

TOGETHER  
WE RISE





**GODFREY PHILLIPS**  
—INDIA LIMITED—

# ANNUAL REPORT 2020-21

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# Corporate Information

## Board of Directors

### **MR. R. A. SHAH - CHAIRMAN**

(DIN 00009851)

### **DR. BINA MODI - PRESIDENT & MANAGING DIRECTOR**

(DIN 00048606)

### **MR. SAMIR MODI - EXECUTIVE DIRECTOR**

(DIN 00029554)

### **MR. SHARAD AGGARWAL - WHOLE-TIME DIRECTOR**

(DIN 07438861)

### **MR. RUCHIR KUMAR MODI**

(DIN 07174133)

### **DR. LALIT BHASIN**

(DIN 00001607)

### **MR. ANUP N. KOTHARI**

(DIN 00294737)

### **MR. ATUL KUMAR GUPTA**

(DIN 01734070)

### **MRS. NIRMALA BAGRI**

(DIN 01081867)

### **MR. SUMANT BHARADWAJ**

(DIN 08970744)

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### **CHIEF FINANCIAL OFFICER**

Mr. Sunil Agrawal

### **COMPANY SECRETARY**

Mr. Sanjay Gupta

### **REGISTERED OFFICE**

'Macropolo Building', Ground Floor,  
Dr. Babasaheb Ambedkar Road, Lalbaug,  
Mumbai-400 033

### **CORPORATE OFFICE**

Omaxe Square, Plot No 14, Jasola District  
Centre, Jasola, New Delhi-110025

### **OTHER OFFICES**

Ahmedabad, Chandigarh, Ghaziabad,  
Hyderabad, Kolkata, Mumbai, Navi Mumbai,  
New Delhi, Singapore

### **LEAF DIVISION**

Guntur (Andhra Pradesh)

### **STATUTORY AUDITORS**

S.R. Batliboi and Co. LLP, Chartered Accountants

### **INTERNAL AUDITORS**

Lodha and Co., Chartered Accountants

### **REGISTRAR AND TRANSFER AGENT**

Link Intime India Pvt. Ltd., C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West), Mumbai - 400083

### **SOLICITORS**

Crawford Bayley and Co.

### **BANKERS**

• State Bank of India • Bank of Baroda  
• Bank of India • Citibank N.A. • The Hongkong  
and Shanghai Banking Corporation • CTBC

### **CORPORATE IDENTITY NUMBER**

L16004MH1936PLC008587

[www.godfreyphillips.com](http://www.godfreyphillips.com)



## **R. A. SHAH** Chairman's Message

Dear Shareholder,

As I write this letter, the world is still going through an unprecedented health crisis but showing signs of a sustainable recovery from the global pandemic. The environment of volatility and uncertainty continues to impact our day-to-day lives and the way we conduct business. Our top priority during these times was the safety of our workforce and to achieve that we have implemented various safety guidelines and protocols to ensure their well-being.

The fiscal year 2020-21 started on a subdued note with the outbreak of Covid-19 around the world and its subsequent impact on the global economy. Most nations had implemented strict lockdown measures and as a result, world economic output contracted by 3.3 % in 2020 as compared to growth of 2.8% in the previous year. However, governments and central banks of the major economies worked in tandem to ensure both stability and sustainability of their economies by introducing accommodating fiscal and monetary policies. The central banks started lowering interest rates to ease monetary policies ensuring liquidity in the markets. These policy measures had a positive impact on global economies, and along with the subsequent relaxation in lockdown restrictions, resulted in consumer demand and spending continuing to increase steadily.

India too was impacted by this health crisis and the first nationwide lockdown was announced in March 2020 in an attempt to curb its further outbreak. Business activities were completely halted and this once in a century like an event resulted in a sharp decline in demand for all types of goods and services, except for essential goods and services. In such economic conditions, overall GDP unsurprisingly contracted by 8.0 % in 2020 compared to growth of 4.0% in 2019. The swift actions on the part of the Government of India and the RBI ensured an appropriate economic response.

The tobacco industry too faced pressure as farmers were left with high stockpiles of tobacco leaf due to sudden cancellation of auctions and the unavailability of buyers. In addition, the shift in consumer demand towards essential products and the operating restrictions of pandemic together contributed to weaker demand for tobacco products. The recovery in consumer demand post easing of lockdowns provided the industry and farmers an opportunity to resume their business operations. We are cautiously optimistic of a gradual recovery in tobacco related products demand in the near term.

In these market conditions, I am satisfied with the Company's stable performance during the year. The financial performance was most impacted in first half of the year, as factories were temporarily closed and demand also declined with the restriction on public movement. With the gradual reopening of the economy in the second half of the year, the Company was able to recover its sales and post resilient results in the subsequent quarters. Domestic cigarette volume declined by 19.8% during the year. While our international business remained flat as compared to last year, although exports of unmanufactured tobacco and cut tobacco picked up from Q2 onwards. Our 24Seven convenience stores declined 13.5% in gross sales due to closure of stores and lower footfall in the first half of the year, contributing 9.6% to total net sales. As a part of our core strategy, we remained focused and committed to enhancing operational efficiency at the store level to deliver strong growth and an increasing financial contribution to the Company. The total number of stores was 93 at the end of March 2021. In summary, 24Seven closed the year on a stronger note and on a promising growth trajectory. As an organization, we continue to remain fully committed in complying with the regulatory requirements, ensuring quality products, best processes and practices, and undertaking various CSR initiatives to ensure the welfare of tobacco farmers and their communities.

We are a people-oriented Company and therefore, I am proud of the recognition that Godfrey Phillips has been accorded as one of "India's Best Companies to Work For", third year in a row. In conclusion, I would like to thank all our employees for their dedication and commitment in maintaining business continuity during the most challenging of times, the senior management for their strategic vision and unwavering leadership during a challenging year, and to all our customers, channel partners, the tobacco farming community, distributors and shareholders for their continuous support and confidence in our company.

With best wishes and warm regards,

R. A. Shah



## **BINA MODI**

### President's Message

Dear Shareholders,

The financial year 2020-21 was one of the most challenging years with the outbreak of the Covid-19 pandemic, resulting in the widespread shutdown of economic and community activities around the world and the subsequent waves of the coronavirus continue to have a devastating impact on the society. However, on a positive note, the ongoing vaccination drive and stricter adherence to Covid-19 protocols have enabled a steady economic recovery in several countries including India.

For the Company through the year, the top priority was to ensure the wellbeing of our employees. It is our belief that a high performing organisation is defined by empathetic management of people and talent. It is this unwavering commitment to the 'People First' philosophy and this value at the core of all our business strategy, which has helped Company to overcome the two waves of pandemic. The leadership remained committed to this employee centric vision even during pandemic; the validation of this humanistic way of managing business has come with the recognition of your Company as 'India's Best Companies to Work For', for third consecutive year.

This fundamental value has also inspired business resilience. Despite the challenging economic environment your Company delivered Gross Sales of Rs. 6,408 Crore in the fiscal year 2020-21, a decline of 10.3%. Of this the International Business Gross Sales were Rs 597 Crore, which remained flat as compared to last year. Several measures taken by the Company to optimize the cost with a view to offset the effect of decline in top-line, resulted in a Net Profit of Rs. 357 Crore, a decline of 8.0% over the last year. Overall, the business was clearly impacted by Covid-19 induced lockdowns and restrictions during the year, but we continue to remain fully committed to creating long term value for our shareholders. The Board of Directors was pleased to recommend the dividend of Rs. 24 per share for the financial year which is same as paid for the last financial year.

The tobacco industry was one of the most impacted industries given the complete and partial lockdown of factories, disruptions in supply chains, restrictions on public movement and the priority for essential products during the year. In line with the cigarette industry, Godfrey Phillips registered a decline of 19.8% in domestic cigarette volumes. However, the Company has been able to deliver year on year growth in its major operating segment of Regular Sized Filter Tipped (RSFT) cigarettes.

Our chewing and confectionary business Gross Sales also declined to Rs. 121 Crore largely due to supply chain disruptions caused by the restrictions put in place by State authorities. The strategy of Godfrey Phillips in this business area remains clear and consistent with a focus on the premium pan masala segment. In line with this, the Company also launched an innovative pan masala during the year marketed as "Pan Vilas Flavour Blast". We remain committed to enhance the profitability of this business segment.

Godfrey Phillips operates the 24Seven convenience store chain with 93 stores in northern part of India. During the year, Gross Sales declined by 13.5% to Rs. 355 Crore due to lower footfall, reduced operating days and hours amidst the Covid-19 pandemic. I am pleased that the stores serviced the consumers during the lockdown by providing all types of essential products and we ensured minimum personal contact at the point of sale to enhance consumer and employee confidence. Our store expansion plans are currently on hold and we continue to implement a cost rationalization program to further improve store level profitability in near term.

The Company has swiftly adapted to the new operating environment with limited disruptions and the business has continued its long-term growth trajectory, while supporting the local communities in which we operate. Our dedicated CSR team have provided aid with dry ration and distribution of safety kits in partnership with local bodies, in addition to the long-term comprehensive community development programs we have undertaken for marginalised tobacco farmers over the years.

Godfrey Phillips will continue to strengthen its core business of tobacco by launching products in accordance with changing consumer preferences and expanding its product portfolio. The Company further aims to penetrate deeper into key geographies and expanding its distribution footprint through increased digitalization. The Company's 24Seven retail business will continue to focus on meeting customer needs while delivering greater convenience, value and quality.

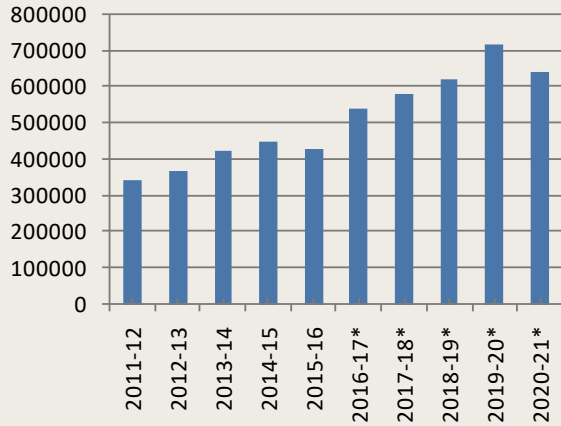
Finally, I am very proud of how the Godfrey Phillips leadership team has stayed focused on the business and together delivered a relatively stable financial and operational performance this year. I would like to again acknowledge the efforts of each and every one of our team members for their adaptability, resilience and contribution during an exceptionally difficult year. Lastly, I would like to thank all our consumers, business partners, distributors and shareholders for their continued support. With our clear strategic direction, Godfrey Phillips is well positioned to drive profitable growth in the coming years.

Warm regards,

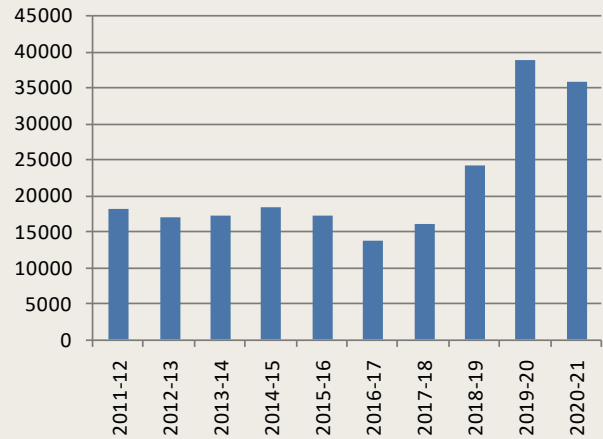
Bina Modi

# Financial Highlights Trends

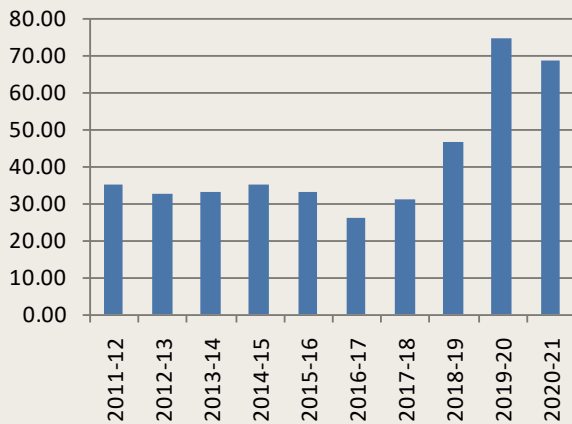
**Gross Revenue\* Amt (Rs. in lakhs)**



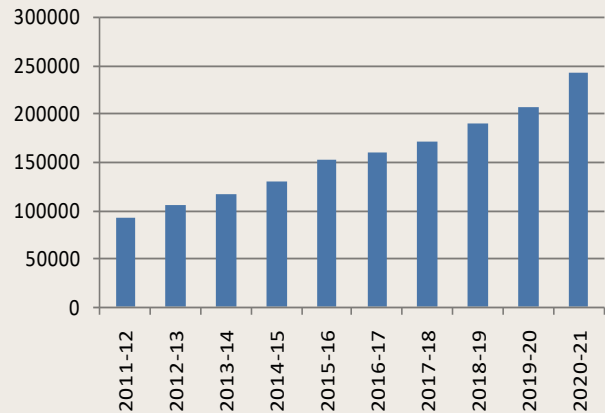
**Profit After Tax (Rs. in lakhs)**



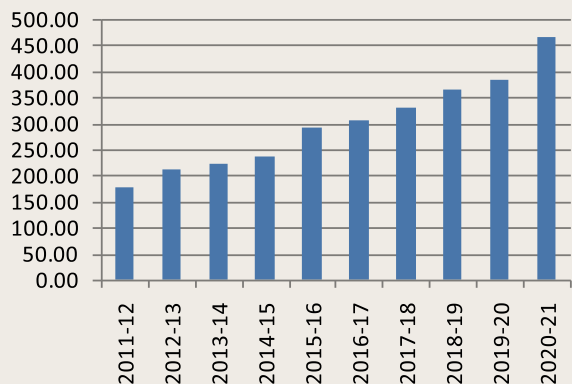
**Earning per Share (in Rs.)**



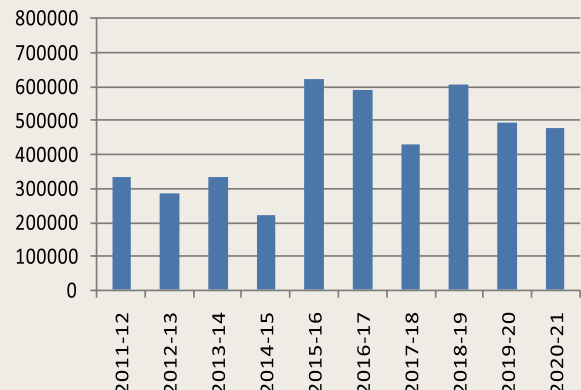
**Shareholders' Fund (Rs. in lakhs)**



**Book value per Share (in Rs.)**



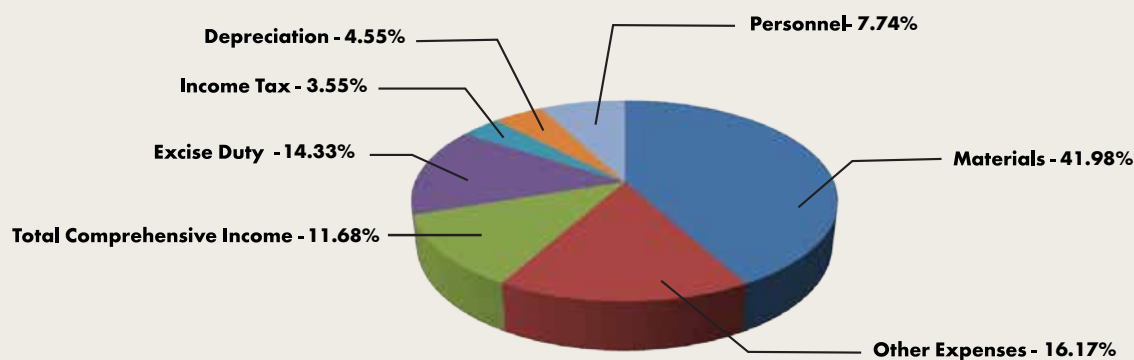
**Market Capitalization (Rs. in lakhs)**



\*Gross Revenue figures for the financial years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 includes all applicable indirect taxes.

# Financial Highlights

## Revenue Distribution



(Rs. Lakhs)

PARTICULARS	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*	2014-15	2013-14	2012-13	2011-12
<b>CAPITAL EMPLOYED</b>										
Property, Plant and Equipment (including Capital Work-in-Progress, Intangible Assets, Intangible Assets under development & Investment Property)	72667	68348	67983	65001	68709	72434	71393	71694	71887	67443
Right of use Assets ****	30380	34475	-	-	-	-	-	-	-	-
Investments	147584	118992	114267	89516	50006	39588	32238	35529	31853	35833
Other Assets (net)	31166	20085	11703	18955	47504	50719	51634	32052	31172	21016
Deferred Tax Assets (net)	-	-	-	-	180	1186	1653	973	-	752
<b>Total</b>	<b>281797</b>	<b>241900</b>	<b>193953</b>	<b>173472</b>	<b>166399</b>	<b>163927</b>	<b>156918</b>	<b>140248</b>	<b>134912</b>	<b>125044</b>
<b>FINANCED BY</b>										
Shareholders' Funds	241643	206085	189627	170728	159183	150964	129262	116370	104172	92091
Borrowings	7490	1114	4118	2672	7216	12963	27656	23878	30356	32953
Lease Liabilities****	31969	34459	-	-	-	-	-	-	-	-
Deferred Tax Liabilities (net)	695	242	208	72	-	-	-	-	384	-
<b>Total</b>	<b>281797</b>	<b>241900</b>	<b>193953</b>	<b>173472</b>	<b>166399</b>	<b>163927</b>	<b>156918</b>	<b>140248</b>	<b>134912</b>	<b>125044</b>
<b>OPERATING PERFORMANCE</b>										
Gross Revenue	304344	315102	267103	293027	444281	429876	448589	422067	367282	341858
Excise Duty	43609	19144	11499	56509	200923	195922	196897	171653	157777	146058
Depreciation	13845	15238	9592	9565	9413	10220	10226	8655	8800	6263
Profit Before Taxation	46495	51590	36264	23429	19777	24562	27140	25468	23690	25723
Profit After Taxation	35694	38788	24097	16076	13635	17166	18308	17064	16948	18136
Total Comprehensive Income**	35558	37769	23914	16551	13226	16947	-	-	-	-
Proposed Dividend / Interim Dividend	12479	12479	5199	4159	4159	4159	4159	4159	4159	4159
Corporate Dividend Tax	-	2565	1069	855	847	847	847	707	707	675
<b>INVESTORS' DATA</b>										
Earning Per Equity Share (Rs)***	68.65	74.60	46.35	30.92	26.22	33.02	35.21	32.82	32.60	34.88
Dividend Per Equity Share (%)	1200	1200	500	400	400	400	400	400	400	400
Number of Shareholders	37921	22371	19079	21707	20000	16825	16169	11137	10839	11125

\* The figures reported are Ind AS compliant.

\*\* Total Comprehensive Income reported as per requirement under Ind-AS.

\*\*\* Restated for face value @ Rs.2/- per share post split.

\*\*\*\* Upon transition to IndAS-116, "Leases" w.e.f. 2019-20





## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the 84<sup>th</sup> Annual Report on the business and operations along with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

### ECONOMIC ENVIRONMENT

The global economy was impacted by Covid-19 pandemic from early 2020 and as a result of which World GDP contracted by 3.3% in 2020 from a growth of 2.8% in 2019. The unfortunate outbreak of Covid-19 pandemic played havoc with an unprecedented health and economic crisis around the world. The first half of 2020 saw the lockdowns and other curbs across the world to contain the spread of the virus. Businesses and manufacturing facilities were shut down completely and restrictions were put in place for movement of citizens, both internally as well as externally. There was a sharp fall in both consumer demand and industrial output in the first half of 2020. However, in the second half of 2020, the governments started easing lockdown restrictions to facilitate re-opening of the economy. Businesses were allowed to function under various policy parameters and guidelines set out by central/federal governments and local authorities.

During the year, the central banks also acted swiftly to prevent the economic fallout through preventive measures in their respective countries by providing excess liquidity in the markets by way of lowering interest rates. The governments unleashed relief packages by way of distribution of food and essential supplies as well as direct money transfer specially to the economically weaker sections of the society. With the governments easing lockdown measures gradually and central banks continually extending liquidity measures, the second half of 2020 saw an improvement in economic activities on the back of consumption demand pick up and the hope of vaccine development and availability in different geographies. Led by steady recovery in demand and consequential rise in output, the emerging economies saw a drop in GDP by 4.7% as against the projected decline of 6.1% as per the World Economic Outlook report of April 2021.

Indian economy contracted by 8.0% in 2020 as compared to a growth of 4.0% in 2019. India was the second worst hit country in the world due to Covid-19 pandemic. The economic crisis deepened in India due to Covid-19 induced business lockdown and restrictions across industries and sectors. The auto, manufacturing, construction and real estate sectors had come to a grinding halt for better part of 2020. The Indian government acted swiftly to avert this unprecedented crisis by providing relief packages to individuals and households by way of direct money transfers and free ration supplies and helped businesses stay afloat by introducing several policy changes to ease the timelines/deadlines for various compliances. The RBI too provided liquidity in the market by lowering the interest rates for borrowing and easing NPA norms for banks while maintaining an accommodative stance in the monetary policy. All these measures helped reviving the Indian economy in the latter half of 2020, when lockdown began to ease, and economic activities began to pick up. The automobile sector saw a rebound in sales due to pent-up demand as restrictions on movement were relaxed and consumer spending increased. The government also undertook various initiatives for the revival of Infrastructure and Real Estate sector and as a result, the sectors saw increased investments from both public and private players. In the wake of these measures, the Indian economy was able to put itself on the path of a strong recovery and IMF too revised its growth forecast for India for 2021 to a projected 12.5% growth from 7.4% in its earlier report of 2020. However, April and May 2021 brought back the era of uncertainty as economic activities took the downturn with the arrival of the second wave which turned out to be much more severe in impact on the mankind than the first one. But the manufacturing, logistics and industrial activities continued albeit at a slower pace under the state government guidelines and policies. With the easing of restrictions in June, the economic outlook looks buoyant aided by the mass vaccination drive conducted by the government.

### TOBACCO INDUSTRY

Tobacco has always been an important commercial crop in India and the country is the second largest producer of tobacco in the world with an annual production of around 800 million kgs. The industry generates enormous benefits for the nation in terms of employment in the agricultural sector, income to farmers, revenue generation and foreign exchange earnings. The tobacco industry provides employment to over 45.7 million people in India, directly and indirectly with various varieties of tobacco are grown across 13 states in the country. India is also the largest exporter of tobacco and tobacco related products and generates foreign exchange earnings of around Rs. 6,000 crores annually.

In terms of consumption, tobacco consumption in India in the form of cigarettes is less than 2% of the global consumption even though the country accounts for 18% of the population in the world. India's per capita consumption of cigarettes is also the lowest in the world with just 89 cigarettes per annum. India also accounts for 84% of world's smokeless tobacco consumption. Only 9% of tobacco consumed in India constitute legal cigarettes, while 91% are from traditional products and illicit cigarettes. This 9% contributes to 80% of the taxes collected from the industry by the Government of India.

