 2023		As at March 31, 2022	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	-	-
Granted	750	80,496.49	-	-
Vested	-	-	-	-
Exercised	-	-	-	-
Forfeited/Cancelled	-	-	-	-
Lapsed/Expired	-	-	-	-
Options outstanding at the end of the year	<u>750</u>	<u>80,496.49</u>	<u>-</u>	<u>-</u>
Options exercisable at the end of the year/ period	-	-	-	-

**38.04 Vesting period**

Vesting period	As at March 31, 2023	As at March 31, 2022
7 years from grant date	3,058	2,430
<b>Total</b>	<u>3,058</u>	<u>2,430</u>

Weighted average contractual life of options remaining outstanding at end of year is 5.37 years.





**38.05 Fair value options**

The fair value of options have been estimated as on the date of the grant using "Black Scholes" model. The key assumptions used in the model for calculating the fair value as on the date of grant are as follows:

Grant Date	ESOP 2021 January 29, 2021	ESOP 2021 February 3, 2021	ESOP 2021 February 11, 2021	ESOP 2021 May 10, 2021	ESOP 2021 June 22, 2021	ESOP 2022 November 09, 2022	ESOP 2022 March 10, 2023
Share price	4.29	4.29	4.29	4.29	4.29	80,496.49	80,496.49
Exercise price	10	10	10	10	10	80,496.49	80,496.49
Risk-free interest rate	5.71% to 6.61%	5.71% to 6.61%	5.71% to 6.61%	5.71% to 6.61%	5.71% to 6.61%	6.69% to 7.34%	7.26.% to 7.33%
Expected life of the option	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Expiry Date (from vesting date)	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Expected volatility	42.4% to 43%	42.4% to 43%	42.4% to 43%	42.4% to 43%	42.4% to 43%	20.51% to 29.79%	23.93% to 27.71%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair Value of Options	0.9 to 1.6	0.9 to 1.6	0.9 to 1.6	0.9 to 1.6	0.9 to 1.6	12836.81 to 33681.63	21055.68 to 33172.25

The expected life of the share option is based on the management's current expectations and not necessarily indicative of exercise pattern that may occur. The volatility of the options is based on the historical volatility of listed comparable companies.

**38.06 Expenses recognised in statement of profit and loss**

	For the year ended March 31, 2023	For the year ended March 31, 2022
ESOP expenses/Share based payments recognised in profit and loss	18.72	



(Currency : Indian Rupees in lakhs)

**39. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'**

### 39.1 Defined contribution plans

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

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

	Year Ended March 31,	
	2023	2022
Provident fund	207.67	

### 39.2 Defined Benefit Plan

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

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

**a) Changes in Present Value of Defined Benefit Obligation**

Changes in Present Value of Defined Benefit Obligation	Year Ended March 31, 2023	2022
Present Value of Benefit Obligation at the Beginning of the year	-	-
Current Service Cost	-	-
Past service cost	-	-
Interest Expense/(Income)	-	-
Liability transferred in	58.31	-
Liability transferred out	-	-
Settlement Cost (Credit)/Cost	-	-
Actuarial (Gains)/Losses on obligations - due to experience	25.03	-
Actuarial (Gains)/Losses on obligations - due to change in demographic assumptions	-	-
Actuarial (Gains)/Losses on obligations - due to change in financial assumptions	-	-
Experience (gains)/losses	-	-

**Present Value of Benefit Obligation at the End of the year**

**Change in plan assets:**

## Fair value of plan assets, beginning of the year

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

**Fair value of plan assets, end of the year**

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

Present value of defined benefit obligation	(83.34)	-	-
Fair value of plan assets	-	-	-
<b>Net liability</b>	<b>(83.34)</b>	<b>-</b>	<b>-</b>

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

		2020	2021
Service Cost			
Current service cost		\$ -	-
Past service cost		\$ -	-
<b>Total Service cost</b>	(i)	<u>\$ -</u>	<u>-</u>
Net interest cost			
Interest expense on DBO		\$ -	-
Interest expense / (income) on plan assets		\$ -	-
<b>Total Interest cost</b>	(ii)	<u>\$ -</u>	<u>-</u>

### Defined benefit cost included in Statement of Profit and Loss

Total remeasurement in other comprehensive income (OCI)	(iv)	27.48	-
Total Defined benefit cost included in Statement of Profit and loss and OCI	(v) = (iii + iv)	25.05	-

**Total Defined benefit cost included in Statement of Profit and loss and OCI**



**39. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits' (Continued)**

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

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

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	Not applicable
Salary growth rate	10.00%	Not applicable
Employee attrition rate	34.00%	Not applicable
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Not applicable
Average expected future service of employee	2 Years	Not applicable

**e) Impact on defined benefit obligation - Sensitivity Analysis**

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
i) Discount rate (1% movement)	(2.86)	3.04	-	-
ii) Change in salary growth rate (1% movement)	2.94	(2.82)	-	-
iii) Change in employee attrition rate (1% movement)	(2.39)	2.46	-	-

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

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the benefit obligation as recognised in the balance sheet.

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

**f) Maturity**

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

Particulars	As at March 31,		As at April 01, 2021
	2023	2022	
i) 1st Following Year	0.37	-	-
ii) 2nd Following Year	15.33	-	-
iii) 3rd Following Year	19.13	-	-
iv) 4th Following Year	18.12	-	-
v) 5th Following Year	16.08	-	-
vi) Sum of Years 6 to 10	33.92	-	-
vii) Sum of Years 11 and above	7.58	-	-

The weighted average duration of the defined benefit obligation is 8 years (previous year - 10 years).

**g) Risk Exposure**

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

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

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

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

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

**39.3 Impact of Code on Social Security, 2020**

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



**40. Fair Value Measurement**

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

**40.1 Classification of financial assets and financial liabilities:**

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

**40.1.1 As at March 31, 2023**

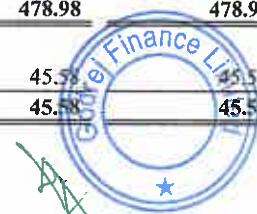
	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	11,865.55	-	-	11,865.55	11,865.55
Other Bank balances	1,525.81	-	-	1,525.81	1,525.81
Derivative financial instruments	-	25.41	-	25.41	25.41
Loans	1,33,571.46	-	-	1,33,571.46	1,33,571.46
Investments	-	19,514.26	-	19,514.26	19,514.26
Other financial assets	176.58	-	-	176.58	176.58
<b>Total</b>	<b>1,47,139.40</b>	<b>19,539.67</b>	<b>-</b>	<b>1,66,679.07</b>	<b>1,66,679.07</b>
<b>Financial Liabilities</b>					
Trade payables	1,991.63	-	-	1,991.63	1,991.63
Debt securities	20,861.59	-	-	20,861.59	20,861.59
Borrowings (other than debt securities)	93,657.88	-	-	93,657.88	93,657.88
Lease liabilities	1,406.14	-	-	1,406.14	1,406.14
Other financial liabilities	4,982.07	-	-	4,982.07	4,982.07
<b>Total</b>	<b>1,22,899.31</b>	<b>-</b>	<b>-</b>	<b>1,22,899.31</b>	<b>1,22,899.31</b>

**40.1.2 As at March 31, 2022**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	2,469.74	-	-	2,469.74	2,469.74
Other Bank balances	-	-	-	-	-
Trade receivables	-	-	-	-	-
Loans	4,459.58	-	-	4,459.58	4,459.58
Investments	-	4,129.78	-	4,129.78	4,129.78
Other financial assets	7.23	-	-	7.23	7.23
<b>Total</b>	<b>6,936.55</b>	<b>4,129.78</b>	<b>-</b>	<b>11,066.33</b>	<b>11,066.33</b>
<b>Financial Liabilities</b>					
Trade payables	1,246.41	-	-	1,246.41	1,246.41
Borrowings (other than debt securities)	6,000.00	-	-	6,000.00	6,000.00
Lease liabilities	780.18	-	-	780.18	780.18
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>8,026.59</b>	<b>-</b>	<b>-</b>	<b>8,026.59</b>	<b>8,026.59</b>

**40.1.3 As at April 01, 2021**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	78.71	-	-	78.71	78.71
Investments	-	400.27	-	400.27	400.27
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>78.71</b>	<b>400.27</b>	<b>-</b>	<b>478.98</b>	<b>478.98</b>
<b>Financial Liabilities</b>					
Trade payables	45.58	-	-	45.58	45.58
<b>Total</b>	<b>45.58</b>	<b>-</b>	<b>-</b>	<b>45.58</b>	<b>45.58</b>





**40. Fair Value Measurement (Continued)**

**40.2 Fair value hierarchy of financial instruments**

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

**Level 1:** Financial instruments measured using quoted prices and that are traded in active market are categorized under level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using observable market data and not entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instrument are valued based on quoted prices for the similar instruments but for which significant observables adjustments are required to reflect the difference between the instruments.

**40.2.1 Financial instruments valued at carrying value:**

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, trade payables, overdraft facility payable on demand certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

**40.2.2 Valuation techniques used to determine fair value:**

The Company's accounting policies and disclosures require measurement of fair values, for both financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Board / Audit Committee has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

**i) Investments in Mutual Funds**

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**ii) Loans**

Substantially all loans are at floating rate of interest, the carrying value of loans approximates their fair value.

**iii) Borrowings and Debt Securities - (other than Market linked debt securities)**

The Company's borrowings are at floating rate of interest and the carrying value of loans approximates their fair value.

Debt securities are short-term in nature and hence carrying value approximates their fair value.

**iv) Derivative financial instruments**

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk and are measured at fair value through profit or loss. The fair values of derivative financial instruments is measured on Marked to Market basis.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**40. Fair Value Measurement (Continued)**

**40.2.3 Transfers between Levels**

There are no transfers between Level 1, 2 and 3 since there are no financial instruments at fair value under the category.