The tobacco industry faces enormous challenges in India despite contributing more than Rs 43,000 crores annually

# DIRECTORS' REPORT



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to the government exchequer through taxes and levies. With 85% coverage, India has one of the largest pictorial warning size on the packs in the world when compared with global average of 40%. Also, the most alarming fact is the rise in illicit options that are cheaper, non-regulated as well as inferior in quality which undermine public health. Around 68% of tobacco consumption comes from the unorganised sector which are non-compliant and therefore, adversely impact government's tax receipts. Over the time the volumes of illicit cigarettes have seen a sharp spurt and currently it is estimated to be 1/3rd of the legal volumes sold in India. India is considered to be the 4th largest illicit cigarette market in the world with a volume of 28 billion sticks in 2019 which has increased from 26.5 billion in 2018 registering a growth of ~6% year on year.

The tobacco industry, like many others, also came to a grinding halt due to the nationwide lockdown and closure of manufacturing facilities. During the period, availability of Cigarettes was impacted, which further aided the illicit cigarettes in the domestic market. Also, the tobacco farmers too suffered by not being able to get remunerative prices, firstly due to somewhat lower quality of crop and then, inability to market the crop owing to disruption in auctions, restriction on participation of farmers in auctions, absence of international buyers, logistical challenges, etc. As the lockdown measures were eased in the second half of 2020, increased consumer spending helped the tobacco industry remain afloat, as the broader FMCG sector was also able to keep the growth momentum and saw double digit growth in the fourth quarter of 2020-21 particularly in urban markets. However, the ongoing second wave has slowed down the growth momentum and is posing a challenge for both the government and the legal tobacco industry.

The challenges faced by the tobacco industry in India can be addressed by balancing the tax policies, revisiting the existing regulations based on inputs from industry experts and implementing stricter measures on illicit trade.

## CONSUMER AND RETAIL INDUSTRY

India's FMCG sector is the fourth largest contributor to the economy. It contributes 10% to the GDP and 8% to the employment in India. According to estimates, Indian retail sector was worth \$883 billion in 2020 and is projected to reach \$1.3 trillion by 2024. The grocery is the largest segment with contribution of \$608 billion. With the onset of pandemic at the beginning of 2020 and subsequent lockdown measures implemented by the government, India's consumer spending saw a decline as various restrictions were put in place. The effects of decrease in spending were felt by the retail industry, barring essential services such as food and grocery. The offline retailers saw their sales decline as shops were shut due to the containment measures put in place by local and central governments across states. The online retailers on the other hand saw their sales volume grow exponentially and as a result the investments in e-commerce grew significantly from both domestic and international players. The rise in online retailing is attributed to increase in digital adoption, smartphone penetration, technological advancements in payments system, increasing consumer awareness, young population and large consumer market. The Government of India's initiatives such as 'Digital India' programme has contributed significantly to the growth of e-commerce segment. In addition to this, the retail industry in India also has 100% FDI in single-brand retail and 51% FDI in multi-brand retail. With the gradual rise in consumer demand, both in urban and rural areas, the retail sector is expected to recover to pre-covid levels sooner than later.

The retail industry's high growth potential, low economic risk and moderate political risk has attracted international investors to capture this segment in India. The Indian retail industry, both offline and online, has witnessed a slew of investments and mergers and acquisitions in 2020 and 2021. The e-commerce industry is expected to reach \$111 billion by 2024. The online grocery market too witnessed strong investments from domestic and international players, in both B2B and B2C segments. India has also occupied a remarkable position in global retail rankings and currently ranks 15th in FDI Confidence Index and is expected to become 3rd largest consumer market in the world by 2025. The factors supporting the growth potential of the retail industry are improving distribution and logistics network, offline retail expansion through exclusive store networks, retailing through multiple channels, leveraging partnerships and joint ventures, offering value added services and focussing on strong supply chain network.

Currently, India is in the middle of ongoing second wave which has had much severe impact on human health and economy, however, the impact on consumer spending and demand has not been dented to the extent as it was during the same time in last year. The first quarter is expected to witness the impact of second wave, yet it is expected to post year-on-year growth on account of low base and minimal disruption in manufacturing and logistics sector. Furthermore, the vaccination drives conducted by government and continued investments in retail industry is expected to build consumer confidence, which in turn is expected to keep the demand and growth prospects robust for the industry in the near term.

## SEGMENTWISE PERFORMANCE IN 2020-21

### Cigarettes

The cigarettes industry has seen negative growth in FY 2021 largely due to the unprecedented headwinds of the



COVID-19 pandemic, increase in taxation on cigarettes towards the end of last fiscal and the ever-increasing penetration and prevalence of the illicit and contraband cigarettes in the country.

In the backdrop of this challenging situation and restrictions led by disruptions in the industry supply chains and the distribution channels across markets at the beginning of the year, your Company has been able to register a growth in its leading operating segment of Regular Sized Filter Tipped (RSFT) Cigarettes over FY 2020. Your Company has been able to quickly respond to the new ways of working under this new business environment and has put all plans in place to ensure business continuity by incorporating new processes at an organization-wide level. With the resurgence shown in the RSFT segment and coupled with sharper cost optimization mindset adopted, your Company has tried very hard to minimize the impact of the pandemic on its business outcomes.

Your Company is committed to driving shareholder value in the coming years by aggressively pursuing growth via portfolio expansion to accommodate varying consumer preferences and by increasing its footprint through expanded distribution infrastructure, accelerated digital capabilities and cost optimization.

## Chewing Products

Chewing business continues to be aligned with the objective to make the business profitable by focusing on premium segment and strengthening the flagship brand of the business 'Pan Vilas'.

This year was an unprecedented year as the pan masala and chewing tobacco industry got significantly affected due to the pandemic led disruptions and restrictions put in place by the authorities. For large part of the year core markets of Pan Vilas and its variants were non-operational which led to significant decline in consumption.

After easing of restrictions and lifting of lockdown, your Company has launched a first of its kind and innovative pan masala by the name 'Pan Vilas Flavour Blast' which is a unique flavour beads concept in pan masala and delivers a delightful and unique taste experience. The initial response is quite encouraging and we are taking it to more markets.

Confectionary business also got adversely affected due to restricted distribution but is gradually reviving back with added focus on availability. The Company is gearing up to launch innovative candy products to cater to strong consumer needs in wellness space and changing preferences.

## Exports

The following table shows the status of exports for different products during the year under report:

	2020-21	2019-20
Commodity/Product	Value (Rs. in crores)	Value (Rs. in crores)
Cigarettes	139.57	163.66
Unmanufactured tobacco/CLB	421.35	377.94
Cut tobacco	36.53	55.70
Candy/Tea	Nil	0.48
<b>Total</b>	<b>597.45</b>	<b>597.78</b>

Unmanufactured tobacco exports have done exceptionally well despite adverse conditions experienced due to COVID-19 by registering growth of 11.5% over last financial year.

Covid led supply chain disruptions took toll on cigarette and cut tobacco exports due to prolonged shutdown of Rabale plant. For some time, we serviced our clients by getting cigarettes contract manufactured in the UAE.

Your Company has done reasonably well in the cut tobacco business across CIS, acquiring multiple new clients. In line with other business goals, it has started to make a foothold in the markets of Canada, Croatia, Morocco, Netherland and Sweden.

## Retail

24Seven is India's only twenty-four hours convenience store chain with more than 90 stores spread across Delhi NCR and Chandigarh. The brand continuously evolves and upgrades to meet the urban consumers' needs, living up to its mantra 'Awesome through the day, Awesome through the night'. The year began amidst a strict lockdown post the emergence of the Coronavirus and despite the challenges posed by it, we looked at opportunities and successfully reduced operating costs and brought in more operating efficiency. As a result, during FY 2021, gross sales value dropped by 13% to Rs.355 crores from Rs.410 crores during previous year owing to reduced operating days and

# DIRECTORS' REPORT



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restricted operating hours. During the year, we have introduced some new products under our private label with encouraging response from the customers.

We adopted all safety protocols as mandated and recommended by the authorities to safeguard the health and well-being of our customers and employees. We continue to follow these at all our stores.

## HUMAN RESOURCE DEVELOPMENT

The Human Resource function remained committed and focused in ensuring that the Company yet again gets recognised among Best Places to Work in India, consecutively for the third year. During the trying times of pandemic, your Company left no stone unturned in ensuring proper care, concern, support and reaching out to its employees and associates by putting 'people first' on its agenda. The camaraderie and discretionary efforts displayed by workforce further strengthened the DNA of your Company in these tough times. While it remained humane in its approach towards people by continuing its benevolent people policies and practices, the very foundation of its culture that drives the passion for winning, ensured constant performance focus and results delivery. Various initiatives along the year kept the workforce virtually connected, engaged and motivated. With continued focus on developing internal people and leadership capabilities, your Company also has been able to cultivate a talent pipeline that minimises future attrition risks and ensures business continuity.

## INFORMATION TECHNOLOGY (IT)

There have been rapid advances in the areas of Information Technology and Digital, offering new avenues for value creation. The Company has a strategic approach for leveraging modern technologies. We have implemented complete Work-from-Home (WFH) solutions which were tested and enhanced during the Covid crisis and the entire employee base adopted and adapted to this in double-quick time. This was the initiation of moving towards a digital workplace, with further initiatives launched this year towards employee self-service.

We have already implemented Robotic Process Automation (RPAs) in several of our business processes. We have also launched a Mobile App to give a seamless experience to our employees and further increase engagement levels. We are in the process of implementing Digital Supply Chain solutions that leverage IoT, AI and ML. We have also embarked on a journey to utilize Video Intelligence capabilities and building Digital Video libraries. All these have been conceptualized with enhanced standards of Cybersecurity at the Core – several measures have been taken in this regard to improve end-point security, network and data centre security, enhanced WFH measures and SOC/SIEM setups.

With all the above, your Company has embarked on a structured digital transformation program for the organization, aligned to strategic business goals and adopting the best of technologies, practices and methodologies.

## TREASURY OPERATIONS

Your Company continues to enjoy the highest rating of 'CRISIL A1+' for Short Term Debt Programme, 'CRISIL AA+/Stable' for Long Term Loan, 'CRISIL AA+/Stable' for fund-based credit facilities and long term non-fund based Facilities & 'CRISIL A1+' for short term non-fund-based facilities. With these ratings in place, your Company can raise funds at most competitive terms. Following the principles of liquidity, safety and tax efficient returns, the Company has been deploying its long term surplus funds primarily in debt-oriented schemes of reputed mutual funds. Also, the Company continued to park its temporary surpluses in liquid schemes of various mutual funds.

## FINANCIAL RESULTS

	<b>2020-21</b>	2019-20
	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Profit before Depreciation and Tax	<b>60340.45</b>	66828.19
Less: Depreciation and amortization	<b>13845.10</b>	15238.39
Profit before tax	<b>46495.35</b>	51589.80
Less: Provision for tax		
- current tax	<b>10235.44</b>	12613.16
- deferred tax	<b>565.81</b>	188.67
Profit after tax for the year	<b>35694.10</b>	38787.97
Add: Other comprehensive income/(loss)-net of tax	<b>(135.95)</b>	(1018.81)
<b>Total comprehensive income</b>	<b>35558.15</b>	37769.16



# DIRECTORS' REPORT

During the year, the gross sales value registered a negative growth of 10.3% by reaching the level of Rs. 6408 crores from Rs. 7144 crores last year. Similarly, the profit after tax was Rs. 356.94 crores as compared to Rs. 387.88 crores last year.

## DIVIDEND

Your Directors are pleased to recommend the dividend of 1200% i.e. Rs. 24 per equity share of face value of Rs.2/- each. The proposed dividend will absorb Rs. 12478.54 lakhs.

## DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence, no details pursuant to Rules 8(v) and 8(vi) of the Companies (Accounts) Rules, 2014 are required to be reported.

## ANNUAL RETURN

As required under Section 134(3)(a) and section 92(3) of the Act, the Annual Return has been uploaded on the Company's website and can be accessed at <https://www.godfreyphillips.com/company/investor-relation/financials/annual-return/>.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31<sup>st</sup> March 2021, your Company had seven subsidiaries and three associate companies. The basic details of these companies form part of the Annual Return.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries and associates is attached as 'Annexure - 1'. Note 46 of the consolidated financial statements shows the share of each subsidiary and associate company in the consolidated net assets and profits of the Company. The audited financial statements of these entities will be available for inspection during business hours at the Registered Office of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Indian Accounting Standard (Ind AS-110) - Consolidated Financial Statements, Group Accounts form part of this Annual Report. The Group Accounts have been prepared based on financial statements received from the subsidiary and associate companies, as approved by their respective Boards.

## INTERNAL CONTROL SYSTEMS

Your Company has a robust system of internal controls commensurate with the size of the Company and the nature of its business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and disposition.

The internal control systems are supplemented by well documented policies, guidelines and procedures which are in line with the internal financial control framework requirements. There is an extensive programme of internal audit by a firm of chartered accountants followed by periodic management reviews.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

## CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to inclusive growth and improved lives. This focus is manifested through the Company's CSR initiatives undertaken around farmers who are fundamental to the core of our business. Strategically integrated into our business, our CSR programme drives sustainable development and livelihood for Burley Tobacco farming communities in Andhra Pradesh. Most vulnerable to the impacts of environment, Company's long term initiatives focus on water and soil conservation through check dams and localised recharges, biodiversity, alternate energy source while short to mid-term initiatives look at access to safe drinking water, improving earning capacity, sustainable agricultural practices, better health, elimination of child labour and access to education.

The Company has also initiated intensive programs around their corporate office region, Delhi NCR, that focuses on promotion of healthcare and education by holding health camps, HIV awareness programs, life skill training for adults and children. Company has also undertaken infrastructure development of government schools along with new modern methods of teaching and learning to ensure access to quality education.

In the times of pandemic, the Company also invested in providing aid to marginalised with dry ration and distribution of safety kits in partnership with local bodies.

# DIRECTORS' REPORT



GODFREY PHILLIPS  
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The Company has constituted a CSR Committee of the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The brief outline of the CSR policy, overview of the activities undertaken with amounts spent thereon during the year and composition of the Committee has been disclosed in 'Annexure - 2'.

## DIRECTORS

Mr. Samir Modi (DIN:00029554) will retire by rotation at the ensuing Annual General Meeting, in accordance with the provisions of Section 152 of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

Mr. Ruchir Kumar Modi (DIN: 07174133), will retire by rotation at the ensuing Annual General Meeting, in accordance with the provisions of Section 152 of the Companies Act, 2013. The Nomination and Remuneration Committee (NRC), after due consideration, has recommended against re-appointment of Mr. Ruchir Kumar Modi. Subsequently, the Board, in its meeting, has accepted the recommendation of the NRC to not re-appoint Mr Ruchir Kumar Modi and subject to the approval of the shareholders, has resolved that the vacancy created by retirement of Mr. Ruchir Kumar Modi be not filled for the time being. Accordingly, a resolution for not filling the vacancy created by retirement of Mr. Ruchir Kumar Modi, forms part of the Notice of the ensuing Annual General Meeting.

During the year under review, Mr. Sumant Bharadwaj (DIN: 08970744) was appointed as Additional Director to serve as Non-Executive Independent Director of the Company in the board meeting held on 13<sup>th</sup> February, 2021. As per provisions of the Companies Act, 2013, Mr. Sumant Bharadwaj's appointment is subject to the approval of the members in the ensuing Annual General Meeting. Accordingly, a resolution proposing appointment of Mr. Sumant Bharadwaj as Non-Executive Independent Director of the Company for a term of five years, forms part of the Notice of the ensuing Annual General Meeting.

The Independent Directors of your Company have confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015, and (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Listing Regulations and are independent of the management of the Company.

## PERFORMANCE EVALUATION OF THE BOARD, ETC.

Details pertaining to the way evaluation of the Board, its committees and individual Directors has been carried out, form part of Corporate Governance Report.

## KEY MANAGERIAL PERSONNEL

Dr. Bina Modi, Managing Director, Mr. Samir Modi, Executive Director, Mr. Sharad Aggarwal, Whole-time Director, Mr. Sunil Agrawal, Chief Financial Officer and Mr. Sanjay Gupta, Company Secretary of the Company are deemed to be Key Managerial Personnel of the Company as per the provisions of Companies Act, 2013 and rules made thereunder.

## BOARD MEETINGS

Details of the meetings of the Board held during the year, form part of the Corporate Governance Report.

## AUDIT COMMITTEE

The composition, functions and details of the meetings of the Audit Committee held during the year, form part of the Corporate Governance Report.

## RISK MANAGEMENT

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy and business and operating plans. The details of practices being followed by the Company in this regard, form part of the Corporate Governance Report.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges faced by it have been dealt with under Management Discussion and Analysis which forms part of this Report.

Details regarding constitution of Risk Management Committee, its role & responsibility, form part of the Corporate Governance Report.





## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 (the 'Act'), the Directors, to the best of their knowledge, confirm that:

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) Appropriate accounting policies have been applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- (iii) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts have been prepared on a going concern basis;
- (v) The internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and are operating effectively; and
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

The above statements were noted by the Audit Committee at its meeting held on 25<sup>th</sup> June, 2021.

## **RELATED PARTY TRANSACTIONS**

Form AOC-2 containing particulars of contracts or arrangements entered into by the Company with related parties referred in Section 188(1) of the Companies Act, 2013 is attached as 'Annexure - 3'.

Details of related party transactions and related disclosures are given in the notes to the financial statements.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered by the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

Details of Whistle Blower Policy/Vigil Mechanism form part of the Corporate Governance Report.

## **REMUNERATION AND NOMINATION POLICY**

The appointment and remuneration of Directors is governed by the recommendation of Nomination and Remuneration Committee and then decided by the Board subject to approval of the shareholders.

The remuneration payable to the Directors is decided keeping into consideration long term goals of the Company apart from the individual performance expected from Director(s) in pursuit of the overall objectives of the Company.

The remuneration of Executive Director(s) including Managing Director(s) and Whole-time Director(s) is governed by the recommendation of Nomination and Remuneration Committee as per the criteria recommended by it and then approved by the Board subject to approval of the Shareholders.

The Non-executive Director(s) may be paid remuneration by way of commission either by way of monthly payments or specified percentage of net profits of the Company or partly by one way and partly by the other, as may be recommended by Nomination and Remuneration Committee and then decided by the Board subject to approval of the Shareholders.

In accordance with the provisions of the Articles of Association of the Company and the Companies Act, 2013, a sitting fee (presently fixed at Rs. 1,00,000 per meeting) is paid to the Non-executive Directors of the Company who are not drawing any remuneration described hereinabove, for attending any meeting of the Board or of any Committee thereof.

The remuneration payable to Directors shall be governed by the ceiling limits specified under section 197 of the Companies Act, 2013.

The remuneration policy for other senior management employees including key managerial personnel aims at attracting, retaining and motivating high calibre talent and ensures equity, fairness and consistency in rewarding the employees. The remuneration to management grade employees involves a blend of fixed and variable component with performance forming the core. The components of total remuneration vary for different employee grades and are governed by industry practices, qualifications and experience of the employees, responsibilities handled by them, their potentials, etc. Remuneration of senior management employees is also being looked at by the Nomination and Remuneration Committee.

# DIRECTORS' REPORT



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## **DIVIDEND DISTRIBUTION POLICY**

As mandated by the Listing Regulations, the Board has formulated a dividend distribution policy and the same is attached as 'Annexure - 7' and is also available on the Company's website at: <https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/>

## **KEY FINANCIAL RATIOS**

Key Financial Ratios for the financial year 2020-21 with comparatives for the year 2019-20, are disclosed in 'Annexure - 8'.

## **BUSINESS RESPONSIBILITY REPORT**

As mandated by the Listing Regulations, the Business Responsibility Report has been included as part of the Annual Report.

## **UNCLAIMED SHARE CERTIFICATES**

Status of the unclaimed shares as on 31<sup>st</sup> March, 2021 has been mentioned in the Report on Corporate Governance.

## **CORPORATE GOVERNANCE**

The Company is committed to maximise the value for its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of law and particularly those stipulated in the Listing Regulations. Its objective and that of its management and employees is to manufacture and market the Company's products in a way so as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy in general.

Certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations, is enclosed.

Certificate from Dr. Bina Modi, Managing Director as the Chief Executive Officer (CEO) and Mr. Sunil Agrawal, Executive Vice President – Finance as the Chief Financial Officer (CFO) in relation to the financial statements for the year along with declaration by the CEO regarding compliance with the code of business conduct of the Company by the directors and the members of the senior management team of the Company during the year, were submitted to and taken note of by the Board.

## **STATUTORY AUDITORS**

In compliance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/re-enactment(s)/amendment(s) thereof, for the time being in force), S.R.Batlilboi & Co. LLP, Chartered Accountants, (FRN 301003E/E300005) were appointed as Statutory Auditors at the Eightieth Annual General Meeting of the Company held on 15<sup>th</sup> September 2017, to hold office for a term of five (5) consecutive years from the conclusion of the Eightieth Annual General Meeting until the conclusion of the Eighty Fifth Annual General Meeting, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment. However, the requirement of annual ratification has been dispensed with under the Companies (Amendment) Act, 2017 which has been notified on 7<sup>th</sup> May, 2018.

Auditors' Report on the financial statements of the Company forms part of the Annual Report and does not contain any qualification, reservation, adverse remark or disclaimer.

## **COST AUDIT**

The provisions of Cost Audit are not applicable on the Company.

## **SECRETARIAL AUDIT**

M/s. Chandrasekaran Associates, Practicing Company Secretaries, have been appointed as the Secretarial Auditor of the Company.

The Secretarial Audit Report for the year under review is attached as 'Annexure - 4' and does not contain any qualification, reservation, adverse remark or disclaimer.

## **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING**

Pursuant to Clause 9 of Revised Secretarial Standard -1 (SS -1), your Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India, during the financial year under review.





GODFREY PHILLIPS  
—INDIA LIMITED—

# DIRECTORS' REPORT

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, no significant and material order was passed by the Regulators/Courts that could impact the going concern status of the Company and its future operations.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure - 5'.

Pursuant to the provisions of Section 136(1) of the Act and as advised, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection at the Registered Office of the Company during working hours and Members interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request. Hence, the Annual Report is being sent to the Members excluding the aforesaid information.

## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars prescribed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are attached as 'Annexure - 6'.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a policy on prevention, prohibition and redressal of sexual harassment of women at workplace in line with the requirements of the above Act.

Under the said policy, an Internal Complaints Committee (ICC) has been set up to redress complaints received relating to sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

During the year under review, no complaint was filed with the Company.

## **THE FUTURE**

The ongoing COVID-19 pandemic has adversely impacted the business operating environment and has led to slowdown in the economic activity. Your Company is pro-actively taking all possible steps to accelerate the recovery process and to get back to pre-Covid business levels as soon as possible. However, there continues to be a sense of uncertainty prevalent as of now, but the Company is highly optimistic of robust performance in times to come.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation to the Government authorities, Company's bankers, customers, vendors, investors and all other stakeholders for their continued support during the year. Your Directors are also pleased to record their appreciation for the dedicated services of employees at all levels of operations in the Company.

**Respectfully submitted on behalf of the Board**

**R.A. SHAH**  
**CHAIRMAN**

**New Delhi**

**Dated: 25<sup>th</sup> June, 2021**

# DIRECTORS' REPORT



GODFREY PHILLIPS  
—INDIA LIMITED—

## Annexure - 1

### Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part A : Subsidiaries

Rupees in Lakhs

Particulars	International Tobacco Company Limited	Chase Investments Limited	Friendly Reality projects Limited	Unique Space Developers Limited	Rajputana Infrastructure Corporate Limited	Flavors and More, Inc., USA	Godfrey Phillips middle east, DMCC
Date since when subsidiary was acquired	30-Jun-69	1-Feb-94	31-Jan-91	12-Aug-94	10-Jan-07	26-Jun-15	22-Mar-15
Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	US Dollars USD 1 = INR 73.91	US Dollars USD 1 = INR 73.91
Share Capital	300.00	280.46	33.31	231.96	26.50	1,508.49	35.50
Reserves and Surplus	4,839.97	14,733.31	6,885.76	(30.93)	4,724.57	(1,495.81)	445.10
Other Liabilities	1,213.26	3,322.71	8.98	0.33	213.19	3.87	2,614.59
Total Liabilities	6,353.23	18,336.48	6,928.05	201.36	4,964.26	16.55	3,095.19
Total Assets	6,353.23	18,336.48	6,928.05	201.36	4,964.26	16.55	3,095.19
Investments (other than in subsidiaries/fellow subsidiaries)	-	17,826.52	24.28	-	-	-	-
Turnover/ Total Income	5,957.08	1,773.38	21.61	4.54	10.18	-	13,389.74
Profit/(loss) before taxation	289.22	1,765.28	2.75	(1.46)	(78.48)	(19.68)	309.39
Provision for taxation	74.35	213.26	4.40	-	1.27	-	-
Profit/(loss) after taxation	214.87	1,552.02	(1.65)	(1.46)	(79.75)	(19.68)	309.39
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	92.20%	66.67%	92.20%	100.00%	100.00%

#### Remarks

1. Rajputana Infrastructure Corporate Limited is a 100% subsidiary of Friendly Reality Projects Limited.
2. Shares in Unique Space Developers Limited are held through Chase Investments Limited and International Tobacco Company Limited.
3. Shares in Friendly Reality Projects Limited are partly held through Chase Investments Limited.
4. Transactions with the foreign subsidiaries have been translated to INR at the rates that closely approximate the rate on the date of transaction.



# DIRECTORS' REPORT

## Part B : Associates and Joint Ventures

Rupees in Lakhs

Particulars	KKM Management Centre Pvt. Limited	IPM India Wholesale Trading Pvt. Limited	KKM Management Centre Middle East (FZC)
Latest audited Balance Sheet Date	31-Mar-21	31-Dec-20	31-Mar-21
<b>Shares of Associate/ Joint Venture held by the Company on the year end</b>			
Number of shares	1,102,500	4,960,000	144
Amount of Investment	110.25	496.00*	25.89
Extent of Holding %	36.75	24.80	36.00
Description of how there is significant influence	Since the Company holds more than 20% of voting power in these associates		
Reason why the associate is not consolidated	Not Applicable		
Networth attributable to Shareholding as per latest audited Balance Sheet	357.23	-**	49.22
Profit / (Loss) for the year	2.17	15,221.36	(147.96)
Considered in consolidation	0.80	-**	(53.25)
Not considered in consolidation	1.37	15,221.36	(94.71)

\* provision made for diminution in the value for the entire amount in the standalone financial statements of the Company.

\*\*since the share of losses have exceeded the value of investment made.

### Notes on Part A and B.

- There are no subsidiaries/associates/joint ventures which are yet to commence operations.
- Rajputana Developers Projects, a subsidiary of Rajputana Infrastructure Corporate Limited is dissolved on 1<sup>st</sup> October 2020.

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LALIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

# DIRECTORS' REPORT



GODFREY PHILLIPS  
—INDIA LIMITED—

## Annexure - 2

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

Godfrey Phillips India Limited firmly believes and lives the values of Corporate and Social Responsibility and pledges to sustain its effort towards being Responsible and Accountable for its business at all times. The Policy displays the Company and its employees' commitment to the community we work with and the environment from which we extract resources.

The areas identified for focus by the Company have emanated from the core value of 'support and participation in addressing societal and environmental concerns' and these have been solidified with the participation of the business units, employees and the community we work with. Upon prioritisation the focus areas that emerged are; education, healthcare, sustained livelihood, improved quality of life, rural development and empowerment of marginalised section of the community.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. R.A. Shah	Chairman/Non-Executive & Non-Independent	1	1
2.	Mr. Anup N Kothari	Member/ Non-Executive & Independent	1	1
3.	Dr. Bina Modi	Member/ Executive & Non-Independent	1	1
4.	Dr. Lalit Bhasin	Member/ Non-Executive & Independent	1	1
5.	Mrs. Nirmla Bagri	Member/ Non-Executive & Independent	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy	<a href="https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/">https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/</a>
CSR Committee Composition	<a href="https://www.godfreyphillips.com/company/investor-relation/corporate-governance/board-of-directors-and-committees/">https://www.godfreyphillips.com/company/investor-relation/corporate-governance/board-of-directors-and-committees/</a>
CSR Projects	<a href="https://www.godfreyphillips.com/community/#csr">https://www.godfreyphillips.com/community/#csr</a>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			



# DIRECTORS' REPORT

6. Average net profit of the company as per section 135(5). Rs. 32575.07 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) Rs.651.51 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil  
 (c) Amount required to be set off for the financial year, if any: NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs.651.51 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

**(Amount in Rupees Lakhs)**

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

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

**(Amount in Rupees Lakhs)**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent on the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Education programmes at schools, engagement with adolescents in the matters of training in life skills and other programmes	Promotion of education & healthcare	Yes	Delhi & Uttar Pradesh	New Delhi & Noida	230.00	No	Modicare Foundation	In the Process of Registration*

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2.	Farmers' welfare programme and community development initiatives	Rural Development Initiatives	Yes	Andhra Pradesh	Guntur/Ongole	299.35	No	Assist	CSR00000031
3.	Biodiversity Projects	Rural Development Initiatives	Yes	Andhra Pradesh	Darsi, Prakasam	48.40	No	Effort	CSR00000628
4.	Promoting Education including Special Education and Employment Enhancing Vocational Skills	Promotion of education	No	Chhattisgarh	Raipur	10.00	No	Modi Innovative Education Society	In the Process of Registration*
5.	Providing COVID-19 safety material for the marginalised communities	Disaster Management	Yes	J&K	Srinagar	9.54	No	Society for Rehabilitation of Destitute Girls and Victims of Violence	In the Process of Registration*
6.	Solar Power Plant for lighting arrangement, Girls toilets and other noble activities for school	Promotion of education & healthcare	Yes	Delhi	Mandi Village, Delhi	13.50	No	Gujarat Education Society	In the Process of Registration*
7.	Educational Scholarships	Promotion of education	Yes	Delhi	New Delhi	10.00	No	International Foundation for Research and Education	In the Process of Registration*
8.	Distribution of dry ration during Covid pandemic amongst marginalised communities	Disaster Management	Yes	Delhi	New Delhi	22.92	Yes		
	<b>Total</b>					<b>643.71</b>			

\*CSR registration will be obtained within the prescribed timeline, wherever applicable as per CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021.

(d) Amount spent in Administrative Overheads: Rs. 7.80 Lakhs

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 651.51 Lakhs

(g) Excess amount for set off, if any : Rs. Nil



# DIRECTORS' REPORT

Sl. No.	Particular	Amount (Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	651.51
(ii)	Total amount spent for the Financial Year	651.51
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing
NIL								

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

(a) Date of creation or acquisition of the capital asset(s). Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

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

**Dr. Bina Modi**  
(Managing Director)

**R.A Shah**  
(Chairman CSR Committee)

Date: 25<sup>th</sup> June, 2021

# DIRECTORS' REPORT



GODFREY PHILLIPS  
—INDIA LIMITED—

## Annexure - 3

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	There are no such contracts or arrangements or transactions which are not at arm's length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	

#### 2. Details of contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Please refer note 45 of the accompanying standalone financial statements for details of all related party transactions which, in the opinion of the Board, are in the ordinary course of business of the Company and are at arm's length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

Date: 25<sup>th</sup> June, 2021

**R.A. Shah**  
Chairman of the Board



## Annexure - 4

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the year ended March 31, 2021**

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

### The Members

Godfrey Phillips India Limited  
Macropolo Building, Ground Floor,  
Dr. Babasaheb Ambedkar Road,  
Lalbaug Mumbai-400033

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including erstwhile Regulation);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not applicable;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation); Not applicable;
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:
  1. Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 and the Rules made hereunder.

# DIRECTORS' REPORT



GODFREY PHILLIPS  
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2. Tobacco Board Act, 1975 and the Rules made thereunder.
3. Food Safety and Standards Act, 2006 and the Rules made thereunder.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

Mr. Ruchir Kumar Modi, a Non-Executive & Non-Independent Director of the Company, has written various letters to the regulatory authorities such as the Securities and Exchange Board of India, The Ministry of Corporate Affairs and the Stock Exchanges, alleging certain irregularities by the Company and its officials, and seeking investigation into the affairs of the Company. On being asked to respond to such letters by these authorities, the Company has submitted detailed replies against all points raised by Mr. Modi in letters. Thereafter, the Company has not received any further communication from these regulatory authorities except that the Regional Director, Western Region, Ministry of Corporate Affairs has informed the Company vide its letter dated 22<sup>nd</sup> March, 2021 that the Central Government has ordered inspection of the books of accounts and other books and papers of the Company in terms of section 206(5) of the Companies Act, 2013.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302C000492525

Date: 21.06.2021

Place: Delhi

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.
- (ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

## Annexure-A

The Members

Godfrey Phillips India Limited  
Macropolo Building, Ground Floor,  
Dr. Babasaheb Ambedkar Road,  
Lalbaug Mumbai-400033

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

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

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302C000492525

Date: 21.06.2021

Place: Delhi

# DIRECTORS' REPORT



GODFREY PHILLIPS  
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## Annexure - 5

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

- (i) Ratio of remuneration of each Director to the median remuneration of all employees of your Company for the financial year ended 2020-21 is as follows:

Dr. Bina Modi	N. A.
Mr. Samir Modi	217.43:1
Mr. R.A. Shah*	1.48:1
Dr. Lalit Bhasin*	2.01:1
Mr. Anup N. Kothari*	1.79:1
Mr. Atul Kumar Gupta*	1.58:1
Mrs. Nirmala Bagri*	1.27:1
Mr. Sharad Aggarwal	47.80:1
Mr. Ruchir Kumar Modi	15.83:1
Mr. Sumant Bharadwaj*/**	0.11:1

\*the ratio has been calculated based on sitting fees paid.

N.A. means 'Not Applicable'

\*\*Appointed w.e.f 13<sup>th</sup> February, 2021 and appointment subject to approval of members in Annual General Meeting.

- (ii) Percentage increase/(decrease) in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21 is as follows:

<u>DIRECTORS</u>	<u>DESIGNATION</u>	
Dr. Bina Modi	Managing Director (MD)	(100)
Mr. Samir Modi	Executive Director (ED)	(13.51)
Mr. R. A. Shah	Non-Independent and Non-executive Director	(6.67)
Dr. Lalit Bhasin	Independent Director	(9.52)
Mr. Anup N. Kothari	Independent Director	0.00
Mr. Atul Kumar Gupta	Independent Director	(16.67)
Mrs. Nirmala Bagri	Independent Director	50.00
Mr. Ruchir Kumar Modi	Non-Independent and Non-executive Director	0.00
Mr. Sharad Aggarwal	Whole-time Director (WTD)	108.27
Mr. Sumant Bharadwaj*	Independent Director	100

\*Appointed w.e.f 13<sup>th</sup> February, 2021 and appointment subject to approval of members in Annual General Meeting.

#### KEY MANAGERIAL PERSONNEL (other than Directors)

Mr. Sunil Agrawal	Chief Financial Officer	16.16
Mr. Sanjay Gupta	Company Secretary	31.81

- (iii) The Percentage increase in the median remuneration of all employees in the financial year 2020-21 was 17.
- (iv) The Company had 988 permanent employees on its rolls as on 31<sup>st</sup> March, 2021.
- (v) The average percentile increase in salaries of employees other than managerial personnel in the financial year 2020-21 was 17.03% in comparison with (3.32)% increase in total managerial remuneration.
- (vi) The Company confirms that remuneration paid during the year 2020-21, is as per the Remuneration Policy of the Company.

## Annexure - 6

### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

#### **(A) CONSERVATION OF ENERGY**

Several measures were taken during the year with regard to conservation of energy, details of which are given below:

1. Replaced cooling tower pump & motors with high energy efficient motors, resulting in energy saving of approx. 14K units per annum.
2. Adopted open power access system for cigarette manufacturing plants resulting in saving of approx. 30 lakh units per annum.
3. Implemented enthalpy-based control system in HVAC to optimize coil load thus reducing load on high end in winter months, thereby achieving energy saving of about 111K units per annum.
4. Replaced 2650 KVA old transformer with new energy efficient transformer which resulted in energy saving of approx. 36K units per annum.
5. Adopted better workspace management and floor space utilization at shop floor and material stores thereby generated saving in energy consumption by optimizing fixed load.
6. Optimized radiation losses in fluidized-bed dryer thereby reducing specific fuel consumption for hot air generation.

#### **(B) TECHNOLOGICAL ABSORPTION, ADOPTION AND INNOVATION**

Various new technologies and innovation were adopted and absorbed at various manufacturing units during the year. Details are listed below:

1. Retrofitted obsolete FESTO pneumatic switchgear on GD121 cigarette maker with in-house design and implementation.
2. Replaced obsolete film unwinding servo system on CME wrapper with sensor-based film unwinding system for smoother machine operation.
3. Re-engineered gluing system for blanks on hinge-lid cigarette packer (HLP) thereby causing reduction in open pack defects and ensuring better machine performance.
4. Replaced the redundant HMI system on fluidized-bed dryer with Zenon operating system.
5. Retrofitted identical sneezing cylinder thereby upgraded the equipment with better programming controls.
6. Designed and developed in-house the foot operated hand washing/sanitization stations and fabricated/installed sanitizing tunnel.

#### **(C) RESEARCH & DEVELOPMENT**

##### **(i) New Product Development**

1. Work continues to be done on new product development to launch various new products with differentiating USPs along with improvement of existing products.
2. Work continues to develop new methods in analytical testing to measure various tobacco & smoke specific parameters in our ISO 17025 accredited laboratory which in turn helps the teams in new product development.
3. All the new developments are added in the PLM system-based library and can be retrieved quickly to respond to changing consumer preferences.
4. Our R&D setup at Rabale, Navi Mumbai has received the renewal of recognition from the Department of Scientific and Industrial Research (DSIR) which is valid till March 2023.
5. Work continued to develop flavours in-house to ensure cost competitiveness.

# DIRECTORS' REPORT



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6. Work continues to be done to understand the consumer preferences and the sensory profile leading to the development of new products in the range of premium and mid-premium pan masala, confectioneries as well as mouth-fresheners.

**(ii) Benefits derived as result of these developments:**

- (i) Enhanced brand imagery.
- (ii) Achieved some degree of cost competitiveness in the marketplace.
- (iii) Reduced dependency on external suppliers particularly for flavors.
- (iv) optimized product cost.
- (v) Achieved process improvement and reduction in generation of waste.

**(iii) Future plan of action:**

- 1. To further strengthen innovation in design and development.
- 2. To continue endeavors for creating innovative and differentiated products under all categories, thereby maintaining a healthy offer pipeline.
- 3. To equip the cigarette R & D with the capability to test new components/ingredients for meeting the future regulatory requirements.
- 4. To continue to work on developing range of alternative and new generation products including reduced risk products.

<b>(iv) Expenditure incurred on Research &amp; Development</b>	<b>(Rs. Lakhs)</b>	
	<b>2020-21</b>	2019-20
(a) Revenue Expenditure	<b>1021.90</b>	1040.98
(b) Capital Expenditure	<b>14.09</b>	52.27
Total	<b>1035.99</b>	1093.25

## AWARDS AND RECOGNITION

Our Cigarette plant is ISO 5001, ISO 9001, ISO 14001 and 45001 certified & Chewing plant is ISO 22000, ISO 14001 & ISO 45001 certified.

- Guldhar factory received "Greentech Environment Winner Award-2020" for exceptional achievement & initiatives in environment management.
- Guldhar factory received "Greentech Safety Winner Award-2020" for achievement & initiatives towards safety management.
- Guldhar factory received recognition from FICCI for Quality Systems Excellence in 2020.
- Guldhar factory received award from INSAAN Society on essay/slogan and suggestions schemes.
- Rabale factory received "Greentech Safety Winner Award" for outstanding achievement towards safety management.
- Rabale factory received "Greentech Environment Winner Award" for outstanding achievement in environment management.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The earnings in freely convertible currency by way of exports and other receipts during the year amounted to Rs. 597 crores (previous year Rs. 597 crores) as against the foreign exchange outgo on imports, dividends and other expenditure aggregating to Rs. 197 crores (previous year Rs. 244 crores).

## Annexure - 7

### **DIVIDEND DISTRIBUTION POLICY**

#### **Background**

As per Regulation 43A of SEBI (LODR) Regulations, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Godfrey Phillips India Limited being one out of top 500 listed entities based on market capitalization has formulated a dividend distribution policy as approved by the Board of Directors of the Company.

The intent of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend. The policy will be broadly in line with the provisions of the Companies Act read with the relevant clauses in the Articles of Association of the Company and also take into consideration, guidelines issued by the SEBI, to the extent applicable.

#### **Factors considered while declaring Dividend:**

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value Rs. 2 each currently. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth. Clause 149A of the Articles of Association of the Company reads as under:

"Notwithstanding anything contained in these Articles at least twenty- five per cent of the Company's profits available for distribution in respect of each financial year shall be distributed by the Company to its equity shareholders:

- a. by way of interim dividends declared by the Board from time to time during that financial year; and/or
- b. by way of an annual dividend within thirty (30) days from the Annual General Meeting at which such dividend is declared, (the above, being the "Dividend Policy")."

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend.

The profits being retained in the business shall be continued to be deployed in various business segments of the Company and thus contributing to the growth to the business and operations of the Company. The Company stands committed to deliver sustainable value to all its stakeholders.

Information on dividends paid in the last 10 years is provided in the Annual Report.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website and will also be disclosed in the Company's annual report.

# DIRECTORS' REPORT

## Annexure - 8

### KEY FINANCIAL RATIOS

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

	Description	2020-21	2019-20
(i)	Operating Profit Margin (%)	12.92	14.44
(ii)	Net Profit Margin <sup>3</sup> (%)	12.15	12.40
(iii)	Debtors Turnover Ratio <sup>1</sup> – Based on Gross Value	67.33	106.91
(iv)	Inventory Turnover Ratio	4.52	5.10
(v)	Current Ratio <sup>2</sup>	1.81	1.37
(vi)	Return on net worth <sup>3</sup> (%)	15.88	19.09

#### Notes:

- Debtors Turnover ratio** has been computed for both years on the basis of Gross Sales Value inclusive of all applicable taxes instead of Gross Revenue.
  - Decline in Debtors Turnover ratio for the year ended 31<sup>st</sup> March, 2021 is largely attributable to higher quantum of credit sales towards end of the year which debts have been subsequently realized.
- Current ratio** for the year ended 31<sup>st</sup> March, 2021 is higher mainly due to increase in quantum of short term investments.
- Net Profit Margin and Return on Net worth ratios** have been computed based on Total Comprehensive Income.
- Interest Coverage Ratio and Debt Equity Ratio** are not relevant for the company as it has negligible debt other than that arising out of accounting impact of lease liability as per Ind AS 116 applicable.

Note- The Previous year figures have been regrouped/reclassified /recast, wherever considered necessary.

On behalf of the Board

R. A. SHAH  
Chairman of the Board

Date: 25<sup>th</sup> June, 2021



**Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “SEBI Listing Regulations, 2015”) the Directors present the Company’s Report on Corporate Governance**

## **1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

A good Corporate Governance system is key to meaningful and holistic growth of an organization and the foundation through which is nurtured its sustainable progress into the future. Corporate Governance aims at creating and enhancing long-term sustainable value for the stakeholders through ethically driven business process. It is imperative that our Company affairs are managed in a fair and transparent manner. We, therefore, ensure that we evolve and follow the Corporate Governance guidelines and best practices.

The Corporate Governance initiatives of the Company endeavor to achieve basic objective of wealth creation for the benefit of all its stakeholders i.e. shareholders, employees, business associates and the society at large. The Company believes in giving its executives ample freedom to operate and secure the Company’s target by putting in their best efforts. It aims to offer superior value to consumers by meeting their specific preferences with quality products and services delivered at competitive prices by using best in class systems and processes. The Board of the Company is primarily responsible for protecting and enhancing shareholder’s value besides fulfilling the Company’s obligations towards other stakeholders. The role of the Board of Directors is to provide strategic superintendence and control over the Company’s management.

The day-to-day management of the Company is vested in the managerial personnel and sufficient authority is delegated at different operating levels. Delegation of authority in the operating people helps generation of creativity and innovation. This also helps in harnessing potential of employees to the best advantage of the Company. It is imperative that our Company affairs are managed in a fair and transparent manner. There are robust metrics of authority structures and decision rights by which the Company is governed and controlled.

The Company is compliant with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of Sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, 2015, as applicable, regarding corporate governance.

## **2. BOARD OF DIRECTORS**

### **i) Composition of the Board**

The Board consists of an optimal combination of Executive and Non-Executive Directors, including Independent Non-executive Directors, representing a judicious mix of business acumen, professionalism, knowledge and experience.

The Directors bring in expertise in the fields of strategy, management, finance and law, among others. They provide leadership, strategic guidance, objective and independent view to the Company’s management while discharging their fiduciary responsibilities, thereby ensuring that the management adheres to highest standards of ethics, transparency and compliance.

As on 31<sup>st</sup> March, 2021, the Board comprised five independent directors (including a woman director), three executive directors and two non-executive & non-independent directors.

The Chairman of the Board is a non-executive and non-independent director and the minimum requirement of one-third of the Board consisting of independent directors is duly complied with.

The independent directors of the Company have already submitted their declarations affirming their status as independent directors as on March 31, 2021.



**ii) Details of the Board of Directors, their attendance at the Board Meetings/ last Annual General Meeting and their directorships/ memberships/chairmanships in Board/ Board Committees, respectively of other companies are as under:**

S. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM	Directorship/ Chairmanship of Board of other Companies* as at March 31, 2021	Membership/ Chairmanship of other Board Committees** as at March 31, 2021
1.	Mr. R.A. Shah DIN 00009851	Non-Executive & Non-Independent	5	Yes	3 (includes 1 as Chairman)	2 (includes 1 as Chairman)
2.	Dr. Bina Modi@@ DIN 00048606	Executive	5	Yes	5	Nil
3.	Mr. Sharad Aggarwal DIN 07438861	Executive	5	Yes	1	Nil
4.	Dr. Lalit Bhasin DIN 00001607	Non-Executive & Independent	5	Yes	6	4 (includes 2 as Chairman)
5.	Mr. Anup N. Kothari DIN 00294737	Non-Executive & Independent	5	Yes	2	Nil
6.	Mr. Samir Modi@ DIN 00029554	Executive	5	Yes	5	Nil
7.	Mr. Atul Kumar Gupta DIN 01734070	Non-Executive & Independent	5	Yes	1	1 (includes 1 as Chairman)
8.	Mr. Ruchir Kumar Modi DIN 07174133	Non-Executive & Non-Independent	4	Yes	3	Nil
9.	Mrs. Nirmala Bagri DIN 01081867	Non-Executive & Independent	5	Yes	2	2 (includes 1 as Chairman)
10.	Mr. Sumant Bharadwaj# DIN 08970744	Non-Executive & Independent	NA	NA	Nil	Nil

\* Excludes directorships in private limited companies, foreign companies, section 8 companies, alternate directorships and memberships of managing committees of various chambers/bodies.

\*\* Represents memberships/chairmanships of only Audit and Stakeholder Relationship Committees (excluding private companies and other non-corporate entities).

@ Son of Dr. Bina Modi.

@@ Mother of Mr. Samir Modi.

# Appointed as Additional Director at the Board Meeting held on 13<sup>th</sup> February, 2021 and appointment is subject to approval of the members at the ensuing AGM.