**40.2.4** Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below. It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Fair Value			
		As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>					
Cash and cash equivalents	11,865.55	-	-	11,865.55	
Other Bank balances	1,525.81	-	-	1,525.81	
Derivative financial instruments	25.41	-	-	25.41	
Investments	19,514.26	-	-	19,514.26	
Loans	-	-	133,571.46	133,571.46	
Other financial assets	-	-	176.58	176.58	
<b>Total</b>	<b>32,931.03</b>	<b>-</b>	<b>133,748.04</b>	<b>166,679.07</b>	
<b>Financial Liabilities</b>					
Trade payables	-	-	1,991.63	1,991.63	
Debt securities	-	-	20,861.59	20,861.59	
Borrowings (other than debt securities)	-	-	93,657.88	93,657.88	
Lease liabilities	-	-	1,406.14	1,406.14	
Other financial liabilities	-	-	4,982.07	4,982.07	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>122,899.31</b>	<b>122,899.31</b>	
		As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>					
Cash and cash equivalents	2,469.74	-	-	2,469.74	
Investments	4,129.78	-	-	4,129.78	
Loans	-	-	4,459.58	4,459.58	
Other financial assets	-	-	7.23	7.23	
<b>Total</b>	<b>6,599.52</b>	<b>-</b>	<b>4,466.81</b>	<b>11,066.33</b>	
<b>Financial Liabilities</b>					
Trade payables	-	-	1,246.41	1,246.41	
Borrowings (other than debt securities)	-	-	6,000.00	6,000.00	
Lease liabilities	-	-	780.18	780.18	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,026.59</b>	<b>8,026.59</b>	
		As at April 01, 2021			
	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>					
Cash and cash equivalents	78.71	-	-	78.71	
Investments	400.27	-	-	400.27	
<b>Total</b>	<b>478.98</b>	<b>-</b>	<b>-</b>	<b>478.98</b>	
<b>Financial Liabilities</b>					
Trade payables	-	-	45.58	45.58	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>45.58</b>	<b>45.58</b>	



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**40. Fair Value Measurement (Continued)**

**40.2.5** Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below. It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair Value As at March 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Derivative financial instruments	25.41	-	-	25.41
Investments	19,514.26	-	-	19,514.26
<b>Total</b>	<b>19,539.67</b>	<b>-</b>	<b>-</b>	<b>19,539.67</b>
<b>Financial Assets</b>				
	As at March 31, 2022			
Investments	4,129.78	-	-	4,129.78
<b>Total</b>	<b>4,129.78</b>	<b>-</b>	<b>-</b>	<b>4,129.78</b>
<b>Financial Assets</b>				
	As at April 01, 2021			
Investments	400.27	-	-	400.27
<b>Total</b>	<b>400.27</b>	<b>-</b>	<b>-</b>	<b>400.27</b>



**41. Risk Management framework**

**41.1 Introduction**

As a financial institution, Godrej Finance limited is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk.

We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators. We as an organization periodically adjust our strategy, incognizance with industry risk dynamics and emergence of new challenges and opportunities. Godrej Finance's risk management framework has been laid down with long term sustainability and value creation in mind.

Important pillars of the risk management approach are developing a strong risk management culture within the Company, alignment of risk with business strategy, creating, preserving and realizing value. The key risks are being monitored by way of various policies covering these areas.

The policies provide guiding principles by setting various guardrails, procedures, risk assessment and control frameworks etc. which are regularly tracked and reviews are presented to various senior management committees and board committees. An effort is also made to understand the best practices in risk management across industries which are then customized to our business requirements.

**41.2 Company's Risk Management Framework for Measuring and Managing Risk**

**Risk management framework**

Risk Management forms an integral part of the Company's operations. The company's Board of Directors with support of risk function has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has constituted following committees and defined their role for monitoring the risk management policies of the company.

**Board level committees**

**Risk Management Committee of the Board (RMC):** The purpose of the Committee is to assist the Board in its oversight of various risks

- i) Credit Risk
- ii) Liquidity and Interest Rate Risk
- iii) Operational Risk (Process, HR, Technology and Fraud)
- iv) Strategic Risks (including emerging and external risks)
- v) Compliance and Reputation Risk (compliance risk and reputation risk are covered through compliance risk management charter).

**Borrowing and Investment Committee:** This committee has been constituted to enable decisions with respect to borrowing & investments of the Company. The decisions are governed as per Board approved Borrowing & Investment policy of the Company.

**Asset Liability Management Committee of the Board (ALCO):** ALCO constituted under Annex II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. It deals with all matters related to Asset-Liability and matters prescribed under Board approved Asset-Liability Management Policy and Borrowing & Investment Policy.

The **Risk Management Committee** constituted under Paragraph 70 (3) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. Among other things it quarterly reviews risk which impact the organization and actions taken to mitigate them.

The **Audit Committee** is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**Credit Committee (CCC):** The Committee has been constituted to take decisions with respect to credit. Among other things committee approves cases above defined limit, reviews subsidiary credit policies, manual, products etc.





**41. Risk Management framework (Continued)**

**(C) Liquidity risk**

A risk that the Company will encounter difficulty in meeting its day to day financial obligations is known as liquidity risk. Management of liquidity risk is done as follows:

- ALCO sets the strategy for managing liquidity risk commensurate with the business objectives.
- ALCO has delegated the responsibility of managing overall liquidity risk and interest rate risk to Treasury. ALCO has set various gap limits for tracking liquidity risk. The CFO and head of treasury monitor the gap limits with actuals and present the same to the MD & CEO.
- Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company. Treasury team ensures the regulatory compliance to the liquidity risk related limits approved in the ALM policy by ALCO.
- The Company's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The key elements of the Company's liquidity risk management strategy are as follows:

- Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the company also maintains a portfolio of highly liquid mutual fund units.
- Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared periodically to monitor the maturity gaps in the Assets and Liabilities cash flows.
- The company carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date.

**As at March 31, 2023**

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	1,991.63	1,991.63	-	-	-	-
Debt securities*	20,861.59	-	974.28	-	19,887.31	-
Borrowings (other than debt securities)*	93,657.88	12,992.75	6,626.32	17,952.63	49,219.74	6,866.44
Lease Liabilities	1,406.14	186.74	195.46	418.12	605.82	-
Other financial liabilities	4,982.07	4,982.07	-	-	-	-
<b>Total</b>	<b>1,22,899.31</b>	<b>20,153.19</b>	<b>7,796.06</b>	<b>18,370.75</b>	<b>69,712.87</b>	<b>6,866.44</b>

\*Impact of EIR on Borrowings (other than debt securities) & Debt securities is shown in "More than 5 years" bucket.

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial assets</b>						
Cash and cash equivalents	11,865.55	11,865.55	-	-	-	-
Bank balance other than cash and cash equivalents above	1,525.81	1,525.81	-	-	-	-
Derivative Financial Instruments	25.41	25.41	-	-	-	-
Investments	19,514.26	19,514.26	-	-	-	-
Loans*	1,33,571.46	9,843.87	8,328.48	9,254.35	20,483.59	85,661.17
Other financial assets	176.58	68.21	-	-	108.37	-
<b>Total</b>	<b>1,66,679.07</b>	<b>42,843.11</b>	<b>8,328.48</b>	<b>9,254.35</b>	<b>20,591.96</b>	<b>85,661.17</b>

\*Impact of EIR on Loans is shown in "More than 5 years" bucket.



**41. Risk Management framework (Continued)**

**(C) Liquidity risk (continued)**

**As at March 31, 2022**

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	1,246.41	1,246.41	-	-	-	-
Borrowings (other than debt securities)	6,000.00	-	6,000.00	-	-	-
Lease Liabilities	780.18	99.85	104.50	222.54	353.29	-
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>8,026.59</b>	<b>1,346.26</b>	<b>6,104.50</b>	<b>222.54</b>	<b>353.29</b>	<b>-</b>
<b>Financial assets</b>						
Cash and cash equivalents	2,469.74	2,469.74	-	-	-	-
Investments	4,129.78	4,129.78	-	-	-	-
Loans	4,459.58	123.19	129.89	270.47	951.21	2,984.82
Other financial assets	7.23	-	-	-	7.23	-
<b>Total</b>	<b>11,066.33</b>	<b>6,722.71</b>	<b>129.89</b>	<b>270.47</b>	<b>958.44</b>	<b>2,984.82</b>

**As at April 01, 2021**

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	45.58	45.58	-	-	-	-
<b>Total</b>	<b>45.58</b>	<b>45.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets</b>						
Cash and cash equivalents	78.71	78.71	-	-	-	-
Investments	400.27	400.27	-	-	-	-
<b>Total</b>	<b>478.98</b>	<b>478.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(D) Operational Risk**

The risk of direct or indirect potential loss arising from a wide variety of causes associated with the company's processes, personnel, systems, or from external factors other than credit, compliance, reputation, market and liquidity risks. Management of operational risk forms an integral part of the Company's enterprise wide risk management systems. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Company's operational risk management framework.

Godrej Finance limited has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The company immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. The Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

**Cyber Security Risk**

Various measures are adopted to effectively protect the company against phishing, social media threats and rogue mobile. Company ensures seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.

**(E) Regulatory and Compliance Risk**

Company being a debt listed NBFC is required to comply with variety of regulations such as RBI regulations, SEBI regulations, Companies Act, 2013 labor law and other administrative regulations. These regulations are undertaken by respective teams and are reviewed through central compliance management system.



**41. Risk Management framework (Continued)**

**41.3 Company's Risk Management Approach for handling various type of risks**

**(A) Credit risk management:**

The credit risk is governed by defined credit policies and Board approved DOA which undergo periodic review. The credit policies outline the type of products that can be offered, customer categories, targeted customer profile, credit approval process, DOA and limits etc. Each business unit is required to implement company's credit policies and procedures and maintain the quality of its credit portfolio.

**Credit Risk assessment methodology**

The Company has a structured credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The credit appraisal process involves critical assessment of quantitative and qualitative parameters subject to review and approval as per defined DOA. The credit assessment involves detailed analysis of industry, business, management, financials, end use etc. An internal rating is also assigned to the borrower based on defined parameters. For retail customers, the credit assessment is based on a parameterised approach. Credit risk monitoring and portfolio review. The company measures, monitors and manages credit risk at an individual borrower level. The credit risk for retail borrowers is being managed at portfolio level. (Refer note. 6.1)

The credit assessment is carried out based on an internal risk assessment framework which rates the customers accordingly to various parameters. Data analytics is extensively used for effective risk monitoring.