**iii) Name of the listed entities in which the Directors are holding directorship including category of directorship:**

S.No.	Name of the Director	Name of the Listed entity	Category of directorship
1.	Mr. R.A Shah	Godfrey Phillips India Limited Pfizer Limited BASF India Limited Atul Limited	Non - Executive & Non – Independent Non – Executive & Independent Non – Executive & Independent Non - Executive & Non – Independent
2.	Dr. Bina Modi	Godfrey Phillips India Limited Premium Merchants limited	Executive & Non – Independent Non - Executive & Non - Independent
3.	Mr. Sharad Aggarwal	Godfrey Phillips India Limited	Executive & Non - Independent
4.	Dr. Lalit Bhasin	Godfrey Phillips India Limited Asian Hotels North Ltd. Asian Hotels West Ltd.	Non – Executive & Independent Non – Executive & Independent Non – Executive & Independent
5.	Mr. Anup N. Kothari	Godfrey Phillips India Limited	Non – Executive & Independent
6.	Mr. Samir Modi	Godfrey Phillips India Limited	Executive & Non - Independent
7.	Mr. Atul Kumar Gupta	Godfrey Phillips India Limited Yash Pakka Limited	Non – Executive & Independent Non – Executive & Independent
8.	Mr. Ruchir Kumar Modi	Godfrey Phillips India Limited	Non - Executive & Non - Independent
9.	Mrs. Nirmala Bagri	Godfrey Phillips India Limited APM Finvest Limited	Non - Executive & Independent Non - Executive & Independent
10.	Mr. Sumant Bharadwaj*	Godfrey Phillips India Limited	Non – Executive & Independent

\* Appointed as Additional Director at the Board Meeting held on 13<sup>th</sup> February, 2021 and appointment is subject to approval of the members at the ensuing AGM

**(iv) Board Meetings held during the year**

5 (Five) Board Meetings were held during the financial year 2020-21. They were held on 30<sup>th</sup> June, 2020, 22<sup>nd</sup> August, 2020, 29<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021. The necessary quorum was present at all the meetings.

All information mentioned in Part A of Schedule II to Regulation 17(7) of SEBI Listing Regulations, 2015, was made available to the Board in addition to the regular business items.

**(v) Details of pecuniary relationship or transactions of the non-executive directors vis-a-vis the Company are given below:**

S. No.	Name(s) of the director	Amount involved (Rs. in lakhs)	Nature of transactions
1	Mr. R.A. Shah (Senior Partner of Crawford Bayley & Co.)	51.54	Payment for professional services to Crawford Bayley & Co., Solicitors & Advocates
2	Dr. Lalit Bhasin (Proprietor of Bhasin & Co.)	2.28	Payment for professional services to Bhasin & Co., Advocates

**(vi) Brief resume, experience and other directorships/board committee memberships of the Directors being appointed/re-appointed**

Mr. Sumant Bharadwaj was appointed as an Additional Director to serve as an Independent Director on the Board of your Company w.e.f. 13<sup>th</sup> February, 2021 in terms of Section 161 of the Companies Act, 2013 and holds office up to the date of the ensuing Annual General Meeting. Further, the Board of Directors has recommended his appointment as an Independent Director of the Company for a term of 5 (five) consecutive years upto February 12, 2026. His appointment is in line with the provisions of Section 149 of the Companies Act, 2013.

Mr. Samir Modi (DIN 00029554) being non-independent director, will be retiring by rotation and being eligible, has offered himself for reappointment in the ensuing Annual General Meeting, in accordance with the provisions of Section 152(6) of the Companies Act, 2013.



Brief profile of the aforesaid Directors is given as under:

<b>Name of the Director</b>	<b>Mr. Sumant Bharadwaj</b>
Director Identification Number	08970744
Date of joining the Board	13/02/2021
Qualification	M.A., LL.B., PH.D.
Profile of the Director	<p>- Advocate by profession and partner at the law firm "Legal Remedy".</p> <p>- He holds membership of the following associations:</p> <ul style="list-style-type: none"> <li>• Bar Council of Delhi</li> <li>• Supreme Court Bar Association</li> <li>• Lawyers Committee of USA</li> <li>• Amnesty International</li> <li>• Bar Association of India</li> <li>• Steering Committee India, International Association for Religious Freedom, Frankfurt, Germany</li> </ul>
Directorships and Committee memberships in other companies*	Nil
Number of Shares held in the Company	Nil
<b>Name of the Director</b>	<b>Mr. Samir Modi</b>
Director Identification Number	00029554
Date of joining the Board	11/01/1994
Qualification	B.A. from Hindu College, University of Delhi Executive MBA from Harvard University, USA
Profile of the Director	During initial years of career, worked with Phillip Morris Inc. for 2 years. Associated with the Company as Executive Director since January 1994. Apart from guiding various initiatives of the Company, has been instrumental in setting up various businesses in the field of multi-level marketing, cosmetics, retail chain, etc. and is actively associated with an NGO working towards prevention of spread of HIV and AIDS and empowerment of marginalized sections of the Society. Known for his innovative streak, leadership style and marketing skills.
Directorships and Committee memberships in other companies*	<ol style="list-style-type: none"> <li>1. Success Principles India Limited</li> <li>2. Modicare Limited</li> <li>3. Indofil Industries Limited</li> <li>4. Modern Homecare Products Limited</li> <li>5. Indian Cricket League limited</li> </ol>
Number of Shares held in the Company	2000

\* Directorships and Committee memberships in the Company and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Stakeholders' Relationship Committees of only Public Companies have been included in the aforesaid table.

Note: Mr. Ruchir Kumar Modi (DIN: 07174133), will retire by rotation at the ensuing Annual General Meeting, in accordance with the provisions of Section 152 of the Companies Act, 2013. The Nomination and Remuneration Committee (NRC), after due consideration, has recommended against re-appointment of Mr. Ruchir Kumar Modi. Subsequently, the Board, in its meeting, has accepted the recommendation of the NRC to not re-appoint Mr Ruchir Kumar Modi and subject to the approval of the shareholders, has resolved that the vacancy created by retirement of Mr. Ruchir Kumar Modi be not filled for the time being. Accordingly, a resolution for not filling the vacancy created by retirement of Mr. Ruchir Kumar Modi, forms part of the Notice of the ensuing Annual General Meeting.



### (vii) Legal Compliances

The Board periodically reviews compliance reports of applicable laws prepared by the Company as well as steps taken by it to rectify the instances of non-compliance.

### (viii) Familiarization Program for Directors

The Company encourages and supports its Directors to update themselves with the rapidly changing regulatory environment.

In case of newly appointed Directors, the Chairman of the Board and Managing Director of the Company have one to one discussion with them in order to familiarize the new inductees with the Company's business operations. Upon appointment, Directors also receive a formal communication describing their roles, functions, duties and responsibilities as a Director and the same is uploaded on the Company's website at <https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/>.

From time to time the senior management personnel make presentations at the Board/Committee meetings about the Company's business and performance updates, strategy, operations, products, regulatory changes, opportunities, threats, etc.

During the year under report, the Directors of the Company were also familiarized in details about the industry in which Company is operating and the business & revenue models and various segments in which the Company has been operating. Further, they were also made conversant about their roles, duties and responsibilities.

### (ix) Code of Conduct

The Company has laid down a Code of Conduct applicable to the directors and senior management team of the Company. The said Code has been communicated to the directors and senior management team personnel and is also posted on the website of the Company, [www.godfreyphillips.com](http://www.godfreyphillips.com).

All the directors and senior management team personnel who are associated with the Company as on the date of this report, have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2021. A declaration to this effect signed by Dr. Bina Modi, Managing Director as the Chief Executive Officer of the Company is annexed to this report.

### (x) Key qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the requisite skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Company's Board is compliant with the highest standards of corporate governance.

The following are the skills/expertise/competencies that are required in the context of the company's business(es) and sector(s) and the directors who possess such skills/expertise/competencies:

S.No	Name of the Director	Skills/Expertise/Competencies
1.	Mr. R.A. Shah	Expertise in the field of Foreign Investments, Joint Ventures, Intellectual Property Rights, Mergers and Acquisitions, Anti-Trust and Competition Laws
2.	Dr. Bina Modi	Leadership and Entrepreneurship skills
3.	Dr. Lalit Bhasin	Legal Acumen
4.	Mr. Anup N. Kothari	Architectural skills
5.	Mr. Atul Kumar Gupta	Public Relations skills
6.	Mr. Sharad Aggarwal	Expertise in Manufacturing, Research & Development, Innovation, Technology and Supply Chain functions
7.	Mr. Samir Modi	Innovation, Leadership and Marketing skills and expertise in Retail
8.	Mr. Ruchir Kumar Modi	Innovation and Entrepreneurship skills
9.	Mrs. Nirmala Bagri	Financial and Administrative skills
10.	Mr. Sumant Bharadwaj*	Legal Acumen

\* Appointed as Additional Director at the Board Meeting held on 13<sup>th</sup> February, 2021 and appointment is subject to approval of the members at the ensuing AGM.



- (xi) The Board of Directors of the Company has confirmed that in their opinion the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations, 2015 and are independent of the management.
- (xii) No Independent Director of the Company has resigned from the Company during the year under report.

### 3. AUDIT COMMITTEE

#### i) Composition and Terms of Reference

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee cover all the areas specified in Section 177 of the Companies Act, 2013 as well as those specified in Part C of Schedule II to SEBI Listing Regulations, 2015, as amended from time to time and inter-alia include overseeing financial reporting process, reviewing the financial statements before submission to the Board for approval, reviewing internal control systems and procedures, approval or any subsequent modification of transactions of the Company with related parties, etc. The Audit Committee also reviews from time to time the information relating to management discussion and analysis of financial condition and result of operations, letters of internal control weaknesses, if any, issued by the statutory auditors and the reports issued by the internal auditors of the Company.

All the members of the Audit Committee are financially literate and the Chairman, Dr. Lalit Bhasin, possesses the required accounting and financial management expertise. Mr. Sanjay Gupta, Company Secretary, acts as the Secretary to the Committee.

Dr. Lalit Bhasin, Chairman of the Committee, was present at the Annual General Meeting held on 29<sup>th</sup> September, 2020 to answer the shareholders' queries.

Audit Committee meetings are also attended by the Managing Director in his/her capacity as the director-in-charge of finance, Chief Financial Officer, the Internal Auditors and the Statutory Auditors, as permanent invitees.

#### ii) Details of meetings and attendance of each member of the Committee

Audit Committee met 5 (Five) times during the financial year 2020-21 i.e. on 30<sup>th</sup> June, 2020, 22<sup>nd</sup> August, 2020, 29<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.

S. No.	Name	Category of directors	No. of Meetings attended
1	Dr. Lalit Bhasin	Non-Executive & Independent	5
2	Mr. Anup N. Kothari	Non-Executive & Independent	5
3	Mr. R. A. Shah	Non-Executive & Non-Independent	5
4	Mr. Atul Kumar Gupta	Non-Executive & Independent	5

### 4. SUBSIDIARY COMPANIES

- i) The Company has formulated a policy on material subsidiaries and updated the same on the website of the Company with web link: <https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/>.
- ii) Since the Company does not have any material unlisted subsidiary, the requirement for appointment of an independent director on the Board of such subsidiary is not applicable.
- iii) The Audit Committee of the Company has reviewed the financial statements in respect of the investments made by its unlisted subsidiaries at its meeting held on 25<sup>th</sup> June, 2021.
- iv) Copies of the minutes of the board meetings of all the unlisted subsidiaries held during the year 2020-21 were placed at the board meeting of the Company held on 25<sup>th</sup> June, 2021.
- v) The requirement relating to significant transactions and arrangements entered into between the Company and its unlisted subsidiaries are placed before the Board from time to time.



- vi) Since none of the subsidiaries of the Company are material, the requirement of Secretarial Audit does not apply to any of them. However, Secretarial Audit of the Company was carried out by M/s Chandrasekaran Associates for the financial year ended 31<sup>st</sup> March, 2021 and their report is annexed to the Directors' report.

## **5. DISCLOSURES**

### **(A) Basis of related party transactions**

#### **i) Transactions with related parties in the ordinary course of business:**

Transactions with the related parties disclosed in note 45 to the standalone financial statements for the year ended 31<sup>st</sup> March, 2021 are in the ordinary course of business. Details of these transactions were placed at the Audit Committee meetings held on 30<sup>th</sup> June, 2020, 22<sup>nd</sup> August, 2020, 10<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021. The said transactions have no potential conflict with the interests of the Company at large. All details of such transactions are provided to the Audit Committee and Board, if required. It is also ensured that the interested directors neither participate in the discussions nor vote on such matters.

#### **ii) Transactions with related parties not in the normal course of business:**

There are no transactions entered into by the Company with the related parties during the financial year ended 31<sup>st</sup> March, 2021, whose terms and conditions are not in the ordinary course of business.

#### **iii) Transactions with related parties not on arm's length basis:**

There are no transactions entered into by the Company with the related parties during the financial year ended 31<sup>st</sup> March, 2021, whose terms and conditions are not on an arm's length basis.

#### **iv) Policy on dealing with related party transactions:**

The Company has formulated a policy on dealing with related party transactions and the same is available on the website of the Company at web link :

<https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/>

### **(B) Disclosure of accounting treatment**

The financial results for the year have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 as amended and other accounting principles generally accepted in India.

### **(C) Risk management**

The Company being an old established organization, has in place built-in internal control systems for assessing the risk environment and taking the necessary steps to effectively mitigate the identified risks. The functional heads are reasonably alive to this aspect in their day-to-day functioning. However, with a view to apprise the Board of Directors of the risk management procedures and the steps initiated to shift/reduce/eliminate the same in a structured manner, the Company has formulated a Risk Profile and Risk Register for listing out various risks, risk mitigating factors and risk mitigation plans and the same is periodically reviewed by respective businesses and also put up before the Board.

The Company follows a policy of natural hedging to take care of any foreign currency risk as forex inflows are more than outflows. Further, it is clarified that SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dt. 15<sup>th</sup> November, 2018 with regard to disclosures regarding commodity risks by listed entities is not applicable to the Company since the Company doesn't trade in commodity market.

The Risk Management Committee comprises of Dr. Lalit Bhasin as its Chairman and Mr. Atul Kumar Gupta, Mr. Sharad Aggarwal and Mr. Bisham Wadhwa as its members.

#### **Details of meetings held and attendance:**

The Risk Management Committee met on 20<sup>th</sup> March, 2021 and the meeting was attended by Dr. Lalit Bhasin, Mr. Atul Kumar Gupta and Mr. Bisham Wadhwa.





**The terms of reference of this committee are as under:**

- (i) To review the risk profile and risk registers of the Company from time to time in respect of various business/functions including cyber security.
- (ii) Any other function as may be assigned by the Board from time to time.

**(D) Whistle Blower Policy**

The Company has formulated and communicated the Whistle Blower Policy to all its directors and employees and the same is posted on the Company's Website <https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/>. It provides opportunity to the directors and employees to report in good faith to the management about the unethical and improper practices, fraud or violation of Company's Code of Conduct. The vigil mechanism under the Policy provides for adequate safeguard against victimization of employees and directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. The Company affirms that none of the personnel of the Company has been denied access to the Audit Committee.

**(E) Proceeds from public issues, right issues, preferential issues, etc.**

The Company did not raise any funds through public, rights, preferential issues, qualified institutional placement, etc. during the year under report.

**(F) Strictures and penalties**

No strictures or penalties have been imposed on the Company by the stock exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matter related to capital markets during the last three years.

**(G) Certificate from Company Secretary in Practice**

M/s Chandrasekaran Associates, Practising Company Secretaries and the Secretarial Auditors of the Company, have issued a certificate as required under the SEBI Listing Regulations, 2015, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is attached with this report.

- (H) There is no instance during the financial year 2020-21 where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required to be accepted.

**(I) Details of Total fees paid to statutory auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Type of service	Amount (Rs. in lakhs)
Audit and Related Service Fees (Audit & Review of Financial Statements and Certification)	210.92
Tax Audit Fees	23.64
Non-Audit Fees	43.18
Reimbursement of Out-of-Pocket Expenses	5.10
<b>Total</b>	<b>282.84</b>

**(J) Disclosures in relation to the Sexual Harassment of Women at Work-place (Prevention, Prohibition and Redressal) Act, 2013:**

During the year under report, no complaint was filed with the Company and no complaint is pending at the end of the financial year.



### (K) Adoption of discretionary requirements

The Company has complied with all applicable mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and 46(2) of SEBI Listing Regulations, 2015. The Company has not adopted any discretionary requirements as prescribed in Part E of Schedule II to SEBI Listing Regulations, 2015.

### (L) Annual Secretarial Compliance Report

The Company has undergone an audit for the financial year 2020-21 for all applicable compliances as per SEBI Listing Regulations, 2015 and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within extended time limit as prescribed by SEBI.

## 6. REMUNERATION TO DIRECTORS

### (i) Remuneration policy

The appointment and remuneration of Executive Directors including Managing Director and Whole-time Director is governed by the recommendations of Nomination and Remuneration Committee and then decided by the Board subject to approval of the Shareholders.

A Non-executive Director including a Non-independent Director can be paid remuneration by way of commission either by way of quarterly payments or at a specified percentage of net profits of the Company or partly by one way and partly by the other, as per recommendations of Nomination and Remuneration Committee and then decided by the Board subject to approval of the Shareholders.

In accordance with the provisions of the Articles of Association of the Company and the Companies Act, 2013, sitting fees @ Rs. 1,00,000 per meeting is paid to the directors who are not drawing any remuneration, for attending meetings of the Board or of any Committee thereof.

The Company does not have any stock option scheme.

### (ii) Details of remuneration paid/payable to the directors

(Amount in Rs.)

Name of the Director	Salary and Other Allowances *	Perquisites	Commission	Sitting Fees for Board/Committee Meetings \$	Total
Mr. R.A. Shah	Nil	Nil	Nil	14,00,000	14,00,000
Mr. Sharad Aggarwal <sup>1</sup>	4,13,67,440	39,24,083	Nil	Nil	4,52,91,523
Dr. Lalit Bhasin	Nil	Nil	Nil	19,00,000	19,00,000
Mr. Anup N. Kothari	Nil	Nil	Nil	17,00,000	17,00,000
Mr. Atul Kumar Gupta	Nil	Nil	Nil	15,00,000	15,00,000
Mr. Samir Modi <sup>2</sup>	2,32,00,000	4,35,79,760	13,92,42,910	Nil	20,60,22,670
Dr. Bina Modi <sup>3</sup>	Nil	Nil	Nil	Nil	Nil
Mr. Ruchir Kumar Modi <sup>4</sup>	Nil	Nil	1,50,00,000	Nil	1,50,00,000
Mrs. Nirmala Bagri	Nil	Nil	Nil	12,00,000	12,00,000
Mr. Sumant Bharadwaj	Nil	Nil	Nil	1,00,000	1,00,000
<b>Total</b>	<b>6,45,67,440</b>	<b>4,75,03,843</b>	<b>15,42,42,910</b>	<b>78,00,000</b>	<b>27,41,14,193</b>

\* excludes incremental liability for gratuity and compensated absences which are actuarially determined on an overall basis.

\$ Excluding service tax/GST paid under reverse charge.



### (iii) Details of service contract, notice period, severance fees, etc. of directors

<sup>1</sup> The Company has service contract with Mr. Sharad Aggarwal, Whole-time Director for a period of five years with effect from 1<sup>st</sup> October, 2017. The notice period is three calendar months by either party. No severance fee is payable to him.

<sup>2</sup> The Company has service contract with Mr. Samir Modi, Executive Director for a period of three years with effect from 1<sup>st</sup> October, 2018. The notice period is three calendar months by either party. No severance fee is payable to him. The Board of Directors has decided to re-appoint him on existing terms and conditions for a period of five years w.e.f. 1<sup>st</sup> October, 2021, subject to approval of the Shareholders at the ensuing AGM. Mr. Samir Modi is the son of Dr. Bina Modi.

<sup>3</sup> The Company has service contract with Dr. Bina Modi, Managing Director for a period of five years with effect from 14<sup>th</sup> November, 2019. The notice period is six calendar months by either party. No severance fee is payable to her. Dr. Bina Modi is mother of Mr. Samir Modi.

<sup>4</sup> Mr. Ruchir Kumar Modi is entitled to a remuneration by way of commission of Rs. 1,50,00,000/- (Rupees One crore fifty lakhs only) per annum (payable quarterly) for 3 years w.e.f. 1<sup>st</sup> July, 2016 in accordance with provisions of Section 197 of the Companies Act, 2013 which was renewed by the shareholders for a further period of three years with effect from 1<sup>st</sup> July, 2019.

### Details of shares/convertible instruments held in the Company by the non-executive directors.

S. No.	Name of the non-executive director	No. of shares held as on March 31, 2021
1.	Mr. R. A. Shah	20000
2.	Dr. Lalit Bhasin	2000
3.	Mr. Anup N Kothari	6000
4.	Mr. Atul Kumar Gupta	Nil
5.	Mr. Ruchir Kumar Modi	2000
6.	Mrs. Nirmala Bagri	Nil
7.	Mr. Sumant Bharadwaj	Nil

### (iv) Performance evaluation

The performance evaluation of the Board, its Committees and individual Directors was carried out on the basis of duly filled-in self-evaluation questionnaire which was prepared under the guidance of Chairman of the Board and then circulated amongst the Directors.

Independent Directors in their separate meeting held on 20<sup>th</sup> March, 2021 evaluated the replies/feedbacks received in response to the questionnaire circulated and expressed their satisfaction with the evaluation process.

## 7. MANAGEMENT

As per Regulation 26(5) of SEBI Listing Regulations, 2015, all members of the senior management team are required to disclose their interest in all the material financial and commercial transactions, which may have a potential conflict with the interests of the Company at large.

The senior management team comprising of top executives of the Company and who have been associated with the Company as on the date of this report, have disclosed to the Board of Directors about all the material financial and commercial transactions that have taken place during the financial year ended 31<sup>st</sup> March, 2021 in which they had personal interest. These include dealing in/holding of shares of the Company by them/their relatives, transactions entered into by them/their relatives with the Company, transactions entered into by the Company with the companies in which they/their relatives are Directors or Members and transactions entered into by them/their relatives with the subsidiary companies of the Company and these were placed at the Board Meeting held on 25<sup>th</sup> June, 2021.



## 8. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Dr. Lalit Bhasin, as its Chairman and Mr. R.A. Shah, Mr. Anup N. Kothari and Mrs. Nirmala Bagri as its members.

The terms of reference of the Committee are as under:

- (i) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal.
- (ii) To carry out evaluation of every director's performance.
- (iii) To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (iv) To recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and the employees in senior management.
- (v) To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (vi) Any other matter as may be assigned by the Board from time to time.

The Committee met three times during the financial year 2020-21 i.e. on 30<sup>th</sup> June, 2020, 22<sup>nd</sup> August, 2020 and 10<sup>th</sup> November, 2020.

S.No.	Name	Category of directors	No. of meetings attended
1.	Dr. Lalit Bhasin	Non-Executive & Independent	3
2.	Mr. R. A. Shah	Non-Executive & Non-Independent	3
3.	Mr. Anup N. Kothari	Non-Executive & Independent	3
4.	Mrs. Nirmala Bagri	Non-Executive & Independent	3

The Nomination and Remuneration Committee has formulated a criteria for evaluation of every Director's performance including that of Independent Directors. The parameters of evaluation include attendance, level of participation in the meeting of the Board / Committees, awareness about their roles, duties and responsibilities, timeliness in submissions of various declarations, etc.

## 9. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Dr. Lalit Bhasin, as its Chairman and Mr. Atul Kumar Gupta and Dr. Bina Modi as its members

This Committee, besides sanctioning share transfers/transmissions and other related matters, looks into various aspects of interest of shareholders' and other investors' complaints. Further, the role of the committee has been specified in Part D of the Schedule II of SEBI Listing Regulations, 2015.

Mr. Sanjay Gupta, Company Secretary, is designated as Compliance Officer.

During the year, the Committee met once i.e. on 20<sup>th</sup> March, 2021 and the meeting was attended by Dr. Lalit Bhasin, Mr. Atul Kumar Gupta and Dr. Bina Modi.

9 (Nine) complaints were received during the year from the shareholders/investors. All the complaints were disposed off during the year.

## 10. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee comprises of Mr. R.A. Shah, as its Chairman and, Mr. Anup N. Kothari, Dr. Bina Modi, Dr. Lalit Bhasin and Mrs. Nirmala Bagri as its members.

The terms of reference of the Committee are as under:

- (i) To formulate and recommend to the Board of Directors, the Corporate Social Responsibility Policy (CSR Policy) indicating the activities/programs to be undertaken by the Company in line with those specified in Schedule VII to the Companies Act, 2013.



- (ii) To recommend the amount of expenditure to be incurred on each of such activities/programs.
- (iii) To monitor the CSR activities/programs undertaken by the Company from time to time.
- (iv) Any other function as may be assigned by the Board from time to time.

During the year, the Committee met once i.e. on 30<sup>th</sup> June, 2020 and the meeting was attended by Mr. R.A. Shah, Mr. Anup N. Kothari, Dr. Bina Modi, Dr. Lalit Bhasin and Mrs. Nirmala Bagri

## 11. INDEPENDENT DIRECTORS' MEETING

All the Independent Directors met on 22<sup>nd</sup> August, 2020 and 29<sup>th</sup> October, 2020 to deliberate on some important matters concerning the Company and again on 20<sup>th</sup> March, 2021, inter - alia, to evaluate the:

- (i) Performance of Non-Independent Directors and the Board as a whole;
- (ii) Performance of the Chairman of the Board, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Quality, content, and timeliness of flow of information between the Management and the Board that is necessary for the Board to act effectively and reasonably perform its duties.

## 12. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGMs) are as follows:

Financial year	Date of the AGM	Time	Location	Particulars of special resolutions passed
2017-18	25 <sup>th</sup> September, 2018	3:15 PM	Y.B. Chavan Auditorium, General Jagannath Bhosle Marg (Next to Sachivalaya Gymkhana), Mumbai - 400 021	<ol style="list-style-type: none"><li>(1) Re-appointment of Mr. K.K. Modi (DIN 00029407) as Managing Director for a period of three years effective from 14<sup>th</sup> August, 2018.</li><li>(2) Re-appointment of Mr. Samir Modi (DIN 00029554) as an Executive Director and approving remuneration for a period of three years effective from 1<sup>st</sup> October, 2018.</li><li>(3) Approval for continuing the directorship of Mr. R.A. Shah (DIN 00009851) as Non-Executive Director of the Company.</li><li>(4) Approval for continuing the directorship of Dr. Lalit Bhasin (DIN 00001607) as Non-Executive and Independent Director of the Company.</li><li>(5) Approval for continuing the directorship of Mr. Anup N. Kothari (DIN 00294737) as Non-Executive and Independent Director of the Company.</li><li>(6) Approval for continuing the directorship of Mrs. Bina Modi (DIN 00048606) as Non-Executive Director of the Company.</li><li>(7) Approval for continuation of remuneration to be paid to Mr. Ruchir Kumar Modi (DIN 07174133) till the expiry of his tenure of remuneration i.e. till 30<sup>th</sup> June, 2019.</li></ol>



2018-19	23 <sup>rd</sup> September, 2019	3:15 PM	Y.B. Chavan Auditorium, General Jagannath Bhosle Marg (Next to Sachivalaya Gymkhana), Mumbai - 400 021	<p>(1) Appointment of Mrs. Nirmala Bagri (DIN 01081867) as a Woman Independent Director for a term of 5 (five) consecutive years upto 31<sup>st</sup> March, 2024.</p> <p>(2) Re-appointment of Dr. Lalit Bhasin (DIN 00001607) as an Independent Director for a term of 5 (five) consecutive years upto the conclusion of 87<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.</p> <p>(3) Re-appointment of Mr. Anup N. Kothari (DIN 00294737) as an Independent Director for a term of 5 (five) consecutive years upto the conclusion of 87<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024.</p> <p>(4) To approve payment of remuneration by way of commission to Mr. Ruchir Kumar Modi (DIN 07174133), a Non-Executive Director, for a period of three years from 1<sup>st</sup> July 2019 till 30<sup>th</sup> June, 2022.</p>
2019-20	29 <sup>th</sup> September, 2020	12:30 PM	Video Conferencing (VC)/ Other Audio Video Means (OAVM)	<p>(1) Re-appointment of Mr. Atul Kumar Gupta (DIN 01734070) as an Independent Director for a term of 5 (five) consecutive years from 20<sup>th</sup> June, 2020 till 19<sup>th</sup> June, 2025.</p> <p>(2) To approve payment of remuneration by way of commission to Mr. Ruchir Kumar Modi (DIN 07174133), a Non-Executive Director, for the FY 2020-21.</p>

There was no other General Body Meeting held during the last three years.

There is no special resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting scheduled on 5<sup>th</sup> August, 2021.

### 13. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published by the Company in Economic Times (English) and in Maharashtra Times (Marathi). The quarterly and yearly results are also available on the Company's website : [www.godfreyphillips.com](http://www.godfreyphillips.com) as well as on Bombay Stock Exchange and National Stock Exchange websites : [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com). The half-yearly results are not sent to household of the shareholders.

Earnings Presentations relating to the Quarters ended on 31<sup>st</sup> March, 2020, 30<sup>th</sup> June, 2020, 30<sup>th</sup> September, 2020 and 31<sup>st</sup> December, 2020 were submitted to the Stock Exchange(s) and are also available on the Company's website. The Earnings presentation for the Quarter ended 31<sup>st</sup> March, 2021 will be filed in due course.

The Management Discussion and Analysis forms part of the Directors' Report.



## 14. GENERAL SHAREHOLDER INFORMATION

### i) Annual General Meeting

Date and Time	:	5 <sup>th</sup> August, 2021 at 11:30 a.m.
Venue	:	Convened through Video Conference ("VC") / Other Audio Visual Means ("OVAM")

### ii) Financial Calendar for 2021-22

First Quarter Results	:	Latest by 14 <sup>th</sup> August, 2021
Second Quarter Results	:	Latest by 14 <sup>th</sup> November, 2021
Third Quarter Results	:	Latest by 14 <sup>th</sup> February, 2022
Annual Results	:	Latest by 30 <sup>th</sup> May, 2022

iii) **Date of Book Closure** : 30<sup>th</sup> July, 2021 to 5<sup>th</sup> August 2021  
(both days inclusive)

iv) **Dividend Payment Date** : 10<sup>th</sup> August, 2021

### v) Listing on the Stock Exchanges:

The Company's shares are listed on National Stock Exchange (Stock Code GODFRYPHLP) and Bombay Stock Exchange (Stock Code 500163).

#### National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

#### BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

The Company has paid the listing fees to the above Stock Exchange(s) for the financial year 2020-21.

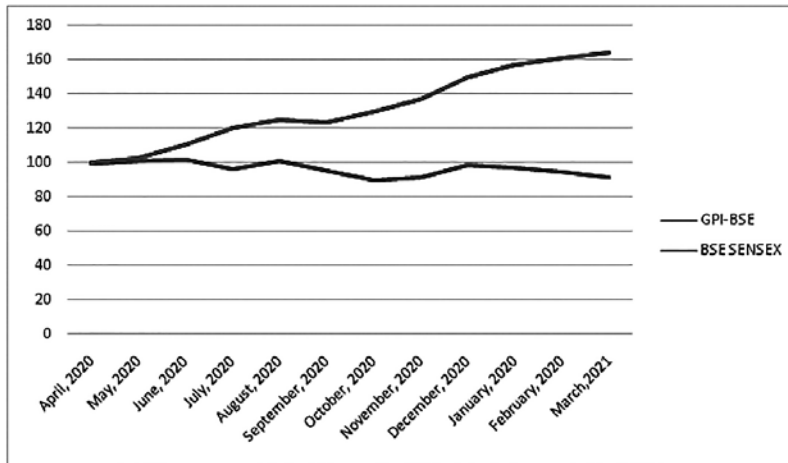
### vi) Market Price Data of equity shares of the Company

The High and Low prices of the equity shares of the Company at BSE Limited (BSE) and National Stock Exchange (NSE) for the year ended 31<sup>st</sup> March, 2021 are as under:

Month	Share Prices (Rs.) at BSE		Share Prices (Rs.) at NSE	
	High	Low	High	Low
Apr-20	1100.00	872.95	1113.15	925.00
May-20	1068.85	922.70	1060.00	920.05
Jun-20	1065.05	949.20	1064.50	948.30
Jul-20	1007.00	901.80	1008.95	901.55
Aug-20	1090.00	902.00	1092.40	910.00
Sep-20	995.50	886.20	997.00	885.45
Oct-20	930.00	847.35	931.40	846.60
Nov-20	964.00	846.55	965.40	847.00
Dec-20	1056.20	898.45	1056.70	897.55
Jan-21	1017.90	908.00	1018.00	911.50
Feb-21	971.45	896.00	978.20	880.05
Mar-21	928.20	848.75	931.00	845.00



**vii) Performance of the share price of the Company in comparison to BSE Sensex:**



Note: The chart above has average of high & low of the share price vis a vis average of high & low of Sensex indexed to 100 of each month for the financial year 2020-21.

**viii) Registrar and Share Transfer Agents**

Link Intime India Pvt. Ltd.  
C-101, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai – 400083  
Telephone No: 022-49186270  
Fax: 022-49186060  
E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**ix) Share Transfer System**

The Company’s share transfer and related operations are currently being handled by Link Intime India Private Limited, Registrar and Share Transfer Agents (RTA) who are registered with the SEBI as a Category 1 Registrar.

The shares for transfer received in physical mode by the Company/RTA, are transferred expeditiously, provided the documents are complete in all respect and the shares are not under dispute. The share certificates duly endorsed are returned immediately after transfer.

**x) Distribution of shareholding as on March 31, 2021**

Range of Shareholdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-5000	37768	99.59	55,26,677	10.62
5001-10000	72	0.19	5,14,673	0.99
10001-20000	25	0.06	3,35,977	0.64
20001-30000	11	0.02	2,66,144	0.51
30001-40000	4	0.01	1,31,359	0.25
40001-50000	3	0.00	1,30,124	0.25
50001-100000	14	0.03	10,15,604	1.95
100001 and above	24	0.06	4,40,73,362	84.76
<b>TOTAL</b>	<b>37921</b>	<b>100.00</b>	<b>5,19,93,920</b>	<b>100.00</b>



**xi) Categories of shareholding as on March 31, 2021**

Category of Shareholder	Number of Shares	Percentage of Shares
<b>A. Promoter and Promoter Group</b>	<b>3,78,42,295</b>	<b>72.78</b>
<b>B. Public Shareholding</b>		
Foreign Institutional Investors	0	0.00
Foreign Banks	1,500	0.00
Foreign Portfolio Investors – Corp.	54,87,793	10.55
Mutual Funds/UTI	8,48,330	1.63
Financial Institutions/Banks	41,260	0.08
Bodies Corporate	2,87,204	0.55
Individuals	64,12,489	12.33
Central Government/ State Government(s)	2,75,031	0.53
NRIs and OCBs	2,04,885	0.39
Other Directors & Relatives	28,000	0.05
Unclaimed Suspense Account	1,66,885	0.32
Others	3,98,248	0.76
<b>Total Public Shareholding</b>	<b>1,41,51,625</b>	<b>27.22</b>
<b>Total Shareholding (A+B)</b>	<b>5,19,93,920</b>	<b>100.00</b>

**xii) Dematerialisation of shares**

The shares of the Company are compulsorily traded in the dematerialised form and are available for trading under both the Depository Systems- NSDL (National Securities Depository Ltd.) and CDSL (Central Depository Services (India) Ltd). As on March 31, 2021, a total of 5,12,66,738 equity shares of the Company, which forms 98.60% of the share capital, stood dematerialised.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares of face value of Rs.2/- each is INE260B01028.

**xiii) Outstanding GDRs/ADRs/Warrants or other Convertible Instruments**

The Company has no outstanding GDRs/ADRs/Warrants or other Convertible Instruments.

**xiv) Plant Locations**

The Company's plants are situated at Rabale (Navi Mumbai), Ongole, Ghaziabad & Faridabad and the cigarette plant located at Guldhar (Ghaziabad) is owned by the Company's wholly owned subsidiary, International Tobacco Company Limited.

<b>Guldhar</b> (Cigarette)	: International Tobacco Company Limited, Delhi-Meerut Road, Guldhar, Ghaziabad - 201 001.
<b>Rabale</b> (Cigarette)	: Plot No. 19, MIDC, TTC Industrial Area, Rabale, Navi Mumbai - 400 701.
<b>Ghaziabad</b> (Chewing Products)	: B-19, Meerut Road, Site No. 3, Ghaziabad.
<b>Faridabad</b> (Chewing Products)	: Industrial Plot No. 120, Sector-59, Industrial Estate, Tehsil Ballabgarh, District Faridabad, Haryana.
<b>Ongole</b> (Reconstituted Tobacco)	: Plot No. 289 to 300, APIIC Growth Centre, Gundlapally Ongole, Prakasam Dist., Andhra Pradesh - 523 001.





#### xv) Address for Correspondence

Shareholders are requested to address all their correspondence concerning shares to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited at the following addresses mentioned below:

Link Intime India Pvt Limited  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai – 400083  
Telephone No: 022-49186270  
Fax: 022-49186060  
E-mail id: rnt.helpdesk@linkintime.co.in

Or at

Link Intime India Private Limited  
Unit: Godfrey Phillips India Limited  
Noble Heights , 1st Floor , Plot NH2  
C-1 Block LSC Near Savitri Market , Janakpuri , New Delhi 110058  
Phone – 011-41410592  
Fax No : 011- 41410591  
E-mail : delhi@linkintime.co.in

#### xvi) Credit Ratings

The Company has obtained rating from CRISIL Ratings on the bank facilities availed by the Company during the year ended 31<sup>st</sup> March, 2021 which was as specified below:

Rating Agency	Rating	Bank Loan Facilities rated (Cash Credit, Letter of Credit, Bank Guarantee & Bank Loan Facility)
CRISIL Ratings	CRISIL AA+/Stable CRISIL A1+	Long-Term Rating Short-Term Rating

xvii) Corporate Identity Number (CIN): L16004MH1936PLC008587

### 15. DETAILS OF UNCLAIMED SHARES

#### Equity Shares in the Suspense Account

The requisite disclosures under Schedule V of SEBI Listing Regulations, 2015, in respect of the Unclaimed Shares, pursuant to Regulation 39 read with Schedule VI of the SEBI Listing Regulations, 2015 are provided hereinunder:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2020	212	183005
Number of shareholders and the outstanding shares are transferred to suspense account during the reporting period	0	0
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	10*	6900*
Shareholders to whom shares were transferred from the suspense account during the year	4	1700
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	32	14420
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2021	176	166885



\*Due to the process for Closure of Demat Account with Karvy Stock Broking Limited and transfer of shares to the new Demat Account with JM Financial Services Limited, the request for transfer of shares of 3 shareholders aggregating to 2220 shares has been processed after close of the year and for the balance 3 shareholders aggregating to 2980 shares it is under process and will be completed in due course of time.

Due to the suspension of Karvy Stock Broking Limited by the Depositories, the Company has opened a new Demat Suspense Account with JM Financial Services Limited and simultaneously transferred the shares lying in the account and closed the Demat Suspense Account maintained by Karvy Stock Broking Limited.

All corporate benefits on such shares in the form of rights, bonus, split, etc., shall be credited to 'Unclaimed Suspense Account', as applicable for a period of 7 years and thereafter shall be transferred in line with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Section 124(5) and Section 124(6) of the Companies Act, 2013. The voting rights in respect of these equity shares are frozen until the rightful owner claims them.

## **16. CEO/CFO CERTIFICATION**

A certificate signed by Dr. Bina Modi, Managing Director as CEO and by Mr. Sunil Agrawal, Executive Vice President - Finance as CFO is attached with this report.

## **17. REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance Report forms part of the Annual Report.

The Company is regularly filing the Quarterly Compliance Report on Corporate Governance with the Stock Exchanges as per the format specified in Regulation 27(2) of SEBI Listing Regulations, 2015.

## **18. COMPLIANCE**

Certificate from the Statutory Auditors with respect to compliance with the conditions of Corporate Governance as stipulated in Para E of Schedule V to SEBI Listing Regulations, 2015 forms part of the Annual Report.

For and on behalf of the Board

Place : New Delhi  
Date : 25<sup>th</sup> June, 2021

R.A. SHAH  
Chairman



**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION ON COMPANY'S CODE OF CONDUCT**

**The Board of Directors  
Godfrey Phillips India Limited  
Omaxe Square, Plot No. 14  
Jasola District Centre, Jasola  
New Delhi - 110 025**

I, Dr. Bina Modi, Managing Director being the Chief Executive Officer (CEO) of Godfrey Phillips India Limited do hereby declare that all the members of the Board of Directors and the members of the Senior Management Team of the Company have affirmed compliance with the Code of Business Conduct of the Company during the financial year ended March 31, 2021.

Place : New Delhi  
Date : June 25, 2021

**DR. BINA MODI**  
Managing Director  
(Chief Executive Officer)

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

**The Board of Directors  
Godfrey Phillips India Limited  
Omaxe Square, Plot No. 14  
Jasola District Centre, Jasola  
New Delhi - 110 025**

We, Dr. Bina Modi, Managing Director being the Chief Executive Officer and Sunil Agrawal, Executive Vice President - Finance being the Chief Financial Officer of Godfrey Phillips India Limited, to the best of our knowledge and belief, do hereby confirm that:

- a. We have reviewed the financial statements for the year ended March 31, 2021 and that to the best of our knowledge and belief :
  - i these statements do not contain any materially untrue or misleading statement nor omit any material fact;
  - ii these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's code of business conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies have been disclosed to the Auditors and the Audit Committee.
- d. We have indicated to the Auditors and the Audit Committee that during the year ended March 31, 2021 there has not been any significant change in internal control over financial reporting and in accounting policies and that there is no instance of any fraud involving management or other employees having significant role in the Company's internal control system over financial reporting.

**DR. BINA MODI**  
Managing Director  
(Chief Executive Officer)

**SUNIL AGRAWAL**  
Executive Vice President - Finance  
(Chief Financial Officer)

Place: New Delhi  
Date : June 25, 2021



GODFREY PHILLIPS  
—INDIA LIMITED—

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members,**  
**M/s. GODFREY PHILLIPS INDIA LIMITED**  
**Macropolo Building, Ground Floor,**  
**Dr. Babasaheb Ambedkar Road,**  
**Lalbaug Mumbai-400033**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Godfrey Phillips India Limited and having CIN L16004MH1936PLC008587 and having registered office at Macropolo Building, Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug Mumbai-400033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SR. NO.	NAME OF DIRECTORS	DIN	DATE OF APPOINTMENT IN COMPANY
1	Dr. Lalit Bhasin	00001607	31/03/1986
2	Mr. Rajendra Ambalal Shah	00009851	07/06/1969
3	Mr. Samir Modi	00029554	11/01/1994
4	Dr. Bina Modi	00048606	07/04/2014
5	Mr. Anup Narender Kothari	00294737	15/03/1989
6	Mrs. Nirmala Bagri	01081867	01/04/2019
7	Mr. Atul Kumar Gupta	01734070	20/06/2015
8	Mr. Ruchir Kumar Modi	07174133	19/03/2016
9	Mr. Sharad Aggarwal	07438861	01/10/2017
10	Mr. Sumant Bharadwaj	08970744	13/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates  
Company Secretaries

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673  
UDIN: A016302C000492558

Date: 21.06.2021  
Place: Delhi



## **Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

### **The Members of Godfrey Phillips India Limited**

1. The Corporate Governance Report prepared by Godfrey Phillips India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2020 to March 31, 2021:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);



- (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee;
  - (g) Independent Director's meetings; and
  - (h) Corporate Social Responsibility (CSR) Committee
- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

### **Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. 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 without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria  
Partner

Membership No.: 086370

UDIN: 21086370AAAABQ1773

Place: Faridabad  
Date: June 25, 2021



{Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015}

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L16004MH1936PLC008587
2.	Name of the Company	GODFREY PHILLIPS INDIA LIMITED
3.	Registered address	'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai- 400033, Maharashtra
4.	Website	<a href="http://www.godfreyphillips.com">www.godfreyphillips.com</a>
5.	E-mail id	<a href="mailto:isc-gpi@modi-ent.com">isc-gpi@modi-ent.com</a>
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Cigarettes (12003) and Pan Masala (12008 ), Retail Store Products & Services (47) and trading of Unmanufactured tobacco (46202)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(a) Cigarettes (b) Unmanufactured tobacco (c) Retail store operations
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	International: Thru subsidiary company/ branch :United Arab Emirates , United States of America and Singapore National: Across the country. Details of the office & plant locations are disclosed under the corporate information page of Annual Report.
10.	Markets served by the Company – Local/ State/National/International	National & International

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up capital	Rs.1039.88 Lakhs
2.	Total turnover	Rs. 292574.19 Lakhs
3.	Total profit after taxes	Rs. 35694.10 Lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2 %
5.	List of activities in which expenditure in 4 above has been incurred	(a) Promoting education, healthcare and women empowerment. (b) Undertaking community development initiatives.



### SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary company/ companies.	Yes
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes, All of them are aligned to the parent to ensure efficient conduct of business.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company.	Not directly

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

##### (a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number	00048606
2.	Name	Dr. Bina Modi
3.	Designation	Managing Director

##### (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Mr. Bisham Wadhwa
3	Designation	Chief Executive Officer
4	Telephone number	011-26832155
5	e-mail id	<a href="mailto:bhisham-gpi@modi-ent.com">bhisham-gpi@modi-ent.com</a>

#### 2.

<p>The operating principles adopted by the Company to supplement the requirements under the National voluntary Guidelines (NVGs)</p>	<p>The National Voluntary Guidelines provide for the following nine principles:</p> <ul style="list-style-type: none"> <li>Principle 1: Ethics, Transparency and Accountability (P1)</li> <li>Principle 2: Products Lifecycle Sustainability (P2)</li> <li>Principle 3: Employees Well-being (P3)</li> <li>Principle 4: Stakeholders Engagement (P4)</li> <li>Principle 5: Human Rights (P5)</li> <li>Principle 6: Environment (P6)</li> <li>Principle 7: Policy Advocacy (P7)</li> <li>Principle 8: Inclusive Growth (P8)</li> <li>Principle 9: Customer Value (P9)</li> </ul>
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3. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Yes/No)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the policies conform to the relevant standards as per the national /international legal requirements.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Policies that are mandated under the Companies Act/SEBI Regulations are approved/ noted by the Board from time to time. Other policies are approved / reviewed by the senior management of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Implementation of relevant policies covering various principles is the responsibility of respective functions in the Company. There may be more than one principle which may be a part of a policy and various functions join hands to ensure their implementation. There are specific committees of the Board to oversee implementation of CSR policies, Stakeholder relationships and Senior Management employees' nomination & remuneration.								
6	Indicate the link for the policy to be viewed online?	Internal policies are available on the Company's internal network and other policies are available on the website of the Company ( <a href="http://www.godfreyphillips.com">www.godfreyphillips.com</a> ) through various web links.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The assessment of working of these policies and principles is within the framework of internal control system of the Company.								