**(B) Market Risk**

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency while optimising the return on risk. ALCO sets up limits for each significant type of risk/aggregated risk and various products in the portfolio, with market liquidity being a primary factor in determining the level of limits.

**Exposure to Market Risk**

**Interest rate risk**

Core business of the Company is borrowing and lending as permitted by the Reserve Bank of India, exposing us to interest rate risk. Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The Company monitors interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the ALCO. A regular stress testing on liquidity scenarios and interest rate scenarios is carried out and presented to the ALCO.

**Interest rate risk on investments**

**As at March 31, 2023**

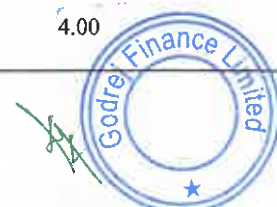
Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	19,514.26	195.14	(195.14)

**As at March 31, 2022**

Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	4,129.78	41.30	(41.30)

**As at April 01, 2021**

Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	400.27	4.00	(4.00)



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**41. Risk Management framework (Continued)**

**Interest rate risk (Continued)**

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the loans and borrowings due for repayment / rate reset in one year.

**As at March 31, 2023**

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
i) Loans	103,602.91	1,036.03	(1,036.03)
ii) Debt Securities	-	-	-
ii) Borrowings (Other than Debt Securities)	91,138.89	911.39	(911.39)
iii) Net Gap (iii) = (i-ii)	12,464.02	124.64	(124.64)

**As at March 31, 2022**

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
i) Loans	-	-	-
ii) Debt Securities	-	-	-
ii) Borrowings (Other than Debt Securities)	6,000.00	60.00	(60.00)
iii) Net Gap (iii) = (i-ii)	(6,000.00)	(60.00)	60.00

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	97%	100%
Fixed rate borrowings	3%	0%
<b>Total borrowings</b>	<b>100%</b>	<b>100%</b>

**Currency Risk**

The company is currently not exposed to currency risk since its primary dealings are in INR.

**Equity price risk**

The Company does not have any exposure to equities and hence it not exposed to any equity price risk.



42. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2023			As at March 31, 2022			As at April 01, 2021		
	Within 12 months		Total	Within 12 months		Total	Within 12 months		Total
	After 12 months			After 12 months			After 12 months		
<b>I Assets</b>									
<b>A. Financial assets</b>									
a) Cash and cash equivalents	11,865.55		11,865.55		2,469.74	2,469.74		78.71	78.71
b) Other Bank balances	1,525.81		1,525.81						
c) Derivative assets	25.41		25.41						
d) Loans	17,665.75	115,905.71	133,571.46		251.05	4,459.58			
e) Investments	19,514.26		19,514.26		4,129.78	4,129.78			
f) Other financial assets	68.21	108.37	176.58			7.23			400.27
<b>B. Non-financial assets</b>									
a) Current tax assets (net)		346.81	346.81			0.39			4.44
c) Property, plant and equipment		590.36	590.36						
c) Right of use asset		1,362.92	1,362.92			771.62			
d) Intangible assets under development	60.55		60.55			1,342.90			
e) Other intangible assets		2,066.91	2,066.91			44.38			
f) Other non-financial assets	481.28	9.34	490.62		34.26	34.26			
<b>Total Assets</b>	<b>51,206.82</b>	<b>120,90.42</b>	<b>171,597.24</b>		<b>6,884.82</b>	<b>13,259.88</b>		<b>478.98</b>	<b>483.42</b>
<b>II Liabilities</b>									
<b>A. Financial liabilities</b>									
a) Trade payables	1,991.63		1,991.63		1,246.41	1,246.41		45.58	45.58
b) Debt securities	941.71	19,919.88	20,861.59						
c) Borrowings (other than debt securities)	19,536.63	74,121.25	93,657.88		6,000.00	6,000.00			
d) Lease liabilities	382.22	1,023.92	1,406.14		204.35	780.18			
e) Other financial liabilities	4,982.07		4,982.07						
<b>B. Non-financial liabilities</b>									
a) Provisions	10.04	100.93	110.97						
b) Other non-financial liabilities	322.74		322.74		45.80	45.80		0.48	0.48
<b>Total Liabilities</b>	<b>28,167.04</b>	<b>95,165.98</b>	<b>123,333.02</b>		<b>7,496.56</b>	<b>8,072.39</b>		<b>46.06</b>	<b>46.06</b>





**43. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored, borrowing covenants are honoured and ratings are maintained. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. There were no changes in the capital management process during the period presented.

For Capital-to-Risk Weighted Assets (CRAR) as required by Regulator- Refer Note 48.3.1

**44. Other statutory information**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benam property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- ix) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- x) The Company has obtained various borrowings from banks/ FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/ FI are in agreement with the books. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The company is not declared as willful defaulter by any bank or financial Institution or other lender as at 31 March 2023.
- xi) The Company is not having any immovable property in its name. Therefore, there is no such immovable property, title deed of which is not held in name of the Company.
- xii) The Company is not having any subsidiary. Therefore, the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 in respect of Number of Layers is not applicable to the Company.
- xiii) There is no such scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xiv) No loans were granted to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the year.



**45. First-time adoption of Ind AS**

**a) Transition to Ind AS**

For the purposes of reporting as set out in Note 1, the Company has transitioned its basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2023, the comparative information presented in these financial statements for the year ended March 31, 2022 and in the preparation of an opening Ind AS balance sheet at April 1, 2021 (the "transition date")

In preparing the opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

**b) Optional exemptions availed**

Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**i) Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost at the date of transition.

**c) Ind AS mandatory exceptions**

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

**i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on the expected credit loss model

**ii) De-recognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

**iii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



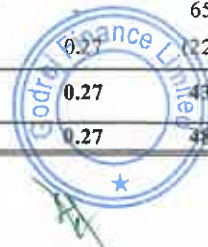
## 45. First-time adoption of Ind AS

## d) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

## i) Reconciliation of Balance Sheet as per previous GAAP and Ind AS

Particulars	As at March 31, 2022			As at April 01, 2021		
	Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	2,469.74	-	2,469.74	78.71	-	78.71
Bank balance other than cash and cash equivalents	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Loans	4,477.74	(18.16)	4,459.58	-	-	-
Investments	4,128.79	0.99	4,129.78	400.00	0.27	400.27
Other financial assets	9.48	(2.25)	7.23	-	-	-
	<b>11,085.75</b>	<b>(19.42)</b>	<b>11,066.33</b>	<b>478.71</b>	<b>0.27</b>	<b>478.98</b>
<b>Non-financial assets</b>						
Current tax assets (net)	0.39	-	0.39	4.44	-	4.44
Deferred tax assets (net)	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-
CWIP Asset	-	-	-	-	-	-
Right of use - Asset	-	771.62	771.62	-	-	-
Intangible assets under development	1,342.89	0.00	1,342.90	-	-	-
Other intangible assets	44.38	-	44.38	-	-	-
Other non-financial assets	34.27	(0.01)	34.26	-	-	-
	<b>1,421.93</b>	<b>771.62</b>	<b>2,193.55</b>	<b>4.44</b>	<b>-</b>	<b>4.44</b>
<b>Total Assets</b>	<b>12,507.68</b>	<b>752.20</b>	<b>13,259.88</b>	<b>483.15</b>	<b>0.27</b>	<b>483.42</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	-	-	-	-	-	-
Trade payables	1,246.43	(0.02)	1,246.41	45.58	-	45.58
Debt securities	-	-	-	-	-	-
Borrowings (other than Debt securities)	6,000.00	-	6,000.00	-	-	-
Lease Liabilities	2.88	777.30	780.18	-	-	-
Other financial liabilities	-	-	-	-	-	-
	<b>7,249.31</b>	<b>777.28</b>	<b>8,026.59</b>	<b>45.58</b>	<b>-</b>	<b>45.58</b>
<b>Non-financial Liabilities</b>						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other non-financial liabilities	45.80	-	45.80	0.48	-	0.48
	<b>45.80</b>	<b>-</b>	<b>45.80</b>	<b>0.48</b>	<b>-</b>	<b>0.48</b>
<b>EQUITY</b>						
Equity share capital	7,020.72	-	7,020.72	657.46	-	657.46
Other equity	(1,808.15)	(25.08)	(1,833.23)	(220.37)	0.27	(220.10)
<b>Total equity</b>	<b>5,212.57</b>	<b>(25.08)</b>	<b>5,187.49</b>	<b>437.09</b>	<b>0.27</b>	<b>437.36</b>
<b>Total Liabilities &amp; Equity</b>	<b>12,507.68</b>	<b>752.20</b>	<b>13,259.88</b>	<b>483.15</b>	<b>0.27</b>	<b>483.42</b>



**45. First-time adoption of Ind AS**

**ii) Reconciliation of Statement of Total comprehensive income for the year ended March 31, 2022 as per previous GAAP and Ind AS:**

Particulars	Previous GAAP	Adjustments	Ind AS
<b>Revenue from operations</b>			
Interest income	1.26	0.01	1.27
Fees and commission income	-	-	-
Net gain on fair value changes	42.06	0.71	42.77
Other operating revenue	-	-	-
<b>Total revenue from operations</b>	<b>43.32</b>	<b>0.72</b>	<b>44.04</b>
Other income	0.26	0.03	0.29
<b>Total income</b>	<b>43.58</b>	<b>0.75</b>	<b>44.33</b>
<b>Expenses</b>			
Finance costs	4.51	17.69	22.20
Impairment on financial instruments	17.98	18.16	36.14
Employee benefits expenses	687.21	0.01	687.22
Depreciation, amortisation and impairment expenses	0.38	75.48	75.86
Others expenses	643.95	(85.24)	558.71
<b>Total expenses</b>	<b>1,354.03</b>	<b>26.10</b>	<b>1,380.13</b>
<b>Profit/(loss) before tax</b>	<b>(1,310.45)</b>	<b>(25.35)</b>	<b>(1,335.80)</b>
<b>Tax expense:</b>			
- Current tax	-	-	-
- Short provision for earlier years	0.59	-	0.59
- Deferred tax	-	-	-
<b>Total tax expense</b>	<b>0.59</b>	<b>-</b>	<b>0.59</b>
<b>Profit/(loss) for the period</b>	<b>(1,311.04)</b>	<b>(25.35)</b>	<b>(1,336.38)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
- Remeasurements of post-employment benefit obligations	-	-	-
- Income tax relating to these items	-	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(1,311.04)</b>	<b>(25.35)</b>	<b>(1,336.38)</b>