4. Governance related to BR	As a statutory requirement, this report has been compiled and is annexed to the duly approved report of the Board of Directors. Various policies are disclosed on the Company's website <a href="http://www.godfreyphillips.com">www.godfreyphillips.com</a> . Various policies and procedures are already aligned to this endeavor on continuous basis.
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## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 – Ethics, Transparency & Accountability

The Code of Business Conduct of your Company outlines the values and expected behavior which is required to be followed by its Board of Directors and senior management personnel and their subordinates while dealing with internal or external customers. There are laid down structures, procedures and practices to promote this principle across the value chain. By virtue of the direct responsibilities associated with all major subsidiaries/associates, this principle is expected to be followed in relation to the subsidiaries/associates also. Employees involved in potential conflict of interests are subjected to appropriate action by the Company. The Company is committed to provide full, fair, accurate, timely and understandable disclosure in reports and documents required to be filed / submitted to the regulatory authorities while protecting and maintaining confidentiality and disclosure of price sensitive information as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted 'Whistle Blower Policy' which provides mechanism to highlight any unethical behavior through protected disclosures to competent authority. Code on Insider Trading restricts possibility of any unethical dealing in Company's securities by any insider or connected person whether inside the Company or outside.

Consumer grievance cell addresses complaints related to product and more than 95% of logical complaints are addressed in the same financial year. All statutory and local body compliances are done within the statutory timelines.

9 (Nine) complaints were received during the year from the shareholders/investors and none was pending redressal as on 31<sup>st</sup> March, 2021.

### Principle 2 – Sustainable Services

The Company has adopted life cycle approach in order to ensure product sustainability across its value chain. Your Company is committed to provide goods that address social and environmental concerns which lead to sustainability. Accordingly, it focuses on controlling quality of air emissions, maximizing reuse of treated water and optimizing utilization of natural resources. All out efforts are made at the manufacturing plants to improve efficiency and productivity and reduce wastage. Environmental friendly practices are adopted and product integrity and quality are of prime importance. Water consumption was reduced by an average 1.5KL per day by re-utilizing treated water in domestic uses, revamping complete distribution system & adoption of various water saving technologies/initiatives. Tobacco contained in rejected cigarettes is retrieved and used back and plastic core bobbins, shipper cases, wooden pallets, C-48 boxes, filter rod boxes and filter trays are reused and rejected pouches are ripped and recycled to conserve resources. Your Company introduced use of recyclable paper-based laminate for packing of chewing products and implemented strip color-coded packaging to maintain product integrity & hence consumer safety. Your Company has successfully re-designed stickering on packing material which has resulted into utilization of significant quantity of unusable material. A registered HSL concept has been developed and adopted in primary laminate packaging machines which has resulted in roughly 1% saving on laminate usage. Various measures are taken to save energy at all factory locations.

The Company also carries out regular vendor audits and guides its vendors on different areas of improvement on a regular basis. It is the Company's endeavor to make its local supplier to meet international specifications for imported spare parts and help them in developing imported spares.

The Company endeavors to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material/service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. Vendors operating from the close vicinity to the plant location are given preference as it helps saving on transportation and inventory carrying costs. Suppliers and service providers are encouraged to follow applicable laws, rules and regulations as well as the standards relevant to their business and fair work practices. Systematic documentation and records are maintained. Non-conformities are identified & addressed through appropriate process controls. Your Company has re-oriented the layout of one of its raw material warehouse for better space utilization and thereby not only improved man-material logistics efficacy but also made some savings in power consumption .

Similarly, employees in the plant locations are hired keeping in mind proximity of their residence. The Company imparts on-the-job training to unskilled employees in order to upgrade their level of skills and thereby improve their earning ability.



All our major suppliers of raw and packing materials are ISO Certified. The Company undertakes vendor development activities for raw material and packaging material suppliers. Your Company has improved the payment terms from small credit period to prompt payment terms in certain cases in order to strengthen the local and small vendor’s financial capability.

For domestic stock movement, the Company has reputed local transporters on board who are mostly ISO certified. There are also few transporters such as East India Transport Agency and Chinar Road Lines who are associated with the Company for over 30 years. For exports, RFQ is floated almost every six month to tap freight forwarders for submitting their best rates, basis which contracting is done with the most competitive vendors. In order to monitor and standardize we have SOPs in place and are being followed by our factories as well as the transporters.

All our manufacturing facilities offer dust free environment through closed dust collection systems.

Principle 3 – Employees Well being

The Company ensures to keep its employees motivated through various health and safety measures, performance based compensation mechanism and training interventions at all levels in the organization. Some of the statistics on employees in the organization are as given below.

1. Total number of employees: 988
2. Total number of employees hired on temporary/contractual/casual basis: 694
3. The Number of permanent women employees: 46
4. The Number of permanent employees with disabilities: None
5. Any employee association that is recognized by management.: Yes, Tambakoo Janya Padarth Mazdoor Union
6. Percentage of permanent employees being members of this recognized employee association : 10.83%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	None	None
2.	Sexual harassment	None	None
3.	Discriminatory employment	None	None

8. Percentage of under mentioned employees were given safety & skill up-gradation training in the last year:
  - (a) Permanent employees : 62%
  - (b) Permanent women employees : 46%
  - (c) Casual/Temporary/Contractual employees : 72%
  - (d) Employees with disabilities : Not Applicable

There are established procedures aimed at accidents and injuries at workplaces. The Company ensures fair treatment to contract labour and there are checks and balances to ensure their statutory contributions and provision of safe working environment. The Company provides welfare facilities like subsidized food, medical checkup, medical facilities including medical insurance, yoga and other wellness sessions to its on-roll employees. Welfare and development of employees at all levels in the organization remains one of the key agenda in the functioning of the organization.

Your Company has been adjudged among the ‘Best Places to Work’ in India, consecutively for the third year. This external recognition has been made possible through progressive human resource policies, people practices and organizational culture.



Various platforms and forums are available internally to acknowledge exceptional performance and desired behaviors. These serve as strong endorsements of high performance and encourage others to make similar contributions.

#### Principle 4 – Responsiveness to Stakeholders

The Company has identified stakeholders across its value chain and there are internal and external stakeholders. These include consumers, distributors, civil society organisations, local communities, regulatory bodies, suppliers, investors and employees.

The external stakeholders are mapped through various, sales & marketing meets, channel partner meets, trade shows, trainings, consumer contact programs, etc. including through use of technology. Internal stakeholders are responded through town hall meets, surveys, feedbacks, internal meetings and other personal interactions. The Company participates with various trade associations and contributes with various inputs in furtherance of the objectives for which the said association is working. The Company acts like a responsible corporate citizen in abiding by rules and regulations formulated by the regulators as an external stakeholder of the Company.

The Company also engages with marginalized sections of the society like small farmers, women working in rural areas, children and adolescents in slum areas for their general well-being, empowerment, education, health and nutritional support as part of its CSR initiatives, directly or through external agencies.

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth.

#### Principle 5 – Respect for Human Rights

The Code of Business Conduct of the Company not only covers the employees but also the others who are directly or indirectly working with it. Similarly, the policy on Prohibition of Sexual Harassment at Work Place is applicable to all employees, suppliers, contractors and vendors working with it. The said Policy and its implementation is directed towards adherence to applicable laws and upholding the spirit of human rights. No complaints of sexual harassment, gender or caste based discrimination or child labour were received in the financial year under the report. The Company is committed to the manufacture and supply of quality and safe products to the entire satisfaction of customer and will continually strive to improve the effectiveness as well as implementation of the established quality & food safety management systems and practices.

#### Principle 6 – Environmental Responsibility

Your Company believes in following best practices in the field of environment, health and safety. As a responsible corporate citizen, the Company realizes its responsibility towards the conservation of the environment and has adopted policies to use methods that have been proven environment friendly. The policy also extends to suppliers and contractors as it encourages them to get ISO 14001 certification.

In terms of environment-friendly manufacturing, Company's facilities comply with some of the highest international quality standards like ISO 22000:2005, ISO 14000 (2015), ISO 50000 (energy), ISO 14001, ISO 50001 (EnMS) certification of the plants is further proof of the Company's commitment towards the environment. The manufacturing facility at Rabale is a IGBC certified Gold rated green factory building. The manufacturing unit at Guldhar has received Greentech Platinum Awards during the year. All the major parameters on energy conservation, water conservation, sustainable site selection, indoor air quality, reuse of waste water, natural light use, reducing energy load by design of structure have been taken care during the construction phase.

The Company understands the criticality and consequences of global environmental issues. Wide range of initiatives such as plantation, use of energy efficient technologies, reduction in use of energy and water, rainwater harvesting, use of solar power, etc. are some of the steps in this direction. Some of the recently taken initiatives include reduction in optimized fluidized bed dryer radiation thus reducing specific fuel consumption, sourcing part of the power through Open Access system, use of diesel oil instead of furnace oil as a stand by fuel in the running of boiler. Similarly, re-use of treated water waste for horticulture has led to water conservation and zero discharge. All utilities in the plants are being gradually replaced with more energy efficient models. All these measures are aimed at conserving natural resources, maintaining qualitatively superior work environment and reducing wasteful consumption. The Company continually identifies and assesses potential environmental risks associated with its operations and complies with applicable environmental regulations set by regulatory authorities.



The Company has a strategy to execute projects in an environmental sustainable way. All the major parameters on energy conservation, water conservation, sustainable site selection, indoor air quality, reuse of waste water, natural light use, reducing energy load by design of structure have been taken care during construction phase. In Guldhar, the Company has developed & maintained recharge structure in ponds of 2 nearby villages (Khimaoti & Shahzadpur) for rain water recharge capacity of more than 1.10 lakh litres to maintain ground water within vicinity.

There are no show cause /legal notices received from CPSB/SPCB which were pending unresolved at the end of the financial year.

#### Principle 7 – Public Policy Advocacy

The Company is a member of various trade bodies and chamber of associations for the advancement of public good. We do not engage in lobbying activities but actively participate in forums that impact the interest of stakeholders in general in the broad areas of governance and administration, economic reforms, environmental safety, public health, education, inclusive development policies, energy security, sustainable business principles, taxes, water and food security, etc. Some of the trade associations with which we are associated are; Federation of Indian Chambers of Commerce and Industry, Ghaziabad Management Association, Confederation of Indian Industry, Central Ground Water Authority (CGWA), Indian Chamber of Commerce and Industry (ICCI), PHDCCI, ASSOCHAM, Tobacco Institute of India, Thane Belapur Industrial Association, Trans Thane Creek Waste Management Association and Common Effluent Treatment Plant Authority (CETP).

The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

#### Principle 8 – Support for Inclusive Growth

The Company is committed to support inclusive growth and equitable development. The Board of Directors have formulated a Corporate Social Responsibility policy and its impact is contained in annual report separately. The initiatives like development of small and marginalized farmers, empowerment of women, development of education facilities, health and nutritional support to AIDS impacted children, needful support to school dropout children in slum areas are some of the initiatives undertaken in partnership with some external agencies.

Other initiatives taken during the year include tree plantation drive and water conservation in village ponds and distribution of free ration to the poor and needy who were impacted by the COVID-19 pandemic. The Company constantly assesses the impact of various initiatives taken and strives towards maximizing the benefit accruing out of such initiatives.

#### Principle 9 – Engagement with Customers

There is a proper mechanism in place to receive and resolve customer complaints as quickly as possible. Consumer surveys and regular engagement with them is part and parcel of the normal business. Your Company ensures to display all the requisite information on product labels as is mandatory as per applicable laws governing product packaging and labelling. The Company undertakes a number of surveys in order to assess consumer satisfaction with reference to product formulation, packaging and advertising. Customers are the centric part of the Company's business hence all necessary policies are framed around customer satisfaction. A structured customer complaint redressal system is in place to address all issues related to customer. All complaints received from the customers are acknowledged, investigated and responded to as per the Standard Operating Procedures. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. There are no cases pending against the Company regarding any unfair trade practice or anti-competitive behavior. Your Company adheres to all applicable rules and regulations with responsibility.

The Company is committed to providing products and services that offer best-in-class quality and user experience. The Company also makes efforts to educate customers on responsible usage of its products and services.

# INDEPENDENT AUDITOR'S REPORT

To the members of Godfrey Phillips India Limited



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

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Godfrey Phillips India Limited** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<b>Recoverability of carrying value of net assets relating to retail and chewing business (as described in notes 5 (d) (i) and 5 (d) (ii) of the standalone Ind AS financial statements)</b>	
<p>As at March 31, 2021, the carrying value of net assets relating to retail and chewing business was Rs. 6,804.39 lakhs and Rs. 5,429.76 lakhs respectively.</p> <p>Recoverability of carrying value of assets relating to retail and chewing business have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>- The significance of the carrying value of the underlying assets being assessed.</li> <li>- Continuing losses being incurred in the retail and chewing business.</li> <li>- The assessment of the recoverable amount of the Company's Cash Generating Units (CGUs) involves significant judgements and estimates.</li> </ul> <p>The key judgements and estimates include identification of indicators of impairment and future projections relating to the aforesaid CGUs.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Obtained and assessed management analysis of internal and external factors impacting the Company's CGUs relating to retail and chewing business as per Ind AS 36.</li> <li>- Obtained the valuation report of management appointed experts and critically evaluated the key assumptions and valuation methodologies used to determine the recoverable amount with support from valuation specialists.</li> <li>- Assessed the independence, competence and objectivity of the management appointed experts used for determining the recoverable amount.</li> <li>- Compared the recoverable amount of the assets relating to retail and chewing business to the carrying value in books.</li> <li>- Assessed the disclosures made in the financial statements by the Company in this regard.</li> </ul>
<b>Revenue recognition (as described in notes 4.1.1 and 26 of the standalone Ind AS financial statements)</b>	
<p>For the year ended March 31, 2021 the Company has recognized revenue from operations of Rs. 292,574.19 lakhs.</p> <p>Revenue recognition has been recognized as a key audit matter as the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the control is transferred. This give rise to the risk that revenue is not recognized in the correct period.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Read and assessed the Company's revenue recognition accounting policies in accordance with the requirements of Ind AS 115.</li> <li>- Performed walkthroughs and test of controls, assisted by our IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls.</li> <li>- Selected a sample of revenue transactions occurred close to the balance sheet date and immediately after the balance sheet date to evaluate whether revenue was recognised in the correct period by agreeing the date of revenue recognition to third party supports such as bill of lading, lorry receipts etc.</li> </ul>
<b>Related party transactions (as described in note 45 of the standalone Ind AS financial statements)</b>	
<p>The Company has undertaken transactions with its related parties. These include sale of goods to related parties, purchase of goods and services from related parties.</p> <p>We identified related party transactions as a key audit matter due to significance of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.</li> <li>- Read minutes of shareholder meetings, board meetings and audit committee meetings regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length.</li> <li>- Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents.</li> <li>- Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.</li> </ul>





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

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as





fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 21086370AAAABL9890

Place: Faridabad

Date: June 25, 2021

**Re: Godfrey Phillips India Limited (the ‘Company’)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment were physically verified by the management in financial year 2018-19 in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act 2013 in respect of investments and guarantees made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Therefore, in our opinion the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income tax, excise duty, goods and service tax, sales tax, value added tax and service tax which have not been deposited on account of any dispute and where the Company is in appeal are as follows:



<b>Nature of Statute</b>	<b>Nature of Dues</b>	<b>Amount (In Rs. Lakhs)</b>	<b>Amount deposited (In Rs. lakhs)</b>	<b>FY to which it relates</b>	<b>Forum where dispute is pending</b>
Central Sales Tax 1956	Sales Tax	37.72	18.86	2006-07	Sales Tax Tribunal
Central Sales Tax 1956	Sales Tax	0.28	-	2015-16	Upto Commissioner (Appeals) level
Madhya Pradesh VAT Act, 2002	VAT	2.13	0.23	2014-15	Sales Tax Tribunal
	VAT	21.50	6.06	2012-13	Upto Commissioner (Appeals) level
Goa VAT Act, 2005	VAT	0.99	-	2009-10	Upto Commissioner (Appeals) level
Rajasthan VAT Act, 2003	VAT	205.05	64.53	2008-09 to 2013-14	High Court
	VAT	45.80	-	2008-09 to 2013-14	Upto Commissioner (Appeals) level
CGST ACT 2017	GST	10.80	10.80	2018-19	Appellate Authority, GST, Jaipur
	GST	1,145.82	-	2017-18	Upto Commissioner (Appeals) level
Uttar Pradesh (UP) VAT Act, 2008	VAT	68.65	68.65	2007-08	High Court
	VAT	250.32	136.96	2012-13 and 2015-16	Sales Tax Tribunal
	VAT	292.22	116.89	2014-15 and 2015-16	Upto Commissioner (Appeals) level
Central Excise Act, 1944	Excise Duty	918.08	244.09	2007-08 to 2011-12	High Court
	Excise Duty	1,265.11	123.63	2008-09 to 2016-17	Customs, Excise and Service tax Appellate Tribunal
	Excise Duty	77.67	71.42	2010-11, 2014-15, 2016-17 to 2019-20	Upto Commissioner (Appeals) level



Nature of Statute	Nature of Dues	Amount (In Rs. Lakhs)	Amount deposited (In Rs. lakhs)	FY to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	232.73	232.73	1979 - 80 to 1982 - 83, 1995 - 96, 1997 - 98	High Court
		14.55	14.55	2009-10	Income tax Appellate Tribunal
		598.24	410.06	2012-13 to 2015-16	Commissioner of Income Tax (Appeals)
		195.16	179.45	1999-2000, 2005-06 to 2008-09, 2010-11	Matters referred back to Assessing officer

Further, as per information available with the Company, the concerned authority is in appeal against favourable orders received by the Company in respect of the following matters:

Nature of Statute	Nature of Dues	Amount (In Rs. Lakhs)	FY to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	209.36	1969, 1974 to 1977; 1991-92 and 1992-93	High Court
Central Sales Tax 1956	Sales tax	10.40	2007-08	High Court
Central Excise Act, 1944	Excise Duty	14,008.13	2002-03 to 2007-08, 2009-10, 2010-11, 2012-13 & 2015-16	Customs, Excise and Service Tax Appellate Tribunal

There are no dues of custom duty and cess which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing due towards bank. The Company did not have any dues in respect of a financial institution or debenture holders or any dues in the nature of loan towards Government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.



- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria  
Partner  
Membership Number: 086370  
UDIN: 21086370AAAABL9890

Place: Faridabad  
Date: June 25, 2021

## **Annexure 2 referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date on the standalone Ind AS financial statements of Godfrey Phillips India Limited**

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 Godfrey Phillips India Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS 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 the 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.

### **Auditor’s 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

### **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 with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the 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 S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 21086370AAAABL9890

Place: Faridabad

Date: June 25, 2021





# STANDALONE BALANCE SHEET

as at March 31, 2021

Rupees in Lakhs

Particulars	Note No.	As at 31.3.2021	As at 31.3.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>67739.38</b>	62499.83
Capital work-in-progress	6	<b>2616.43</b>	1590.04
Investment property	7	<b>794.74</b>	822.10
Right of use assets	42	<b>30380.39</b>	34474.80
Intangible assets	8	<b>949.84</b>	395.20
Intangible assets under development	8	-	60.96
Financial assets			
- Investments	9	<b>101552.50</b>	106272.82
- Loans	10	<b>452.98</b>	551.03
- Other financial assets	15	<b>1471.33</b>	1547.28
Income tax assets (Net)	24	<b>2490.96</b>	2506.11
Other non-current assets	16	<b>592.74</b>	3079.27
<b>Total non-current assets</b>		<b>209041.29</b>	213799.44
<b>Current assets</b>			
Inventories	12	<b>67058.20</b>	61401.22
Financial assets			
- Investments	9	<b>46031.05</b>	12719.26
- Trade receivables	13	<b>12368.56</b>	6667.48
- Cash and cash equivalents	14	<b>845.87</b>	1717.17
- Other bank balances	14	<b>1791.85</b>	1960.51
- Loans	10	<b>153.76</b>	140.20
- Other financial assets	15	<b>1461.58</b>	840.63
Other current assets	16	<b>13084.32</b>	10483.18
<b>Total current assets</b>		<b>142795.19</b>	95929.65
<b>Total assets</b>		<b>351836.48</b>	309729.09
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	<b>1039.88</b>	1039.88
Other equity	18	<b>240603.15</b>	205045.00
<b>Total equity</b>		<b>241643.03</b>	206084.88
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	19	<b>28179.43</b>	30918.23
- Other financial liabilities	20	<b>97.55</b>	94.30
Provisions	21	<b>2506.06</b>	2350.74
Deferred tax liabilities (Net)	11	<b>695.42</b>	242.36
<b>Total non-current liabilities</b>		<b>31478.46</b>	33605.63
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	22	<b>1490.15</b>	1114.22
- Lease liabilities	19	<b>3789.23</b>	3540.54
- Trade payables	23		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		<b>565.73</b>	365.65
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		<b>23361.56</b>	24689.29
- Other financial liabilities	20	<b>7829.71</b>	2474.57
Other current liabilities	25	<b>38821.18</b>	35836.76
Provisions	21	<b>1967.27</b>	1506.56
Income tax liabilities (Net)	24	<b>890.16</b>	510.99
<b>Total current liabilities</b>		<b>78714.99</b>	70038.58
<b>Total liabilities</b>		<b>110193.45</b>	103644.21
<b>Total equity and liabilities</b>		<b>351836.48</b>	309729.09
<b>Notes forming part of the financial statements</b>	1-49		

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

DR. LALIT BHASIN  
(DIN 00001607)

SUNIL AGRAWAL  
Chief Financial Officer

SAMIR MODI  
(DIN 00029554)  
Executive Director

ATUL KUMAR GUPTA  
(DIN 01734070)

Place: Faridabad  
Date: June 25, 2021

SANJAY GUPTA  
Company Secretary

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

# STANDALONE STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2021



GODFREY PHILLIPS  
—INDIA LIMITED—

Rupees in Lakhs

	Particulars	Note No.	Year ended 31.3.2021	Year ended 31.3.2020
<b>I</b>	Revenue from operations	26	<b>292574.19</b>	304468.87
<b>II</b>	Other income	27	<b>11770.04</b>	10633.12
<b>III</b>	<b>Total income (I+II)</b>		<b>304344.23</b>	315101.99
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	28	<b>51189.44</b>	69734.30
	Purchases of stock-in-trade	29	<b>72498.36</b>	56469.79
	Changes in inventories of finished goods, stock-in-trade and work-in-process	30	<b>(1847.99)</b>	(940.90)
	Excise duty		<b>43608.67</b>	19143.56
	Employee benefits expenses	31	<b>23547.17</b>	25001.30
	Finance costs	32	<b>3070.29</b>	3013.25
	Depreciation and amortisation expenses	6	<b>13845.10</b>	15238.39
	Other expenses	33	<b>51937.84</b>	75852.50
	<b>Total expenses</b>		<b>257848.88</b>	263512.19
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>46495.35</b>	51589.80
<b>VI</b>	<b>Tax expense:</b>	11		
	- Current tax		<b>10235.44</b>	12613.16
	- Deferred tax charge		<b>565.81</b>	188.67
			<b>10801.25</b>	12801.83
<b>VII</b>	<b>Profit for the year (V-VI)</b>		<b>35694.10</b>	38787.97
<b>VIII</b>	<b>Other comprehensive income</b>			
	Items that will not to be reclassified to profit or loss			
	(i) (Loss) on remeasurements of the defined benefit/contribution plans	41	<b>(181.67)</b>	(1361.46)
	(ii) Tax relating to items that will not be reclassified to profit or loss	11	<b>45.72</b>	342.65
	<b>Total other comprehensive income, net of tax (i+ii)</b>		<b>(135.95)</b>	(1018.81)
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>35558.15</b>	37769.16
	<b>Basic and Diluted Earnings per share after tax</b> (Face value of share - Rs. 2 each)	35	<b>Rs.68.65</b>	Rs.74.60
	<b>Notes forming part of the financial statements</b>	1-49		

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

DR. LALIT BHASIN  
(DIN 00001607)

SUNIL AGRAWAL  
Chief Financial Officer

SAMIR MODI  
(DIN 00029554)  
Executive Director

ATUL KUMAR GUPTA  
(DIN 01734070)

Place: Faridabad  
Date: June 25, 2021

SANJAY GUPTA  
Company Secretary

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

Rupees in Lakhs

<b>(a) Equity share capital</b>	<b>Amount</b>
<b>Balance at April 1, 2019</b>	<b>1039.88</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2020</b>	<b>1039.88</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2021</b>	<b>1039.88</b>

**(b) Other equity**

**Reserves and surplus**

	<b>General reserves</b>	<b>Capital redemption reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance at April 1, 2019</b>	<b>37430.72</b>	<b>30.00</b>	<b>151126.80</b>	<b>188587.52</b>
Profit for the year	-	-	38787.97	38787.97
Other comprehensive income for the year, net of income-tax	-	-	(1018.81)	(1018.81)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>37769.16</b>	<b>37769.16</b>
Payment of dividends (Rs. 10 per equity share)	-	-	(5199.39)	(5199.39)
Dividend distribution tax thereon	-	-	(1068.75)	(1068.75)
Interim dividend (Rs.24 per equity share)	-	-	(12478.54)	(12478.54)
Dividend distribution tax thereon	-	-	(2565.00)	(2565.00)
<b>Balance at March 31, 2020</b>	<b>37430.72</b>	<b>30.00</b>	<b>167584.28</b>	<b>205045.00</b>
Profit for the year	-	-	35694.10	35694.10
Other comprehensive income for the year, net of income-tax	-	-	(135.95)	(135.95)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>35558.15</b>	<b>35558.15</b>
<b>Balance at March 31, 2021</b>	<b>37430.72</b>	<b>30.00</b>	<b>203142.43</b>	<b>240603.15</b>

**Notes forming part of the financial statements** 1-49

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LAJIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

# STANDALONE CASH FLOW STATEMENT

## for the year ended March 31, 2021



GODFREY PHILLIPS  
—INDIA LIMITED—

Rupees in Lakhs

Particulars	For the year ended 31.3.2021	For the year ended 31.3.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	46495.35	51589.80
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	13845.10	15238.39
Interest income from:		
- Debts, deposits, loans and advances, etc.	(323.97)	(314.12)
- Non-current investments	(74.67)	(57.22)
Dividend income	-	(656.46)
Net gain on sale/redemption/fair value of long term investments	(7996.54)	(6438.06)
Net gain on sale/redemption/fair value of short term investments	(1163.30)	(1879.19)
Exchange (gain)/loss on foreign currency bank balance	(0.20)	(0.32)
Interest expenses		
- On borrowings	131.22	29.69
- On lease liabilities	2727.66	2879.58
- Others	185.10	77.33
Bad debts and advances written off	89.91	98.38
Provision for doubtful debts and advances (net)	262.42	326.69
Liabilities and provisions no longer required, written back	(106.51)	(303.15)
Property, plant and equipment written off	254.56	162.72
(Gain)/Loss on sale of property, plant and equipment (net)	(8.95)	64.07
(Gain)/Loss on modification/concession in leases	(1039.61)	4.30
	<b>6782.22</b>	<b>9232.63</b>
<b>Operating profit before working capital changes</b>	<b>53277.57</b>	<b>60822.43</b>
<b>Adjustments for:</b>		
Increase in Trade receivables, loans, other financial assets and other assets	(9078.52)	(3598.87)
Increase in Inventories	(5656.99)	(4501.54)
Increase/(Decrease)in Trade payables, other financial liabilities, other liabilities and provisions	1330.05	(2814.74)
	<b>(13405.46)</b>	<b>(10915.15)</b>
<b>Cash generated from operating activities</b>	<b>39872.11</b>	<b>49907.28</b>
Income taxes paid (net)	(9908.15)	(12249.59)
<b>Net cash generated by operating activities</b>	<b>29963.96</b>	<b>37657.69</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	(12792.96)	(11666.31)
Proceeds from sale of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	128.00	168.20
Investment made in subsidiaries	(2419.83)	(480.02)
Purchase of other current and non-current investments	(390816.16)	(532858.15)
Proceeds from sale/redemption of other current and non-current investments	373804.36	536931.42
Dividend received	-	656.46
Interest received	376.55	364.07
Short term fixed deposits (made)/released (net)	(84.41)	(153.37)
	<b>(31804.45)</b>	<b>(7037.70)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/(repayment of) current borrowings (Net)	375.93	(3003.64)
Proceeds from non-current borrowings	6000.00	-
Interest paid	(2873.91)	(2994.88)
Dividend paid	(253.07)	(17234.56)
Dividend distribution tax paid	-	(3633.75)
Repayment of lease liabilities	(2533.03)	(3038.07)
	<b>715.92</b>	<b>(29904.90)</b>
<b>Net cash from/(used in) financing activities</b>	<b>(1124.57)</b>	<b>715.09</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>2407.11</b>	<b>1691.70</b>
Cash and cash equivalents at the beginning of the year (Refer Note 1 below)	<b>1282.54</b>	<b>2406.79</b>
	<b>0.20</b>	<b>0.32</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 1 below)</b>	<b>1282.74</b>	<b>2407.11</b>
<b>Note 1:</b>		
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
	<b>As at</b>	<b>As at</b>
	<b>31.3.2021</b>	<b>31.3.2020</b>
Cash and cash equivalents (Refer Note No.14)	845.87	1717.17
Earmarked unpaid dividend accounts* (Refer Note No.14)	436.87	689.94
<b>Total</b>	<b>1282.74</b>	<b>2407.11</b>

\*Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

**Note 2:**

The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

**Notes forming part of the financial statements 1-49**

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LAIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

## 1. Corporate information

Godfrey Phillips India Limited ('the Company') is a public limited company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. The Company is engaged in manufacturing of cigarettes, tobacco products and chewing products and in trading of tobacco products and other retail products.

The address of its registered office is 'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400033 and the address of its corporate office is Omaxe Square, Plot No.14, Jasola District Centre, Jasola, New Delhi - 110025. The financial statements were approved for issue by the Board of Directors on June 25, 2021.

## 2. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended. The financial statements are presented in rupees lakhs except when otherwise indicated.

## 3. Basis of preparation and presentation

### 3.1. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

### 3.2. Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent assets and contingent liabilities.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised and future periods affected.

## 4. Significant accounting policies

### 4.1.1. Revenue Recognition

#### Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue excludes amounts collected on behalf of third parties.

#### Sale of Products

The Company earns revenue from domestic and export of goods (both manufactured and traded). In domestic sales, the Company sells products to wholesaler dealers, modern trade retailers and to retail customers.

Revenue from sale of products is recognised at a point in time when control of the goods is transferred to the customer. Following delivery/loading for shipment, as the case maybe, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. Payment is generally due within 0-120 days as per credit terms with the customers. The Company considers the effects of variable consideration, if any, the existence of significant financing components and consideration payable to the customer (if any).

For sale of retail goods, revenue is recognised when control of the goods is transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.



### **(i) Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled to in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs.

#### **-Rebates and discounts**

The Company accounts for cash discounts, volume discounts, redemption schemes and pricing incentives to customers or end users as a reduction of revenue based on the rateable allocation of the discounts/ incentives to the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

### **(ii) Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Contract balances**

##### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments.

##### **Contract liabilities**

Contract liabilities (termed as Advance from customers in the financial statements) represents the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract.

##### **Cost to obtain a contract**

The Company pays sales commission to its selling agents for contracts that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

#### **4.1.2. Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **4.1.3. Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

#### **4.2. Non-current assets classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded



as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary to sale of such asset and its sale is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

#### **4.3. Leases**

##### **Company as a lessor**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### **4.3.1. Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss.

##### **4.3.2. Finance lease**

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### **4.3.3 Company as a lessee**

At the date of commencement of the lease, the Company recognises a right-of-use-asset ("ROU") and a corresponding lease liability for all the lease arrangements in which it is a lessee, except for the leases with a term of 12 months or less (short term leases) and the leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on accrual basis.

###### **i) Right of use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The ROU assets are initially recognised at cost, which comprise of the initial amount of the lease liability adjusted for any payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The ROU asset are depreciated on a straight line basis over the shorter of the lease term and the estimated useful life of the underlying asset, as follows:

Office buildings, warehouses and stores: 2 to 18 years

Store equipment & furniture: 5 years

Land: over the lease period of 45 to 99 years

Vehicles : 3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 4.11.

###### **ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. For lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic, the Company has elected not to assess Covid-19 related rent concession from lessor as a lease modification.

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

#### **4.4. Borrowing costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit and loss using effective interest rate





(EIR). Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

#### **4.5. Foreign currencies**

##### **4.5.1. Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

##### **4.5.2. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### **4.6. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **4.6.1. Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated in accordance with the Income-tax Act, 1961, using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company then reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

##### **4.6.2. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

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

##### **4.6.3. Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **4.7. Employee benefits**

##### **4.7.1. Short term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.





Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### **4.7.2. Long term employee benefits**

Long term employee benefits include compensated absences. The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

#### **4.7.3. Defined contribution plan**

The contributions to these schemes are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due on the basis of services rendered by the employees. The Company has no further obligation in respect of such plans except for the contributions due from them.

#### **4.7.4. Defined benefit plan**

Present value of obligation is provided on the basis of an actuarial valuation made at the end of each financial year as per projected unit credit method. Current and past service costs and interest expense/income are recognised as employee costs. For all defined benefit plans the difference between the present value of obligations and the fair value of plan assets is represented in the balance sheet as a liability or an asset. However the assets are restricted to the present value of the economic benefits available to the Company.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised 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 or loss in subsequent periods.

#### **4.7.5. Termination benefits**

Termination benefit is recognised as an expense at earlier of when the Company can no longer withdraw the offer of termination benefit and when the expense is incurred.

### **4.8. Property, plant and equipment**

#### **4.8.1. Recognition and measurement**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any recognised impairment losses, and include interest on loans attributable to the acquisition of qualifying assets upto the date they are ready for their intended use. Freehold land is measured at cost and is not depreciated.

#### **4.8.2. Capital work in progress**

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### **4.8.3. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets (other than freehold land and properties under construction) is recognised on straight-line method, taking into account their nature, their estimated usage, their operating conditions, past history of their replacement and maintenance support etc.

Estimated useful lives of the assets based on technical estimates are as under:

Buildings	30 - 60 years
Plant and machinery	5 - 15 years
Electrical installation and equipments	10 years
Computers and information technology equipments	3 - 6 years
Furniture, fixtures and office equipments	5 -10 years
Motor vehicles	8 years

Leasehold building improvements and Plant & Machinery (Retail Segment) are depreciated on a straight line basis over the period of lease (5 to 18 years) or, if shorter, their useful economic life.

The useful life estimated above are less than or equal to those indicated in Schedule II of the Companies Act, 2013.

Freehold land is not amortised.

The ROU assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful life of the underlying asset (Refer Note No. 4.3.3).

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **4.9. Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

No depreciation is charged in case of freehold land being designated as an investment property.

The Company based on technical assessment made by it, depreciates building component of investment property on a straight line basis over a period of 30 to 60 years from the date of original purchase.

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

#### **4.10. Intangible assets**

##### **4.10.1. Recognition and measurement of intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### **4.10.2. Derecognition of intangible asset**

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

##### **4.10.3. Amortisation method and useful life**

Intangible assets are amortised on straight line method over their estimated useful life as follows:

Computer software – 5 years

##### **4.10.4. Intangible assets under development**

Intangible assets under development represents the expenditure incurred on the development phase of completing the intangible assets. Expenditure incurred on the research phase however, are recognised as expense as and when they are incurred.

#### **4.11. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years generally. For longer periods, a long-term growth rate is calculated and applied to project future cash flows. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### **4.12. Inventories**

Inventories are stated at lower of cost and net realisable value. The cost of raw materials, stores and spares and stock in trade is determined on moving weighted average cost basis. The cost of finished goods and work-in-process is determined on standard absorption cost basis which approximates actual costs. Absorption cost comprises raw materials cost, direct wages, appropriate share of production overheads and applicable excise duty paid/payable thereon.

Net realisable value is the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

#### **4.13. Provisions and contingencies**

##### **4.13.1. Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event and 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of time value is material, the amount is determined by discounting the expected future cash flows.

##### **4.13.2. Contingent liabilities**

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

#### **4.14. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **4.14.1. Financial assets**

###### **4.14.1.1. Initial recognition and measurement**

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

financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **4.14.1.2. Classification of financial assets**

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories:

- those measured at amortized cost,
- those to be measured subsequently at fair value, either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL)

##### **Financial assets at amortised cost:**

A financial assets is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. 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 EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### **Financial assets at FVTOCI:**

A financial asset is classified as at the FVTOCI if both of the following criteria are met unless the asset is designated at fair value through profit or loss under fair value option.

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset, and
- (b) The asset's contractual cash flows represent SPPI.

##### **Financial assets at FVTPL:**

FVTPL is a residual category for financial assets. Any asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

#### **4.14.1.3. Equity investment in subsidiaries and associates**

Investments representing equity interest in subsidiaries and associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### **4.14.1.4. Derecognition**

A financial asset (or where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the companies Balance Sheet) when:

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

#### **4.14.1.5. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company believes that, considering their nature of business and past history, the expected credit loss in relation to its trade receivables and other financial assets is non-existent or grossly immaterial. Thus, the Company has not recognised any provision for expected credit loss. The Company reviews this policy annually, if required.



#### **4.14.2. Financial liabilities**

##### **4.14.2.1. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

The Company's financial liabilities include lease liabilities, trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **4.14.2.2. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

###### **Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

###### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings, lease liabilities, trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

###### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### **4.14.2.3. Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **4.15. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **4.16. Cash and cash equivalents**

Cash and cash equivalents comprises of cash on hand and at banks, short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, Cash & Cash Equivalents consists of Cash and Short term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the company's cash management and balance in unclaimed dividend accounts.



#### **4.17. Earnings per share (EPS)**

Basic earnings per share has been computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share has been computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **4.18. Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### **4.19. Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

#### **4.20. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **4.21. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:





- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **4.22. Dividend distribution to equity holders of the company**

The Company recognises a liability to make cash distributions to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **4.23. Application of new Standards and amendments**

The Company has adopted, with effect from April 01, 2020, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

##### **4.23.1 Amendments to Ind AS 116 regarding COVID-19 related rent concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. Impact of same have been provided in Note No. 42.

##### **4.23.2 Amendments to Ind AS 103 regarding definition of a Business.**

##### **4.23.3 Amendments to Ind AS 107 and 109 regarding Interest Rate Benchmark Reform.**

##### **4.23.4 Amendments to Ind AS 1 and Ind AS 8 regarding definition of Material.**

#### **Other Amendments**

A number of other minor amendments to existing standards also became effective on April 01, 2020 and have been adopted by the Company. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Company.

#### **4.24. Standards issued but not yet effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

### **5. Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management of the Company to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

#### **Judgements and estimates**

In the process of applying the accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:



**a) Impact of Covid19 pandemic**

As the effects of COVID-19 pandemic are still unfolding, some sense of uncertainty continues to prevail not just in India but across the globe. The Company has considered the possible impact of the prevailing situation on the carrying amounts of its various assets. Based on the current estimates arrived at by using internal and external sources of information, the Company does not expect any material impact on such carrying values. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of Standalone Financial Statements.

**b) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note No.43 for further disclosures.

**c) Provisions and contingent liabilities**

The Company has ongoing litigations with various regulatory authorities and others. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Liability for interest, if any, on the amount of entry tax provided in the books but not paid as per stay ordered by the appellate authorities/courts is considered as remote.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. Management uses in-house and external professionals to make informed decision. These are set out in Note no. 37.

**d) Assessment of carrying value of retail and chewing business**

**i) Retail business**

In view of the continuing operating losses, the Company has reviewed the carrying value of its assets relating to retail business and estimated the recoverable amount of the assets in accordance with the requirements of Ind AS 36 for which an external professional agency was also engaged. Based on the said assessment, it has been concluded that the recoverable amount of the retail business is higher than its carrying value as at 31 March 2021 and therefore, no impairment was required to be recorded in these financial statements. The Company has determined the recoverable amount applying the fair value less cost to sell ('FVLCS') method, using a level 2 valuation technique for which key inputs centred around the forecasted revenue, market multiple and transaction multiple.

The recoverable value of the Retail business has been assessed at Rs. 8859.00 lakhs (previous year Rs. 13636.00 lakhs) as against the carrying value of the net assets of the business which is Rs. 6804.39 lakhs (previous year Rs. 8603.17 lakhs) as at March 31, 2021.

**ii) Chewing business**

In view of the continuing operating losses, the Company has reviewed the carrying value of its assets relating to chewing business and estimated the recoverable amount of assets in accordance with the requirements of Ind AS 36. Based on the said assessment, it has been concluded that the recoverable amount of the chewing business is higher than its carrying value as at 31 March 2021 and therefore, no impairment was required to be recorded in these financial statements. The recoverable amount was determined using a fair value less cost to sell ('FVLCS') method. The value of the principal assets of the CGU was determined using a sales comparison method, a level 3 valuation technique for which the key inputs centred around prevailing market rates and replacement cost and for other assets, the value was determined based on their expected realisable value.

The recoverable value of the Chewing business has been estimated at Rs. 6193.00 lakhs (previous year Rs. 10138.00 lakhs (determined as per value in use basis)) as against the carrying value of the net assets of the business which is Rs. 5429.76 lakhs (previous year Rs. 6386.99 lakhs) as at March 31, 2021.





## 6. Property, plant and equipment and capital work in progress

	As at 31.3.2021	As at 31.3.2020							
<b>Carrying amount of:</b>									
Property, plant and equipment	<b>67739.38</b>	62499.83							
Capital work-in-progress	<b>2616.43</b>	1590.04							
	Land-freehold	Buildings*	Leasehold building improvements	Plant and machinery	Electrical installation and equipments	Computers & information technology equipments	Furniture, fixtures and office equipments	Motor vehicles	Total
<b>Cost</b>									
<b>Balance at April 1, 2019</b>	<b>959.11</b>	<b>24115.90</b>	<b>5829.81</b>	<b>59765.68</b>	<b>1190.27</b>	<b>2759.32</b>	<b>4323.86</b>	<b>3413.28</b>	<b>102357.23</b>
Additions	-	1921.57	623.06	3864.06	76.19	514.14	338.54	181.75	7519.31
Reclassification	-	-	-	136.65	(116.99)	15.29	(34.95)	-	-
Disposals	-	-	(203.82)	(351.01)	(2.55)	(76.99)	(32.54)	(296.35)	(963.26)
<b>Balance at March 31, 2020</b>	<b>959.11</b>	<b>26037.47</b>	<b>6249.05</b>	<b>63415.38</b>	<b>1146.92</b>	<b>3211.76</b>	<b>4594.91</b>	<b>3298.68</b>	<b>108913.28</b>
Additions	-	60.60	1762.30	11152.36	15.08	180.65	846.70	23.81	14041.50
Disposals	-	-	(409.35)	(31.71)	-	(18.21)	(22.66)	(383.00)	(864.93)
<b>Balance at March 31, 2021</b>	<b>959.11</b>	<b>26098.07</b>	<b>7602.00</b>	<b>74536.03</b>	<b>1162.00</b>	<b>3374.20</b>	<b>5418.95</b>	<b>2939.49</b>	<b>122089.85</b>
Accumulated depreciation									
Balance at April 1, 2019	-	3298.83	955.98	27897.03	320.21	1640.87	1622.87	1292.06	37027.85
Depreciation expense	-	776.94	861.84	6759.86	101.54	514.25	521.15	418.29	9953.87
Reclassification	-	-	-	23.67	(16.81)	10.13	(16.99)	-	-
Eliminated on disposals of assets	-	-	(43.36)	(247.59)	(1.72)	(67.07)	(20.64)	(187.89)	(568.27)
<b>Balance at March 31, 2020</b>	<b>-</b>	<b>4075.77</b>	<b>1774.46</b>	<b>34432.97</b>	<b>403.22</b>	<b>2098.18</b>	<b>2106.39</b>	<b>1522.46</b>	<b>46413.45</b>
Depreciation expense	-	784.98	900.01	5343.25	104.64	419.22	498.94	377.30	8428.34
Eliminated on disposals of assets	-	-	(160.82)	(23.76)	-	(15.69)	(15.69)	(275.36)	(491.32)
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>4860.75</b>	<b>2513.65</b>	<b>39752.46</b>	<b>507.86</b>	<b>2501.71</b>	<b>2589.64</b>	<b>1624.40</b>	<b>54350.47</b>
<b>Net book value</b>									
<b>Balance at March 31, 2021</b>	<b>959.11</b>	<b>21237.32</b>	<b>5088.35</b>	<b>34783.57</b>	<b>654.14</b>	<b>872.49</b>	<b>2829.31</b>	<b>1315.09</b>	<b>67739.38</b>
Balance at March 31, 2020	959.11	21961.70	4474.59	28982.41	743.70	1113.58	2488.52	1776.22	62499.83

### Notes:

\* Includes Rs. 0.02 lakhs (Previous year Rs. 0.02 lakhs) being the cost of shares in co-operative societies.

### Depreciation and amortisation expenses

	Note no.	Year ended 31.3.2021	Year ended 31.3.2020
Property, plant and equipment	<b>6</b>	<b>8428.34</b>	9953.87
Investment property	<b>7</b>	<b>27.36</b>	27.36
Intangible assets	<b>8</b>	<b>153.94</b>	99.35
Right of use assets	<b>42</b>	<b>5235.46</b>	5157.81
<b>Total</b>		<b>13845.10</b>	15238.39



## 7. Investment Property

	Freehold Land	Building	Total
<b>Cost</b>			
<b>Balance as at April 1, 2019</b>	<b>1.60</b>	<b>951.56</b>	<b>953.16</b>
<b>Balance as at March 31, 2020</b>	<b>1.60</b>	<b>951.56</b>	<b>953.16</b>
<b>Balance as at March 31, 2021</b>	<b>1.60</b>	<b>951.56</b>	<b>953.16</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at April 1, 2019</b>	-	<b>103.70</b>	<b>103.70</b>
Depreciation expense	-	27.36	27.36
<b>Balance as at March 31, 2020</b>	-	<b>131.06</b>	<b>131.06</b>
Depreciation expense	-	27.36	27.36
<b>Balance as at March 31, 2021</b>	-	<b>158.42</b>	<b>158.42</b>
<b>Carrying amount</b>			
<b>Balance at March 31, 2021</b>	<b>1.60</b>	<b>793.14</b>	<b>794.74</b>
Balance at March 31, 2020	1.60	820.50	822.10

### Information regarding income and expenditure of investment property

The Company's investment properties comprise of certain land and buildings presently held by the Company for an undetermined purpose and these are located in Mumbai, Maharashtra and Bazzpur, Uttarakhand.

The Company has earned rental income of Rs. 65.46 lakhs (previous year Rs.78.20 lakhs) from investment properties.

### Fair valuation of the properties

The following table provides an analysis of investment properties and their fair values:

Fair Valuation of the properties	As at 31.3.2021	As at 31.3.2020
Located in Maharashtra	<b>34162.00</b>	33466.77
Located in Uttarakhand	<b>890.80</b>	861.44
	<b>35052.80</b>	34328.21

The above values are based on valuation performed by an accredited independent valuer and the valuation has been carried out in accordance with the valuation model recommended by the International Valuation Standards Committee.

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

The Company has used Level 3 valuation technique to arrive at the fair values.