**i) Reconciliation of Equity between previous GAAP and Ind AS:**

	As at March 31, 2022	As at April 01, 2021
<b>Equity as per previous GAAP</b>	<b>5,212.57</b>	<b>437.09</b>
<b>Adjustments:</b>		
Impact of EIR method on other financial assets	0.02	-
Impact of Ind AS 116 - Leases	(7.94)	-
Impact of EIR method on financial instruments measured at amortised cost	-	-
Impairment allowance on financial instruments measured at amortised cost	(18.16)	-
Impact of EIR method on loans and advances	-	-
Net Fair value gain/(loss) on Investment measured at FVTPL	1.01	0.27
<b>Total adjustments</b>	<b>(25.08)</b>	<b>0.27</b>
<b>Total equity as per Ind AS</b>	<b>5,187.49</b>	<b>437.36</b>

**ii) Reconciliation of Total comprehensive income as per Previous GAAP and Ind AS :**

	Year Ended March 31, 2022
<b>Net profit after tax as per previous GAAP</b>	<b>(1,311.04)</b>
<b>Adjustments:</b>	
Impact of EIR method on other financial assets	0.02
Impact of Ind AS 116 - Leases	(7.94)
Impact of EIR method on financial instruments measured at amortised cost	-
Impairment allowance on financial instruments measured at amortised cost	(18.16)
Impact of EIR method on loans and advances	-
Net Fair value gain/(loss) on Investment measured at FVTPL	0.74
Remeasurement of defined benefit obligation	-
<b>Net profit for the year ended under Ind AS</b>	<b>(1,336.38)</b>
<b>Other comprehensive income (net of tax) attributable to owners of the Company</b>	<b>-</b>
<b>Total comprehensive income as per Ind AS (attributable to owners of the Company)</b>	<b>(1,336.38)</b>





45. First-time adoption of Ind AS

e) Notes to first-time adoption:

i) Loan Assets

Under previous GAAP, transaction income earned on loan assets was recognised upfront while under Ind AS, such income (net of expenses) are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

ii) Expected Credit loss

Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

iii) Borrowings and subordinated debt instruments (Transaction cost)

Under previous GAAP, transaction costs incurred on debt instruments and borrowings were recognised upfront on an accrual basis.

Under Ind AS, such costs are reduced from the carrying amount of financial liability on its initial recognition. These costs are recognised as interest expense using the effective interest method.

iv) Ind AS 116 - leases

Under previous GAAP, payments made under operating leases (net of any incentives received from the lessor) were charged to statement of profit and loss on a straight-line basis over the period of the lease unless, the payments are structured to increase in line with expected general inflation, to compensate for the lessor's expected inflationary cost increases.

Ind AS 116 requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals. In the Statement of Profit and Loss, lessees presents interest expense on the lease liability and depreciation on the right-of-use asset.

v) Interest free lease deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets except Trade Receivables are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition is added to right-of-use assets and the same has been reduced from security deposit. Subsequently the interest unwinding is done on the security deposit amount and recognised as interest income under the head other income and right-of-use asset is amortised under the head depreciation and amortization.

vi) Reversal of Lease Equalisation Reserve

Under the erstwhile Accounting Standards, the Lease Equalisation Reserve was created, However upon implementation of "Ind AS 116-Leases" this reserve is no longer required. Hence the same has been reversed.

vii) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

viii) Net gain/ (loss) on Financial Instruments measured at fair value through profit or loss

Under the previous GAAP, Investments in Government and trust securities, fixed maturity plans and other mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended March 31, 2021 or Other Comprehensive Income (OCI) depending upon the subsequent measurement category for the investments.

f) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2022

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from/(used in) operating activities	(4,608.65)	52.21	(4,556.44)
Net cash from/(used in) investing activities	(5,074.38)	0.00	(5,074.39)
Net cash from/(used in) financing activities	12,074.07	(52.21)	12,021.86
Net increase/(decrease) in cash and cash equivalents	2,391.04	-	2,391.03
Cash and cash equivalents at the beginning of the year	78.71	-	78.71
Cash and cash equivalents at the end of the year	2,469.74	-	2,469.74

46. Events after reporting date

There have been no major events which will cause changes to any numbers reported in the financial statements.





**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**47. SEBI disclosures**

**47.1 Initial Disclosure in terms of Para 4.1 of circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021**

Sr. No	Particulars	Details
1.	Name of the company	Godrej Finance Limited
2.	CIN	U67120MH1992PLC065457
3.	Outstanding borrowing of company as on 31st March, 2023	Rs. 1,022.88 Crs
4.	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	<b>Rating:</b> CRISIL AA/Stable <b>Name of Credit Rating Agency:</b> CRISIL Ratings Limited
5.	Name of Stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

The Company confirms that it is a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

# - In terms paragraph of 2.2( d) of the circular, beginning FY2022, in the event of shortfall in the mandatory borrowing through debt securities, a fine of 0.2% of the shortfall shall be levied by Stock Exchanges at the end of the two-year block period. However, SEBI vide its circular dated 31 March 2023, has extended the block period by 1 year i.e. the said requirement needs to be fulfilled within three-year block period. Therefore, an entity identified as LC shall provide, in its initial disclosure for a financial year, the name of stock exchange to which it would pay the fine in case of shortfall in the mandatory borrowing through debt markets.

**47.2 Annual Disclosure to be made by an entity identified as Large Entities under SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021(Annexure XII-B2)**

Sr. No	Particulars	Details
1	Name of the company	Godrej Finance Limited
2	CIN	U67120MH1992PLC065457
3.	3- year block period (Specify financial years)	FY 2023-24 FY 2024-25 FY 2025-26
4.	incremental (long Term) borrowing done in FY 2023 (a)	Not Applicable. Refer the note above
5.	Mandatory borrowing to be done through debt securities in FY 2023 (b) = (25% of a)	
6.	Actual borrowing done through debt securities in FY 2023 (c)	
7.	Shortfall in the borrowing through debt securities, if any, for FY 2022 carried forward to FY 2023 (d)	
8.	Quantum of (d), which has been met from (c) (e)	
9.	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2023 {after adjusting for any shortfall in borrowing for FY 2022 which was carried forward to FY2023}  (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "Nil"}	
i	**3-year block period (specify financial -years)	
ii	Amount of fine to be paid for the block, if -applicable Fine= 0.2% of {(d)-(e)}#	



\*In cases, where an entity is not categorised as LC for FY (T), however was LC for FY (T- 1), and there was a shortfall in the mandatory bond borrowing for FY (T-1), which was carried forward to FY (T), the disclosures as prescribed in this annexure shall be made by the entity for FY (T). # (d) and (e) are the same as mentioned at sl. nos. 5 and 6 in the table given at point no. 4 of this annexure.

\*\*SEBI vide its circular dated 31 March 2023 extended to a contiguous block of three years (from the present requirement of two years) reckoned from FY 2021-22 onwards.

\*\*\*The Company has become a Large Corporate as on March 31, 2023, hence the below disclosure will be applicable to the Company from FY 2023 – 2024 onwards.

#### 47.3 Disclosures under Listing Agreement for Debt Securities

**Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Debenture Trustees:**

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Tel No.(020)66807200

**Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Related Party transactions (Refer Note 37)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are Interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

**Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Asset cover**

The secured non-convertible debentures issued by the Company are fully Secured by way of pari-passu charge in favour of debenture trustee on the Standard Assets/ receivables, investments and cash & cash equivalents to the extent required to maintain Asset Cover of 100% of debenture outstanding except those receivables exclusively charged against which refinance is availed or will be availed from government bodies. The assets of the Company provide coverage of 1.46 times of the interest and principal amount, which is in accordance with the terms of the issue / debenture trust deed.



*[Handwritten signature]*

**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

**47. SEBI disclosures (Continued)**

**47.3 Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the year ended March 31, 2023**

Sr. No.	Particulars	As at March 31, 2023
1	Debt equity ratio (No. of Times) <sup>1</sup>	2.38
2	Debt service coverage ratio	Not Applicable
3	Interest service coverage ratio	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve/debenture redemption reserve	Nil
6	Net worth <sup>2</sup> (In Lakhs)	48,088.98
7	Net profit / (loss) after tax (In Lakhs)	(6,898.25)
8	Earning per equity share (annualised):	
	(a) Basic (₹)	(1.57)
	(b) Diluted (₹)	(1.57)
9	Current ratio <sup>5</sup>	Not Applicable
10	Long term debt to working capital <sup>5</sup>	Not Applicable
11	Bad debts to account receivable ratio <sup>5</sup>	Not Applicable
12	Current liability ratio <sup>5</sup>	Not Applicable
13	Total debts to Total assets <sup>3</sup>	0.67
14	Debtors turnover ratio <sup>5</sup>	Not Applicable
15	Inventory turnover <sup>5</sup>	Not Applicable
16	Operating margin <sup>5</sup>	Not Applicable
17	Net profit margin (%) <sup>4</sup>	-105.10%
18	Gross Stage 3 Loans (In Lakhs)	29.87
19	Net Stage 3 Loans (In Lakhs)	14.38
20	Provision Coverage Ratio % ("PCR") <sup>6</sup>	51.87%

**Note:**

- Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Net worth.
- Net worth is calculated as defined in section 2(57) of Companies Act 2013.
- Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Total assets.
- Net profit margin = Net profit/(loss) after tax / Total income.
- The Company is a Non-Banking Financial Company registered under the Reserve Bank of India Act, 1934, hence these ratios are not applicable.
- PCR= Impairment on Stage 3 loans /Gross Stage 3 Loans.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - RBI**

**48.1 Schedule to the Balance Sheet of a NBFC as required in terms of Paragraph 19 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:**

**48.1.1 Schedule to the Balance Sheet**

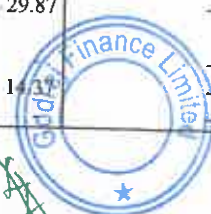
Particulars		As at March 31, 2023		As at March 31, 2022	
Liabilities side		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	<b>Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:</b>				
	a) Debentures:				
	Secured	20,120.10	-	-	-
	Unsecured	-	-	-	-
	b) Deferred Credits	-	-	-	-
	c) Term Loans	91,138.89	-	1,000.00	-
	d) Inter-corporate loans and borrowing	-	-	-	-
	e) Commercial Paper	741.49	-	-	-
	f) Public Deposits	-	-	-	-
	g) Other Loans (Loan repayable on demand from banks)	2,518.99	-	5,000.00	-
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
	a) In the form of Unsecured debentures	-	-	-	-
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c) Other public deposits	-	-	-	-
<b>Assets side</b>					
3	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>			<b>Amount outstanding</b>	
				<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	a) Secured			133,260.72	4,495.72
	b) Unsecured			1,235.44	-
4	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>				
	i) Lease assets including lease rentals under sundry debtors				
	a) Financial lease			-	-
	b) Operating lease			-	-
	ii) Stock on hire including hire charges under sundry debtors				
	a) Assets on hire			-	-
	b) Repossessed Assets			-	-
	iii) Other loans counting towards asset financing activities				
	a) Loans where assets have been repossessed			-	-
	b) Loans other than (a) above			-	-
5	<b>Break-up of Investments</b>				
	<b>Current Investments</b>				
	<b>Quoted</b>				
	i) Shares				
	a) Equity			-	-
	b) Preference			-	-
	ii) Debentures and Bonds			-	-
	iii) Units of mutual funds			-	-
	iv) Government Securities			19,514.26	4,129.78
	v) Others			-	-
	<b>Unquoted</b>				
	i) Shares				
	a) Equity			-	-
	b) Preference			-	-
	ii) Debentures and Bonds			-	-
	iii) Units of mutual funds			-	-
	iv) Government Securities			-	-
	v) Others			-	-



(Currency : Indian Rupees in lakhs)

**48.1 Schedule to the Balance Sheet of a NBFC as required in terms of Paragraph 19 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (Continued)**

Assets side (Continued)		Amount outstanding		
		As at March 31, 2023		As at March 31, 2022
Long term Investments				
Quoted				
i) Shares				
a) Equity				
b) Preference				
ii) Debentures and Bonds				
iii) Units of mutual funds				
iv) Government Securities				
v) Others				
Unquoted				
i) Shares				
a) Equity				
b) Preference				
ii) Debentures and Bonds				
iii) Units of mutual funds				
iv) Government Securities				
v) Others				





48. Regulatory disclosures - RBI (Continued)

48.2 Disclosure in notes to Financial statements as required under paragraph 2 (a) of RBI Notification No RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

48.2.1 Comparison of provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and Impairment allowances made under Ind AS 109

As at March 31, 2023

Asset Classification		Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As per RBI Norms	As per Ind AS 109					
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
<b>Performing Assets</b>						
Standard	Stage-1	134,113.45	865.81	133,247.64	531.32	334.49
	Stage-2	352.84	43.39	309.45	1.41	41.98
<b>Sub total</b>		<b>134,466.29</b>	<b>909.20</b>	<b>133,557.09</b>	<b>532.73</b>	<b>376.47</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	29.87	15.50	14.37	2.99	12.51
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>29.87</b>	<b>15.50</b>	<b>14.37</b>	<b>2.99</b>	<b>12.51</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage-1</b> <b>Stage-2</b> <b>Stage-3</b> <b>Total</b>	<b>134,113.45</b> <b>352.84</b> <b>29.87</b> <b>134,496.16</b>	<b>865.81</b> <b>43.39</b> <b>15.50</b> <b>924.70</b>	<b>133,247.64</b> <b>309.45</b> <b>14.37</b> <b>133,571.46</b>	<b>531.32</b> <b>1.41</b> <b>2.99</b> <b>535.72</b>	<b>334.49</b> <b>41.98</b> <b>12.51</b> <b>388.98</b>

As at March 31, 2022

Asset Classification		Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As per RBI Norms	As per Ind AS 109					
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
<b>Performing</b>						
Standard	Stage-1	4,495.72	36.14	4,459.58	17.98	18.16
	Stage-2	-	-	-	-	-
<b>Sub total</b>		<b>4,495.72</b>	<b>36.14</b>	<b>4,459.58</b>	<b>17.98</b>	<b>18.16</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage-1</b> <b>Stage-2</b> <b>Stage-3</b> <b>Total</b>	<b>4,495.72</b> <b>-</b> <b>-</b> <b>4,495.72</b>	<b>36.14</b> <b>-</b> <b>-</b> <b>36.14</b>	<b>4,459.58</b> <b>-</b> <b>-</b> <b>4,459.58</b>	<b>17.98</b> <b>-</b> <b>-</b> <b>17.98</b>	<b>18.16</b> <b>-</b> <b>-</b> <b>18.16</b>

48.2.2 Company has not conducted any sale of its business portfolio and hence no policy for sales out of amortised cost business model portfolios has been framed.

48.2.3 There are no accounts which are past due beyond 90 days but not treated as impaired.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - RBI (Continued)**

**48.3 Disclosure pursuant to RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016**

**48.3.1 Capital to risk assets ratio (CRAR)**

Particulars	As at March 31,	
	2023	2022
CRAR (%)		
CRAR - Tier I capital (%)	32.43%	43.59%
CRAR - Tier II Capital (%)	31.83%	43.38%
Amount of Subordinated debt raised as Tier II capital	0.60%	0.21%
Amount raised by issue of perpetual debt instruments	-	-

**48.3.2 Investments**

Particulars	As at March 31,	
	2023	2022
<b>I) Value of Investment</b>		
(i) Gross value of investments*		
(a) In India		
(b) Outside India	19,514.26	4,129.78
(ii) Provisions for depreciation		
(a) In India		
(b) Outside India		
(iii) Net value of investments		
(a) In India		
(b) Outside India	19,514.26	4,129.78
<b>II) Movement of provisions held towards depreciation on investments.</b>		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less : Write-off / written-back of excess provisions during the year	-	-
Closing balance	-	-

\*( Includes Mark to Market gain of Rs. 15.24 Lakhs (Previous Year: 0.99 Lakhs).

**48.3.3 Derivatives**

**a) Forward rate agreement / interest rate swap**

Particulars	As at March 31,	
	2023	2022
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps <sup>5</sup>	-	-
v) The fair value of the swap book <sup>6</sup>	-	-
<sup>5</sup> Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
<sup>6</sup> If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.		

**b) Exchange traded interest rate (IR) derivatives**

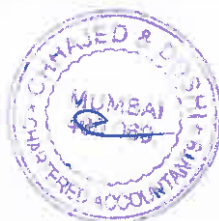
Particulars	As at March 31,	
	2023	2022
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

**c) Disclosures on risk exposure in derivatives**

**Qualitative disclosure**

The company holds derivative financial instruments to hedge its foreign currency risk and interest rate risk exposures. The derivatives are measured to their fair value at the balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange risk and are measured at fair value through profit or loss.



**48. Regulatory disclosures - RBI (Continued)**

**Quantitative disclosure**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)	-	-	-	-
For Hedging	-	-	-	-
Marked to market positions	-	-	-	-
Assets (+)	25.41	-	-	-
Liability (-)	-	-	-	-
Credit exposure	-	-	-	-
Unhedged exposures	-	-	-	-

**48.3.4 Disclosure pursuant to RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, pertaining to credit default swaps.**

Particulars	As at March 31, 2023	As at March 31, 2022
No. of transactions during the year	-	-
Amount of protection bought during the year	-	-
No. of transactions where credit event payment was received during the year	-	-
a) pertaining to current year's transactions	-	-
b) pertaining to previous year(s)' transactions	-	-
Outstanding transactions as on March 31st	-	-
a) No. of Transactions	-	-
b) Amount of protection	-	-
Net income / profit (expenditure / loss) in respect of CDS transactions during year-to-date	-	-
a) premium paid	-	-
b) Credit event payments received (net of value of deliverable obligation)	-	-

**48.3.5 Disclosure pursuant to RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, pertaining to data on pledged securities.**

The Company has not given any loans against securities.

Name of the NBFC Lender	N/A				
PAN	N/A				
Date of Reporting	N/A				
Share-holding Information	N/A				
Name of the Company	ISIN	No of shares held against loans	Type of Borrower (Promoter/ Non-promoter)	Name of the borrower	PAN of the Borrower
N/A	N/A	N/A	N/A	N/A	N/A

**48.3.6 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.**

a) Details of loans acquired through assignment in respect of loans not in default during the year ended:

Particulars	As at March 31,	
	2023	2022
i) Entity	NBFCs	NBFCs
ii) Count of loan accounts assigned (in numbers)	962	158
iii) Amount of loan account assigned (in lakhs)	12,063.60	4,494.69
iv) Retention of beneficial economic interest (MRR)**	10.00%	10.00%
v) Weighted average maturity (residual maturity in months)	144.51	135.77
vi) Weighted average holding period (in months)	16.54	30.91
vii) Coverage of tangible security	100.00%	100.00%
viii) Rating-wise distribution of rated loans	N/A	N/A

\*\*Retained by the originator

b) The Company has not transferred any loans through assignment in respect of loans not in default during the year ended March 31, 2023 (Previous Year: Nil).

c) The Company has not transferred/acquired any stressed loans during the year ended March 31, 2023 (Previous Year: Nil).

d) The Company has not transferred/acquired through novation and loan participation during the year ended March 31, 2023 (Previous Year: Nil).

**48.3.7 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021.**

No securitization has been done by the company during the year (Previous Year: Nil).



48. Regulatory disclosures - RBI (Continued)

48.3.8 Asset liability management

a) Maturity pattern of certain items of assets and liabilities As at March 31, 2023

Particulars	Liabilities			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days		4,341.43		-
8 days to 14 days			-	
15 days to 30/31 days (One month)			-	
Over One month up to 2 months			-	
Over 2 months up to 3 months		5,263.16	-	
Over 3 months up to 6 months		3,388.16	-	
Over 6 months up to 1 year		6,626.32	974.28	
Over 1 year up to 3 years		35,905.26	-	
Over 3 years up to 5 years		31,267.11	19,887.31	
Over 5 years		6,866.46	-	
<b>Total</b>		<b>93,657.88</b>	<b>20,861.59</b>	<b>-</b>

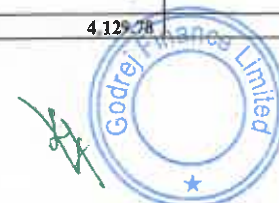
Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 day to 7 days	1,131.70	19,514.26	
8 days to 14 days		-	
15 days to 30/31 days (One month)	1,200.92	-	
Over One month to 2 months	1,532.55	-	
Over 2 months up to 3 months	1,538.61	-	
Over 3 months up to 6 months	4,439.54	-	
Over 6 months up to 1 year	8,327.88	-	
Over 1 year up to 3 years	15,722.50	-	
Over 3 years up to 5 years	14,012.28	-	
Over 5 years	86,590.18	-	
<b>Total</b>	<b>134,496.16</b>	<b>19,514.26</b>	<b>-</b>

b) Maturity pattern of certain items of assets and liabilities As at March 31, 2022

Particulars	Liabilities			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-			
8 days to 14 days	-			
15 days to 30/31 days (One month)	-			
Over One month up to 2 months	-			
Over 2 months up to 3 months	-			
Over 3 months up to 6 months	-			
Over 6 months up to 1 year	-	6,000.00		
Over 1 year up to 3 years	-			
Over 3 years up to 5 years	-			
Over 5 years	-			
<b>Total</b>	<b>-</b>	<b>6,000.00</b>	<b>-</b>	<b>-</b>

Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 day to 7 days		4,129.78	-
8 days to 14 days			-
15 days to 30/31 days (One month)	20.89		-
Over One month to 2 months	20.04		-
Over 2 months up to 3 months	20.25		-
Over 3 months up to 6 months	62.01		-
Over 6 months up to 1 year	129.89		-
Over 1 year up to 3 years	563.12		-
Over 3 years up to 5 years	658.55		-
Over 5 years	3,020.97		-
<b>Total</b>	<b>4,495.72</b>	<b>4,129.78</b>	<b>-</b>





**48. Regulatory disclosures - RBI (Continued)**

**48.3.9 Exposure**

**i) Exposure to real estate sector**

Category	As at March 31,	
	2023	2022
<b>a) Direct exposure</b>		
<b>Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	90,491.91	4,495.72
<b>Commercial real estate -</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	26,113.85	-
(Note: Loans for third dwelling unit onwards are being classified as CRE exposure)		
<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
- Residential	-	-
- Commercial Real Estate	-	-
<b>b) Indirect exposure</b>		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total exposure to Real Estate Sector</b>	<b>1,16,605.76</b>	<b>4,495.72</b>

**48.3.9 Exposure (Continued)**

**ii) Exposure to Capital Market**

Category	As at March 31,	
	2023	2022
a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) Bridge loans to companies against expected equity flows / issues	-	-
h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
i) Financing to stockbrokers for margin trading	-	-
h) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
<b>Total exposure to Capital Market</b>	<b>-</b>	<b>-</b>

**48.3.10 Details of financing of parent company products:**

No parent company products were financed during the year (Previous Year: Nil).

**48.3.11 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company:**

The Company has not exceeded prudential exposure limit stipulated by RBI prudential norms applicable to NBFC as on reporting date (Previous Year: Nil).

**48.3.12 Unsecured advances**

The Company has unsecured advances of Rs.1235.44 lakhs As at March 31, 2023 (Previous Year: Nil). The Company has not granted any advances against intangible collateral.

**48.3.13 Exposure to group companies engaged in real estate business**

Description	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Owned Fund	Amount	% of Owned Fund
i) Exposure to any single entity in a group engaged in real estate business	-	-	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-	-	-





**48. Regulatory disclosures - RBI (Continued)**

**48.3.14 Registration obtained from other financial sector regulators**

The Company is registered with following regulators effective As at March 31, 2023 :

Regulator	Registration No.
i) Ministry of Company Affairs	CIN: U67120MH1992PLC065457
ii) Reserve Bank of India	Registration No. 13.00368
iii) Legal Entity Identifier	LEI Code: 3358005CV1EXBUW5X978

**48.3.15 Disclosure of penalties imposed by RBI and other regulators**

There were no penalties imposed on the Company by RBI or any other regulator during the year (Previous Year: Nil).

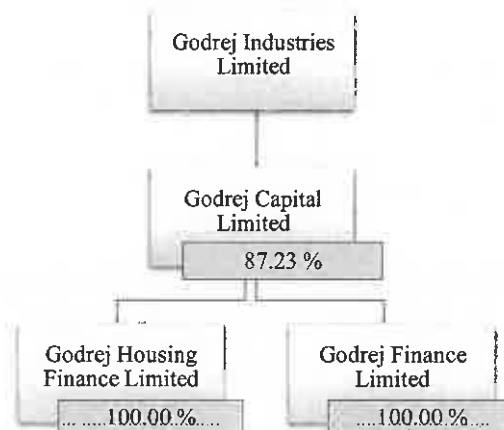
**48.3.16 Related Party Transactions**

Details of all material transactions with related parties are disclosed in Note 37 to Financial Statements.

**48.3.17 Group Structure**

Ultimate Holding Company  
Holding Company  
Subsidiaries of Holding Company

Godrej Industries Limited (w.e.f 24 August, 2021)  
Godrej Capital Limited (w.e.f 24 August, 2021)  
Godrej Housing Finance Limited



**48.3.18 Rating assigned by credit rating agencies**

Instruments	Credit Rating Agency	Migration in Ratings During the year	As at March 31,	
			2023	2022
Bank Borrowings	CRISIL Ltd.	Nil	CRISIL AA/Stable	CRISIL AA/Stable
Commercial Paper	CRISIL Ltd.		CRISIL A1+/Stable	CRISIL A1+/Stable
Non Convertible Debentures	CRISIL Ltd.		CRISIL AA/Stable	NA.

**48.3.19 Remuneration of Directors**

Details of all pecuniary transactions with Non-Executive Independent Directors

Particulars	As at March 31,	
	2023	2022
<b>Directors sitting fees and Commission paid to</b>		
Anisha Motwani	7.50	-
Hemant Ratnakar Adarkar	6.50	-

There are no other pecuniary transactions with Non-executive Directors during the year (Previous Year: Nil).

**48.3.20 Management Discussion and Analysis**

Refer to the Management Discussion and Analysis report which is part of Director Report for relevant Disclosure.

**48.3.21 Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items that have impact on the current year's profit and loss. The accounting policies regarding key areas of operations are disclosed in note 1 & 2 to the Financial Statement for the year ended March 31, 2023.

**48.3.22 Revenue Recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties. (Previous Year: Nil)

**48.3.23 Consolidated Financial Statements (CFS)**

The Company does not have any Subsidiary/Joint Venture/Associates As at March 31, 2023.



48. Regulatory disclosures - RBI (Continued)

48.3.24 Provisions and contingencies

Breakup of provisions and contingencies shown under the head expenditure in the Statement of Profit and loss :

Particulars	Year Ended March 31,	
	2023	2022
i) Provision made for depreciation on investment	-	-
ii) Provision made towards non performing assets	15.50	-
iii) Provision made towards income tax	-	-
iv) Provision made for gratuity	-	-
v) Provision made for leave encashment	6.49	-
vi) Provision made for standard assets: *	873.06	36.14

\* This includes provision towards Stage 1 & Stage 2 assets.

48.3.25 Break up of Loan & Advances and Provisions thereon

Particulars	As at March 31, 2023	As at March 31, 2022
	Term loan	Term loan
i) <b>Standard Assets</b>		
Total Outstanding Amount	1,34,466.29	4,495.72
Provisions made	(909.20)	(36.14)
ii) <b>Sub-Standard Assets</b>		
Total Outstanding Amount	29.87	-
Provisions made	(15.50)	-
iii) <b>Doubtful Assets – Category-I</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
iv) <b>Doubtful Assets – Category-II</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
v) <b>Doubtful Assets – Category-III</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
vi) <b>Loss Assets</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
vii) <b>Total</b>		
Total Outstanding Amount	1,34,496.16	4,495.72
Provisions made	(924.70)	(36.14)

48.3.24 Draw down from reserves

No drawdown from the reserves during the year. (Previous Year: Nil)

48.3.25 Concentration of deposits, advances, exposures and NPA assets

Particulars	As at March 31,	
	2023	2022
i) <b>Concentration of public deposits</b>		
Total deposits of twenty largest depositors	N.A	N.A
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking NBFC	N.A	N.A
ii) <b>Concentration of Loans &amp; Advances</b>		
Total loans & advances to twenty largest borrowers	23,349.26	2,035.31
Percentage of loans & advances to twenty largest borrowers to Total Advances of the NBFC	19.66%	45.27%
iii) <b>Concentration of all Exposure (including off-balance sheet exposure)</b>		
Total Exposures to twenty largest borrowers / Customers	26,580.02	2,035.31
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposure of the NBFC on borrowers / Customers	19.20%	45.27%
iv) <b>Concentration of NPAs</b>		
Total Exposures to top four NPA accounts	29.87	-

48.3.25 Concentration of deposits, advances, exposures and NPA assets (Continued)

v) **Sector-wise NPAs**

Sr No	Sectors	Percentage of NPAs to Total Advances in that sector	
		As at March 31,	
		2023	2022
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	0.05%	-



**48. Regulatory disclosures - RBI (Continued)**

**48.3.26 Movement in non-performing assets (NPAs)**

Particulars	As at March 31,	
	2023	2022
(i) Net NPAs to net advances (%)	0.01%	-
(ii) Movement of NPAs (Gross)		
(a) Opening balance	-	-
(b) Additions during the year	29.87	-
(c) Reductions during the year	-	-
(d) Closing balance	29.87	-
(iii) Movement of NPAs (Net)		
(a) Opening balance	-	-
(b) Additions during the year	14.37	-
(c) Reductions during the year	-	-
(d) Closing balance	14.37	-
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening Balance	-	-
(b) Provisions made during the year	15.50	-
(c) Write off/write back of excess provision	-	-
(d) Closing balance	15.50	-

**48.3.27 Overseas Assets**

The Company does not own any overseas assets As at March 31, 2023 (Previous Year: Nil).

**48.3.28 Off-balance Sheet SPVs sponsored**

Particulars	As at March 31,	
	2023	2022
Name of the SPV sponsored	NA	NA
Domestic	Nil	Nil
Overseas	Nil	Nil

**48.3.29 Details of customers complaints**

Particulars	As at March 31,	
	2023	2022
i) No. of complaints pending at the beginning of the year	Nil	Nil
ii) No. of complaints received during the year	2	Nil
iii) No. of complaints redressed during the year	2	Nil
iv) No. of complaints pending at the end of the year	Nil	Nil

**48.3.30 Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016**

There were no cases as fraud reported to RBI during the financial year ended March 31, 2023 (Previous Year: Nil)



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - RBI (Continued)**

**48.4 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards**

**i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Significant Counterparties	8	2
Amount	114,519.47	6,000.00
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities	92.85%	74.33%

**ii) Top 20 large deposits**

Since the Company is registered as a Non-Deposit taking Systemically Important Non- Banking Financial Company, this is not applicable.

**iii) Top 10 Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings	114,519.47	6,000.00
Percentage of amount of top 10 borrowings to total borrowings	100.00%	100.00%

**iv) Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in lakh	% of Total liabilities	₹ in lakh	% of Total liabilities
a) Term Loans	91,138.89	73.90%	1,000.00	12.39%
b) Working Capital Bank Lines	2,518.99	2.04%	5,000.00	61.94%
c) Non-Convertible Debentures	20,120.10	16.31%	-	-
d) Commercial Papers	741.49	0.60%	-	-
e) Any other	-	-	-	-

**v) Stock Ratios:**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Commercial Papers to Total Liabilities	0.60%	N.A
b) Commercial Papers to Total Assets	0.43%	N.A
c) Commercial Papers to Public funds	0.65%	N.A
d) NCD (Original Maturity < 1year) to Total Liabilities	N.A	N.A
e) NCD (Original Maturity < 1year) to Total Assets	N.A	N.A
f) NCD (Original Maturity < 1year) to Public funds	N.A	N.A
g) Other Short Term Liabilities to Total Liabilities ##	5.96%	17.97%
h) Other Short Term Liabilities to Total Assets ##	4.29%	10.94%
i) Other Short Term Liabilities to Public funds ##	6.42%	24.18%
j) Borrowing from Bank(Short term Borrowings) to Total Liabilities	9.31%	74.33%
k) Borrowing from Bank(Short term Borrowings) to Total Assets	6.69%	45.25%
l) Borrowing from Bank(Short term Borrowings) to Public funds	10.03%	100.00%

## Other short term liabilities include all the financial liabilities as per IndAS maturing within next 12 months other than Debt securities and Borrowings (other than debt securities).

**vi) Institutional set-up for liquidity risk management:**

Asset Liability Management Committee (ALCO) supervises liquidity risk management. Meetings of ALCO are held periodically.

**Notes:**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - RBI (Continued)**

**48.5 Disclosures in Financial Statements - As per RBI Notification No. DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022**

**48.5.1.a Exposure to real estate sector**

Refer Note 48.3.9

**48.5.1.b Exposure to capital market**

Refer Note 48.3.9

**48.5.1.c Intra-group exposures**

Nil

**48.5.1.d Unhedged foreign currency exposure**

Nil

**48.5.1.e Sectoral exposure**

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	<b>113.67</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>2. Industry (2.1 to 2.4)</b>	<b>18,588.80</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
2.1 Textiles	4,854.34	-	0.00%	-	-	0.00%
2.2 Others	13,734.46	-	0.00%	-	-	0.00%
<b>3. Services (3.1 to 3.7)</b>	<b>59,630.71</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
3.1 Professional Services	16,659.13	-	0.00%	-	-	0.00%
3.2 Trade	24,355.84	-	0.00%	-	-	0.00%
3.3 Other Services	18,615.74	-	0.00%	-	-	0.00%
<b>4. Personal Loans</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>5. Retail Loans</b>	<b>73,865.90</b>	<b>29.87</b>	<b>0.04%</b>	<b>4,495.72</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>	<b>152,199.08</b>	<b>29.87</b>		<b>4,495.72</b>	<b>-</b>	





Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

48. Regulatory disclosures - RBI (Continued)

48.5 Disclosures in Financial Statements - As per RBI Notification No. DOR.ACC.REC.No.2021.04.018/2022-23 on Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

48.5.2 Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel <sup>®</sup>		Relatives of Key Management Personnel <sup>®</sup>		Others <sup>*</sup>		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Items														
Borrowings <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others <sup>†</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity shares	47,500.00	6,012.22	-	-	-	-	-	-	-	-	-	-	47,500.00	6,012.22
Cost Reimbursement Paid To	17.18	-	-	-	-	-	-	-	-	-	746.89	1,589.67	764.07	1,589.67
Cost Reimbursement Recovered From	62.30	-	-	-	-	-	-	-	-	-	961.61	-	1,023.91	-
Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to Key Management Personnel	-	-	-	-	-	-	386.51	-	-	-	-	-	386.51	-

<sup>®</sup> Disclosures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

<sup>†</sup> The outstanding at the year end and the maximum during the year are to be disclosed

<sup>\*</sup> Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

1. Related party, in the context of the aforementioned disclosure, shall include all related parties as per the applicable accounting standards. Further, related party shall also include following related parties defined under Section 2(76) of the Companies Act, 2013.

- i. a director or his relative;
- ii. a key managerial personnel or his relative;
- iii. a firm, in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager or his relative is a member or director;
- v. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- vii. any person on whose advice, directions or instructions a director or manager is accustomed to act;

Provided that nothing in clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

2. At a minimum, Key Management Personnel (KMPs) shall include following key managerial personnel as per section 2(51) of the Companies Act, 2013.

- i. the Chief Executive Officer or the managing director or the manager
- ii. the company secretary
- iii. the whole-time director
- iv. the Chief Financial Officer
- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed

3. Relatives of KMPs at the minimum, shall include following relatives as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

- (i) they are members of a Hindu Undivided Family;
  - (ii) they are husband and wife; or
  - (iii) one person is related to the other in such manner as may be prescribed;
- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father; Provided that the term "Father" includes step-father.
- (2) Mother; Provided that the term "Mother" includes the step-mother.
- (3) Son; Provided that the term "Son" includes the step-son.
- (4) Son's wife.

- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother; Provided that the term "Brother" includes the step-brother;
- (8) Sister; Provided that the term "Sister" includes the step-sister.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - RBI (Continued)**

**48.5 Disclosures in Financial Statements - As per RBI Notification No. DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022**

**48.5.3 Disclosure of complaints**

**1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	-	-
2.	Number of complaints received during the year	1	-
3.	Number of complaints disposed during the year	1	-
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
5.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	1*	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

\*Company has submitted response to RBI and awaiting decision from the office of Ombudsman



Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)  
Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
Mis-Selling	-	1	100%	-	-
Staff behaviour	-	0	-	-	-
Loans and advances	-	0	-	-	-
Others	-	0	-	-	-
Total	-	1	100%	-	-
As at March 31, 2022					
Mis-Selling	-	-	-	-	-
Staff behaviour	-	-	-	-	-
Loans and advances	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-



48. Regulatory disclosures - RBI (Continued)

48.5 Disclosures in Financial Statements - As per RBI Notification No. DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

48.5.4 Corporate governance

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the corporate governance of the Annual Report. With respect to the corporate governance report, non-listed NBFCs should also endeavor to make full disclosure in accordance with the requirement of SEBI (LODR) Regulation, 2015. Non-listed NBFCs at the minimum should disclose following under the corporate governance section of the annual report.

1) Composition of the Board

Sl. No	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Pirojsha Godrej	25-08-2021	Non - Executive Director & Chairperson	00432983	5	5	13	-	-	-	1 (Nominee of Godrej Capital Limited)
2	Mr. Hemant Adarkar	27-10-2022	Independent Director	03127893	2	2	2	-	6 Lakhs	0.50 Lakhs	-
3	Ms. Anisha Motwani	09-01-2023	Independent Director	06943493	1	1	9	-	7 lakhs	0.50 Lakhs	-
4	Mr. Manish Shah	25-08-2021	Non - Executive Director	06422627	5	5	3	-	-	-	-

Details of change in composition of the Board during the current and previous financial year.

Current Financial Year- (2022-23)

Sr No.	Name of Director	(Capacity i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change	Effective date
			(resignation, appointment)	
1	Mr. Hemant Adarkar	Independent Director	Appointment	27-10-2022
2	Ms. Anisha Motwani	Independent Director	Appointment	09-01-2023
3	Ms. Tanya Dubash	Non - Executive Chairperson	Resignation	18-01-2023

Previous Financial Year (2021-22)

Sr No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change	Effective date
			(resignation, appointment)	
1	Mr. Nitin Naber	Non - Executive Director	Resignation	25-08-2021
2	Mr. Balram Singh Yadav	Non - Executive Director	Resignation	25-08-2021
3	Mr. Pirojsha Godrej	Non - Executive Director	Appointment	25-08-2021
4	Mr. Manish Shah	Non - Executive Director	Appointment	25-08-2021

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed. - Not Applicable

Details of any relationship amongst the directors: Ms. Tanya Dubash and Mr. Pirojsha Godrej are siblings. Ms. Tanya Dubash exited the Board on 18th January 2023.

2) Committees of the Board and their composition

i. Mention the names of the committees of the Board.

Name of the Committee	Summarized Terms of Reference
Audit Committee	Required under Section 177 of Companies Act, 2013, Paragraph 70(1) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. It reviews and recommends all matters related to financials, auditors, compliances / regulatory matters, related party transaction review & approval, internal controls and other matters incidental thereto.
Nomination & Remuneration Committee	Required under Section 177 of Companies Act, 2013, Paragraph 70(2) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. It reviews and recommends all matters related to Director / Key Management Person appointment, tenure, review of performance & pay and exit. It also reviews compliance with fit & proper criteria for Directors and annual declaration to compliance by Directors.
Risk Management Committee	Required under Paragraph 70 (3) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. Among other things it quarterly reviews risk which impact the organization and actions taken to mitigate them.
IT Strategy Committee	Required under Paragraph 1.1 of Master Direction - Information Technology Framework for the NBFC Sector and undertakes all matters prescribed for its working therein. It reviews working of IT Steering Committee and matters related to Information Technology such as Information Security and business continuity.
Grievance Redressal Committee	The Committee has been constituted to ensure that all matters related to customer & their grievances are regularly reviewed.
Asset Liability Management Committee	Required under Annex II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and undertakes all matters prescribed for its working therein. It deals with all matters related to Asset-Liability and matters prescribed under Board approved Asset-Liability Management Policy and Borrowing & Investment Policy.
Credit Committee	The Committee has been constituted to take decisions with respect to credit. Among other things committee approves cases above defined limit, reviews subsidiary credit policies, manual, products etc.
Borrowing & Investment Committee	This committee has been constituted to enable decisions with respect to borrowing & investments of the Company. The decisions are governed as per Board approved Borrowing & Investment policy of the Company.
IT Steering Committee	Required under Paragraph 1 of Master Direction - Information Technology Framework for the NBFC Sector and undertakes all matters prescribed for its working therein. It reviews inter alia matters related to Information Technology such as Information Security and business continuity.
Internal Committee (constituted as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013)	Required under Section 4 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and undertakes all matters prescribed for its working therein.





ii. For each committee, mention the summarized terms of reference and provide the following details.

#### Audit Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anisha Motwani	09-01-2023	Independent Director & Chairperson of Committee	1	1	-
2	Mr. Hemant Adarkar	09-01-2023	Independent Director	1	1	-
3	Mr. Manish Shah	09-01-2023	Non-Executive Director	1	1	-

#### Nomination And Remuneration Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Hemant Adarkar	09-01-2023	Independent Director & Chairperson of Committee	1	1	-
2	Ms. Anisha Motwani	09-01-2023	Independent Director	1	1	-
3	Mr. Manish Shah	09-01-2023	Non-Executive Director	1	1	-

#### Risk Management Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anisha Motwani	09-01-2023	Independent Director & Chairperson of Committee	1	1	-
2	Mr. Manish Shah	27-10-2022	Non-Executive Director	2	2	-
3	Mrs Shalinee Mimani	27-10-2022	CRO	2	2	-

#### IT Strategy Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Hemant Adarkar	27-10-2022	Independent Director & Chairperson of Committee	1	1	-
2	Ms. Anisha Motwani	09-01-2023	Independent Director	1	1	-
3	Mrs. Jyothiratha B.	27-10-2022	CTO	1	1	-

#### Grievance Redressal Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anisha Motwani	09-01-2023	Independent Director & Chairperson of Committee	1	1	-
2	Mr. Manish Shah	27-10-2022	Non-Executive Director	2	2	-
3	Mr. Pankaj Gupta	27-10-2022	CEO	2	2	-

#### Asset Liability Management Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Pirojsha Godrej	27-10-2022	Non - Executive Director & Chairperson of the Committee	2	1	1 (Nominee of Godrej Capital Limited)
2	Mr. Manish Shah	11-05-2022	Non-Executive Director	5	5	-
3	Mr. Pankaj Gupta	09-11-2022	CEO	2	2	-
4	Mr. Kunal Karnani	11-05-2022	CFO	5	5	-

#### Credit Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Pirojsha Godrej	27-10-2022	Non - Executive Director & Chairperson of the Committee	5	0	1 (Nominee of Godrej Capital Limited)
2	Mr. Manish Shah	27-10-2022	Non-Executive Director	5	5	-
3	Mr. Pankaj Gupta	27-10-2022	CEO	5	5	-
4	Mrs Shalinee Mimani	27-10-2022	CRO	5	5	-



#### Borrowing and Investment Committee

SL No	Name of Director	Member of Committee since	Capacity (i.e.Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Manish Shah	07-03-2022	Non – Executive Director & Chairperson of the Committee	11	11	-
2	Mr. Kunal Karmali	07-03-2022	CFO	11	11	-

#### IT Steering Committee

SL No	Name of Director	Member of Committee since	Capacity (i.e.Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Manish Shah	27-10-2022	Non – Executive Director & Chairperson of the Committee	1	1	-
2	Mr. Pankaj Gupta	27-10-2022	CEO	1	1	-
3	Mrs. Jyothiratha B.	27-10-2022	CTO	1	1	-

#### Internal Complaints Committee

SL No	Name of Director	Member of Committee since	Capacity (i.e.Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Rubie Pande	27-06-2022	CHRO	-	-	-
2	Mrs. Shalinee Mimani	27-06-2022	CRO	-	-	-
3	Mrs. Jyothiratha B.	27-06-2022	CTO	-	-	-
4	Mr. Pankaj Gupta	27-06-2022	CEO	-	-	-
5	Ms. Amber Bawa	27-06-2022	Head – talent Strategy & Employee Experience	-	-	-
6	Mr. Sumit Barmora	27-06-2022	Head-Operations	-	-	-
7	Ms Raheen Jumrani	27-06-2022	External member	-	-	-

#### 3)General Body Meetings

Sr. No	Type of Meeting (Annual / Extra-Ordinary)	Date and Place	Special Resolutions Passed
1	Annual General Meetings	May 25, 2022 at the Registered Office of the Company at Godrej One, Pirojshanagar, Eastern Express Highway Vikhroli (East), Mumbai -400 079	1. Increase in the Borrowing limits of the Company under Section 180(1)(c) of Companies Act, 2013. 2. Authorizing the Board to sell, lease, dispose off or create charge etc. over the assets of the Company to secure the credit/loan facilities to be availed by the Company, under Section 180 (1) (a) of Companies Act, 2013. 3. Issue of Non-Convertible Debentures on Private Placement Basis
2	Extra Ordinary General Meeting	December 6, 2022 at the Registered Office of the Company at Godrej One, Pirojshanagar, Eastern Express Highway Vikhroli (East), Mumbai -400 079	1. Alteration of Memorandum and Articles of Association of the Company consequent to change in structure of Authorised Share Capital of the Company. 2. Increase in the borrowing limits of the Company under section 180(1)(c) of Companies Act, 2013. 3. Authorizing the Board to sell, lease, dispose off or create charge etc over the assets of the Company to secure the credit/loan facilities to be availed by the Company, under section 180 (1) (a) of Companies Act, 2013. 4. Issue of Non-Convertible Debentures on Private Placement basis.

#### 4) Details of non-compliance with requirements of Companies Act, 2013

As of 31st March 2023, Company is in compliance with requirements of Companies Act, 2013. including with respect to compliance with accounting and secretarial standards.

#### 5) Details of penalties and strictures

As of 31st March 2023, No Penalties are levied on the Company.

#### B) Breach of covenant

There are no instances of breach of covenant of loan availed or debt securities issued.

#### C) Divergence in Asset Classification and Provisioning

No Divergence in asset classification and provisioning has been observed and neither conditions are satisfied:

a)the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b)the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

(Currency : Indian Rupees in lakhs)

**48.5 Regulatory disclosures - RBI (Continued)**

**48.5.5 Disclosures pursuant to RBI notification - Loans and Advances – Regulatory Restrictions - NBFCs - DOR.CRE.REC.No.25/03.10.001/2022-23 - April 19, 2022**

**. Loans to Directors, Senior Officers and relatives of Directors**

Particulars	As at March 31, 2023	As at March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

**48.5.6 Disclosures pursuant to Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 - DOR.CRE.REC.No.60/03.10.001/2021-22**

- i) Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc. - Refer Note 48.5.4
- ii) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications. - Not applicable
- iii) Items of income and expenditure of exceptional nature- Not applicable
- iv) Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default. - Refer Note 48.5.4
- v) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank. - Refer Note 48.5.4



**Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited)**

Notes to the financial statements for the year ended March 31, 2023 (Continued)

(Currency : Indian Rupees in lakhs)

**48. Regulatory disclosures - (Continued)**

**48.6 Additional Disclosures**

The Company has not granted any loans against collateral of gold jewellery during the year (Previous Year: Nil) and consequently no gold loan auction has been carried out.

There are no adverse comments during the year on the Company made in writing by the Bank or RBI on regulatory compliances with a specific communication to disclose the same to public (Previous Year: Nil).

The Company has not issued any structured products during the year.


No loan extended by the Company has been restructured under moratorium offered under Covid.

No dividend has been declared by the Company.

**49.** The previous period/year figures, which are considered to be immaterial, have been reclassified/regrouped to conform to the figures of the current period/year.


As per our report of even date attached  
For Chhajed & Doshi  
Chartered Accountants  
Firm Registration No.: 101794W

For and on behalf of the Board of Directors  
Godrej Finance Limited  
CIN: U67120MH1992PLC065457

  
M.P. Chhajed  
Partner  
Membership No. - 049357



Mumbai  
May 4, 2023

  
Pirojsha Godrej  
Director  
DIN - 00432983


Mumbai  
May 4, 2023

  
Kunal Karnani  
Chief Financial Officer

Mumbai  
May 4, 2023

  
Manish Shan  
Director  
DIN - 06422627

Mumbai  
May 4, 2023

  
Heer Parekh  
Company Secretary

Mumbai  
May 4, 2023