### Description of valuation technique

	Valuation technique	Significant unobservable inputs	Assumption used	
			As on March 31, 2021	As on March 31, 2020
<b>Located in Maharashtra</b>				
Factory Land and Building (including Godown)	Market Value Method	Industrial rate for sales (Rs./Sq. Ft.)	13000 to 15000	13000 to 15000
Residential Land and Building	Market Value Method	Residential rate for sales (Rs./Sq. Ft.)	16000	16000
Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	30000	30000
<b>Located in Uttarakhand</b>				
Factory Land and Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	1450 to 8900	1235 to 9070

Significant increases / (decreases) in the assumptions in isolation or with combined effect would accordingly result in significantly higher / (lower) fair value of the properties.



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>8. Intangible assets and Intangible assets under development</b>		
Carrying amount of:		
Intangible assets	<b>949.84</b>	395.20
Intangible assets under development	-	60.96
	<b>949.84</b>	456.16
	<b>Computer Software</b>	
<b>Cost</b>		
<b>Balance at April 1, 2019</b>	1003.35	
Additions	179.14	
<b>Balance at March 31, 2020</b>	<b>1182.49</b>	
Additions	708.58	
<b>Balance at March 31, 2021</b>	<b>1891.07</b>	
<b>Accumulated amortisation</b>		
<b>Balance at April 1, 2019</b>	687.94	
Amortisation expense	99.35	
<b>Balance at March 31, 2020</b>	<b>787.29</b>	
Amortisation expense	153.94	
<b>Balance at March 31, 2021</b>	<b>941.23</b>	
<b>Net book value</b>		
<b>Balance at March 31, 2021</b>	<b>949.84</b>	
Balance at March 31, 2020	395.20	
<b>9. Financial assets - Investments</b>		
<b>Non-current</b>		
Investment in equity instruments (carried at cost)		
- Subsidiary Companies	<b>10359.50</b>	7939.67
- Associate Companies	<b>110.25</b>	110.25
Investment in mutual funds	<b>87362.00</b>	95996.13
Investment-others	<b>3720.75</b>	2226.77
	<b>101552.50</b>	106272.82
<b>Current</b>		
Investment in mutual funds	<b>44358.18</b>	12152.56
Investment-others	<b>1672.87</b>	566.70
	<b>46031.05</b>	12719.26
Aggregate value of unquoted investments non-current	<b>12474.25</b>	10054.42
Aggregate value of quoted investments non-current	<b>91082.75</b>	98222.90
Aggregate value of quoted investments current	<b>46031.05</b>	12719.26
Market value of quoted investments non-current	<b>91025.02</b>	98256.55
Market value of quoted investments current	<b>46060.60</b>	12719.26
Aggregate value of diminution other than temporary in value of investments non-current	<b>2004.50</b>	2004.50
<b>Classification of investments as per Ind AS 109</b>		
Investments carried at fair value through profit or loss (FVTPL)	<b>134618.65</b>	110507.15
Investments carried at amortised cost	<b>2495.15</b>	435.01
	<b>137113.80</b>	110942.16



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>9.1 Investment in subsidiaries</b>		
<b>Break-up of investment in subsidiaries (carrying amount at cost)</b>		
<b>Unquoted investment</b>		
International Tobacco Company Limited 3,00,000 Equity shares of Rs.100 each fully paid up	<b>3250.00</b>	3250.00
Godfrey Phillips Middle East DMCC 200 Equity shares of AED 1000 each fully paid up	<b>35.50</b>	35.50
Flavors And More, Inc. 1,130 Ordinary shares with no par value	<b>1508.50</b>	1508.50
Less: Provision made for decline in the value	<b>1508.50</b>	1508.50
	-	-
Chase Investments Limited 2,01,210 Equity shares of Rs.100 each fully paid up	<b>360.26</b>	360.26
1,58,490 Equity shares of Rs.100 each Rs.50 paid up	<b>79.24</b>	79.24
Friendly Reality Projects Limited 11,650 Equity shares of Rs. 100 each fully paid up	<b>3734.65</b>	3734.65
11,550 Equity shares of Rs. 100 each fully paid up (Previous year Rs.20 paid up)	<b>2400.09</b>	480.02
2,405 Equity shares of Rs. 100 each fully paid up	<b>499.76</b>	-
	<b>10359.50</b>	7939.67
<b>9.2 Investment in associates</b>		
<b>Break-up of investment in associates (carrying amount at cost)</b>		
<b>Unquoted investment</b>		
IPM India Wholesale Trading Private Limited 49,60,000 Equity shares of Rs. 10 each fully paid up	<b>496.00</b>	496.00
Less: Provision made for decline in the value	<b>496.00</b>	496.00
	-	-
KKM Management Centre Private Limited 11,02,500 Equity shares of Rs.10 each fully paid up	<b>110.25</b>	110.25
	<b>110.25</b>	110.25
<b>9.3 Investment in mutual funds</b>		
<b>Non-current investment in mutual funds (valued at fair value through profit or loss)</b>	<b>87362.00</b>	95996.13
<b>Current investment in mutual funds (valued at fair value through profit or loss)</b>	<b>44358.18</b>	12152.56
<b>Break-up of non-current investment in mutual funds</b>		
<b>Franklin Templeton Mutual Fund</b>		
1,00,00,000 Units of Franklin India Fixed Maturity Plans-Series 2- Plan C (1205 Days)- Direct-Growth of Rs. 10 each	-*	1189.63
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each	-*	589.01
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan C (1098 Days)- Direct-Growth of Rs. 10 each	-*	580.78
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan D (1098 Days)- Direct-Growth of Rs. 10 each	-*	554.22
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each	<b>617.32</b>	563.95
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each	<b>611.72</b>	559.88
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each	<b>604.84</b>	553.43



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of non-current investment in mutual funds (continued)</b>		
Nil (Previous year 1,21,40,782) Units of Franklin India Banking And PSU Debt Fund - Direct Growth of Rs.10 each	-	2054.08
<b>ICICI Prudential Mutual Fund</b>		
41,57,762 Units of ICICI Prudential Short Term Fund-Direct Plan-Growth Option of Rs.10 each	<b>2021.47</b>	1844.64
1,46,62,444 (Previous year 1,05,70,087) Units of ICICI Prudential Banking and PSU Debt Fund-Direct Plan-Growth of Rs.10 each	<b>3755.99</b>	2499.14
27,82,985 (Previous year 75,73,199) Units of ICICI Prudential Medium Term Bond Fund Direct Plan-Growth of Rs. 10 each	<b>1008.48</b>	2515.27
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K-Direct Plan of Rs.10 each	<b>633.28</b>	583.09
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each	<b>633.73</b>	579.11
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N-Direct Plan of Rs.10 each	<b>629.62</b>	579.28
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U-Direct Plan of Rs.10 each	<b>615.93</b>	566.86
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z-Direct Plan of Rs. 10 each	<b>1234.02</b>	1127.42
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B-Direct Plan of Rs. 10 each	<b>613.36</b>	562.81
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D-Direct Plan of Rs. 10 each	<b>609.09</b>	560.02
1,21,31,499 (Previous year - 98,98,160) Units of ICICI Prudential Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	<b>2851.71</b>	2129.10
Nil (Previous year 66,56,202) Units of ICICI Credit Risk Fund-Direct Growth of Rs. 10 each	-	1540.78
<b>Aditya Birla Sunlife Mutual Fund</b>		
12,09,715 (previous year 8,72,520) Units of Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan of Rs. 10 each	<b>1049.22</b>	688.28
1,00,00,000 Units of Aditya Birla Sunlife Fixed Term Plan -Series PG (1148 Days) - Direct-Growth of Rs.10 each	-*	1184.71
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days) -Direct Growth of Rs. 10 each	-*	526.80
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) -Direct Growth of Rs. 10 each	-*	581.51
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) -Direct Growth of Rs. 10 each	-*	575.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) -Direct Growth of Rs. 10 each	-*	570.57
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) -Direct -Growth of Rs. 10 each	<b>623.58</b>	579.55
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) -Direct Growth of Rs. 10 each	<b>622.11</b>	575.87
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RW (1202 Days) -Direct Growth of Rs. 10 each	<b>618.40</b>	568.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS)-Direct Growth of Rs. 10 each	<b>607.74</b>	559.39
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ		



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of non-current investment in mutual funds (continued)</b>		
(1135 DAYS)-Direct Growth of Rs. 10 each	<b>603.64</b>	554.77
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN		
(1099 Days) Direct Growth of Rs. 10 each	<b>598.51</b>	549.71
20,91,866 (previous year 15,86,927) Units of		
Aditya Birla Sunlife Income Fund-Growth-Direct Plan of Rs.10 each	<b>2161.52</b>	1506.88
<b>IDFC Mutual Fund</b>		
12,82,926 Units of IDFC Bond Fund-Short Term Plan-Growth-		
Direct Plan of Rs. 10 each	<b>601.21</b>	556.31
78,77,427 Units of IDFC Corporate Bond Fund-Direct Plan-		
Growth of Rs. 10 each	<b>1202.70</b>	1099.89
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan -		
Growth (1170 Days) of Rs. 10 each	<b>612.42</b>	560.35
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan -		
Growth (1160 Days) of Rs. 10 each	<b>608.07</b>	555.77
31,47,920 Units of IDFC Banking & PSU Debt Fund-Direct Plan-		
Growth of Rs. 10 each	<b>615.12</b>	565.50
Nil (previous year 1,62,83,851) Units of IDFC Credit Risk Fund Direct Plan-		
Growth of Rs.10 each	-	2072.89
<b>HDFC Mutual Fund</b>		
2,60,51,855 Units of HDFC Banking and PSU Debt Fund		
Direct Growth Option of Rs. 10 each	<b>4754.30</b>	4383.34
Nil (previous year 68,09,948) Units of HDFC Credit Risk Debt Fund-Direct -		
Growth of Rs.10 each	-	1187.87
50,00,000 Units of HDFC FMP 1177D March, 2018(1) -Direct-Growth-		
Series 39 of Rs.10 each	-*	577.81
1,00,00,000 Units of HDFC FMP 1141D August 2018(1) -Direct-		
Growth-Series 42 of Rs.10 each	-*	1129.92
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) -		
Direct-Growth-Series 43 of Rs.10 each	<b>1272.13</b>	1156.47
50,00,000 Units of HDFC FMP 1274D October 2018(1) -		
Direct-Growth-Series 43 of Rs.10 each	<b>634.14</b>	584.89
50,00,000 Units of HDFC FMP 1154D February 2019 (1)-		
Direct-Growth Series 43 of Rs.10 each	<b>607.99</b>	559.05
50,00,000 Units of HDFC FMP 1126D March 2019 (1)-		
Direct-Growth Series 44 of Rs.10 each	<b>604.28</b>	555.30
1,09,30,550 (Previous year - 88,53,353) Units of HDFC Corporate Bond Fund-		
Direct Plan-Growth Option of Rs. 10 each	<b>2752.69</b>	2043.66
33,02,012 Units of HDFC Medium Term Debt Fund-Direct Plan-		
Growth Option of Rs.10 each (purchased during the year)	<b>1507.85</b>	-
89,83,476 Units of HDFC Short Term Debt Fund-Direct Plan-		
Growth Option of Rs.10 each	<b>2241.10</b>	2056.16
<b>SBI Mutual Fund</b>		
1,26,95,752 Units of SBI Short Term Debt Fund-		
Direct Plan-Growth of Rs. 10 each	<b>3304.55</b>	3064.01
50,00,000 Units of SBI Debt Fund Series -C-12-(1122 Days) -		
Direct-Growth of Rs. 10 each	-*	578.39
1,00,00,000 Units of SBI Debt Fund Series -C-22-(1100 Days) -		
Direct-Growth of Rs. 10 each	-*	1154.50
50,00,000 Units of SBI Debt Fund Series -C-25-(1100 Days) -		



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of non-current investment in mutual funds (continued)</b>		
Direct-Growth of Rs. 10 each	-*	581.22
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) -Direct-Growth of Rs. 10 each	<b>632.45</b>	581.15
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) -Direct-Growth of Rs. 10 each	<b>625.63</b>	576.61
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days) -Direct-Growth of Rs. 10 each	<b>618.15</b>	567.36
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)-Direct Growth of Rs. 10 each	<b>610.89</b>	562.68
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)-Direct Growth of Rs. 10 each	<b>609.50</b>	558.44
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)-Direct Growth of Rs. 10 each	<b>609.86</b>	559.88
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)-Direct Growth of Rs. 10 each	<b>603.27</b>	552.57
43,174 Units of SBI Banking & PSU Debt Fund-Direct Growth of Rs. 1000 each	<b>1102.66</b>	1021.21
90,59,366 Units of SBI Corporate Bond Fund- Direct Plan-Growth of Rs.10 each	<b>1106.53</b>	1022.42
<b>AXIS Mutual Fund</b>		
50,00,000 Units of Axis Fixed Term Plan Series-96 (1124 Days) -Direct-Growth (WH-DG) of Rs.10 each	-*	527.04
83,523 units of Axis Banking & PSU Debt Fund -Direct Growth (BD-DG) of Rs. 1000 each	<b>1752.14</b>	1621.18
22,47,887 Units of Axis Short Term Fund - Direct Plan -Growth( ST-DG) of Rs. 10 each	<b>570.98</b>	525.43
40,58,268 Units of Axis Dynamic Bond Fund - Direct Plan -Growth (DBDGG) of Rs. 10 each (purchased during the year)	<b>1006.89</b>	-
44,64,883 Units of Axis Strategic Bond Fund - Direct Plan -Growth (IF-DG) of Rs. 10 each (purchased during the year)	<b>1006.96</b>	-
<b>DSP Mutual Fund</b>		
1,00,00,000 Units of DSP FMP- Series 221-40M -Direct-Growth of Rs 10 each	-*	1183.05
50,00,000 Units of DSP FMP -S241-36M-Direct-Growth of Rs. 10 each	-*	573.05
<b>PGIM India Mutual Fund</b>		
50,000 Units of PGIM India Fixed Duration Fund-Series AR -Direct Plan-Growth of Rs. 1000 each	-*	543.72
50,000 Units of PGIM India Fixed Duration Fund Series BE-Direct Plan-Growth of Rs. 1000 each	-*	488.97
<b>Nippon India Mutual Fund</b>		
65,82,430 Units of Nippon India Dynamic Bond Fund Direct Growth Plan of Rs.10 each (purchased during the year)	<b>1997.94</b>	-
29,17,578 Units of Nippon India Floating Rate Fund Direct Growth Plan of Rs.10 each (purchased during the year)	<b>1049.98</b>	-
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04- Direct- Growth Plan of Rs.10 each	<b>649.31</b>	602.98
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX-Series 9- Direct -Growth Plan of Rs.10 each	<b>637.44</b>	584.92
<b>UTI Mutual Fund</b>		
1,00,00,000 Units of UTI Fixed Term Income Fund Series		





Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of non-current investment in mutual funds (continued)</b>		
XXX-III-1106 Days -Direct-Growth Plan of Rs. 10 each	-*	1006.85
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-I-1209 Days - Direct-Growth Plan of Rs. 10 each	<b>616.51</b>	566.34
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-III-1174 Days- Direct Growth Plan of Rs. 10 each	<b>612.06</b>	562.21
1,76,45,229 Units of UTI Corporate Bond Fund- Direct Growth Plan of Rs 10 each	<b>2259.68</b>	2085.51
<b>TATA Mutual Fund</b>		
50,00,000 Units of Tata Fixed Maturity Plan Series 53 Scheme A- Direct Plan-Growth of Rs. 10 each	-*	589.71
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme E- Direct Plan-Growth of Rs. 10 each	-*	530.06
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme F- Direct Plan-Growth of Rs. 10 each	-*	525.49
<b>Kotak Mutual Fund</b>		
Nil (Previous year 76,74,987) Units of Kotak Credit Risk Fund-Direct Plan- Growth of Rs. 10 each	-	1800.57
50,00,000 Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	-*	590.07
50,00,000 Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	-*	579.56
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	<b>634.28</b>	583.08
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	<b>625.76</b>	574.99
19,858 Units of Kotak Corporate Bond Fund Direct Growth of Rs. 1000 each	<b>592.69</b>	548.14
54,72,469 (Previous year 44,56,464) Units of Kotak Banking and PSU Debt Fund Direct-Growth of Rs. 10 each	<b>2819.61</b>	2123.36
65,14,905 Units of Kotak Dynamic Bond Fund Direct- Growth of Rs. 10 each (purchased during the year)	<b>1988.37</b>	-
54,07,152 Units of Kotak Medium Term Fund Direct- Growth of Rs. 10 each (purchased during the year)	<b>998.63</b>	-
60,86,604 Units of Kotak Bond (Short Term) -Direct Plan-Growth of Rs. 10 each	<b>2646.34</b>	2441.55
<b>Edelweiss Mutual Fund</b>		
1,00,000 Units of Edelweiss Mutual Fund Bharat Bond ETF-April 2030 of Rs.1000 each	<b>1134.37</b>	1040.34
45,52,180 Units of Bharat Bond FOF April 2030 - Direct Pan Growth of Rs.100 each (purchased during the year)	<b>515.73</b>	-
88,88,991 Units of Bharat Bond FOF April 2030 - Regular Plan Growth of Rs.10 each (purchased during the year)	<b>1007.07</b>	-
98,66,305 Units of Bharat Bond FOF - April 2031 - Regular Plan Growth of Rs.10 each (purchased during the year)	<b>1004.58</b>	-
49,99,750 Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth of Rs.10 each (purchased during the year)	<b>505.41</b>	-
1,01,43,531 Units of Bharat Bond FOF-April 2023- Regular Plan-Growth of Rs.10 each	<b>1131.18</b>	1037.90
<b>HSBC Mutual Fund</b>		
1,00,00,000 Units of HSBC FTS 133-Growth-Direct -1134 days of Rs.10 each	-*	1144.77
<b>L&amp;T Mutual Fund</b>		
27,52,410 Units of L&T Short Term Bond Fund- Direct Plan-Growth of Rs. 10 each	<b>595.90</b>	554.23
54,59,152 Units of L&T Banking and PSU Debt Fund-Direct Plan- Growth of Rs 10 each	<b>1097.95</b>	1013.55





Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of non-current investment in mutual funds (continued)</b>		
65,92,441 (previous year 49,16,716) Units of L& T Triple Ace Bond Fund Direct Plan Growth of Rs. 10 each	<b>3931.67</b>	2717.30
10,02,536 Units of L&T Triple Ace Bond Fund Growth of Rs 10 each	<b>569.46</b>	529.50
58,18,859 Units of L&T Banking and PSU Debt Fund-Growth of Rs 10 each	<b>1129.11</b>	1046.50
<b>Sundaram Mutual Fund</b>		
1,50,00,000 Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	-*	1768.16
50,00,000 Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	-*	586.13
34,70,150 Units of Sundaram Corporate Bond Fund Direct-Growth of Rs. 10 each	<b>1111.23</b>	1019.96
<b>Total aggregate non-current investment in mutual funds</b>	<b>87362.00</b>	95996.13
<b>Break-up of current investment in mutual funds</b>		
<b>Franklin Templeton Mutual Fund</b>		
1,00,00,000 Units of Franklin India Fixed Maturity Plans-Series 2- Plan C (1205 Days)- Direct- Growth of Rs. 10 each	<b>1263.40</b>	** -
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each	<b>627.88</b>	** -
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan C (1098 Days)- Direct-Growth of Rs. 10 each	<b>625.36</b>	** -
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan D (1098 Days)- Direct-Growth of Rs. 10 each	<b>597.34</b>	** -
<b>Aditya Birla Sunlife Mutual Fund</b>		
1,00,00,000 Units of Aditya Birla Sunlife Fixed Term Plan - Series PG (1148 Days) - Direct-Growth of Rs.10 each	<b>1260.68</b>	** -
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days) -Direct Growth of Rs. 10 each	<b>565.26</b>	** -
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) -Direct Growth of Rs. 10 each	<b>619.65</b>	** -
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) -Direct Growth of Rs. 10 each	<b>611.29</b>	** -
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) -Direct Growth of Rs. 10 each	<b>615.31</b>	** -
18,33,542 Units of Aditya Birla Sun Life Floating Rate Fund- Growth Direct Plan of Rs.100 each (purchased during the year)	<b>4963.09</b>	-
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series OJ (1136 Days) -Growth Direct Plan of Rs. 10 each	-	618.11
38,94,301 (previous year Nil) Units of Aditya Birla Sunlife Savings Fund - Growth Direct Plan of Rs.100 each	<b>16622.29</b>	-
<b>HDFC Mutual Fund</b>		
50,00,000 Units of HDFC FMP 1177D March, 2018(1) - Direct-Growth-Series 39 of Rs.10 each	<b>639.40</b>	** -
1,00,00,000 Units of HDFC FMP 1141D August 2018(1) - Direct-Growth-Series 42 of Rs.10 each	<b>1263.72</b>	** -
<b>SBI Mutual Fund</b>		
50,00,000 Units of SBI Debt Fund Series -C-12-(1122 Days) - Direct-Growth of Rs. 10 each	<b>614.51</b>	** -
1,00,00,000 Units of SBI Debt Fund Series -C-22-(1100 Days) - Direct-Growth of Rs. 10 each	<b>1246.77</b>	** -
50,00,000 Units of SBI Debt Fund Series -C-25-(1100 Days) - Direct-Growth of Rs. 10 each	<b>629.31</b>	** -
<b>AXIS Mutual Fund</b>		
50,00,000 Units of Axis Fixed Term Plan Series-96 (1124 Days) -		



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>Break-up of current investment in mutual funds (continued)</b>		
Direct-Growth (WH-DG) of Rs.10 each	<b>575.85</b>	** -
<b>DSP Mutual Fund</b>		
1,00,00,000 Units of DSP FMP- Series 221-40M -		
Direct-Growth of Rs 10 each	<b>1258.11</b>	** -
50,00,000 Units of DSP FMP -S241-36M-Direct-Growth of Rs. 10 each	<b>626.25</b>	** -
<b>PGIM India Mutual Fund</b>		
50,000 Units of PGIM India Fixed Duration Fund-Series AR -		
Direct Plan-Growth of Rs. 1000 each	<b>614.77</b>	** -
50,000 Units of PGIM India Fixed Duration Fund Series BE-		
Direct Plan-Growth of Rs. 1000 each	<b>547.12</b>	** -
<b>UTI Mutual Fund</b>		
1,00,00,000 Units of UTI Fixed Term Income Fund Series XXX-III-1106 Days -		
Direct-Growth Plan of Rs. 10 each	<b>1152.73</b>	** -
<b>TATA Mutual Fund</b>		
50,00,000 Units of Tata Fixed Maturity Plan Series 53 Scheme A-		
Direct Plan-Growth of Rs. 10 each	<b>627.77</b>	** -
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme E-		
Direct Plan-Growth of Rs. 10 each	<b>574.16</b>	** -
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme F-		
Direct Plan-Growth of Rs. 10 each	<b>565.62</b>	** -
<b>Kotak Mutual Fund</b>		
50,00,000 Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	<b>637.43</b>	** -
50,00,000 Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	<b>635.64</b>	** -
Nil (Previous year 3,14,41,297) Units of Kotak Savings Fund-		
Direct Plan- Growth of Rs. 10 each	-	10329.63
<b>HSBC Mutual Fund</b>		
1,00,00,000 Units of HSBC FTS 133-Growth-Direct -1134 days of Rs.10 each	<b>1233.36</b>	** -
<b>Sundaram Mutual Fund</b>		
1,50,00,000 Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	<b>1918.47</b>	** -
50,00,000 Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	<b>625.64</b>	** -
<b>Nippon India Mutual Fund</b>		
Nil (previous year 1,00,00,000) Units of Nippon India Mutual Fund		
Fixed Horizon Fund XXXIII-Series 5-Direct- Growth Plan of Rs. 10 each	-	1204.82
<b>Total aggregate current investment in mutual funds</b>	<b>44358.18</b>	<b>12152.56</b>
<b>9.4 Investment-others-non-current</b>		
<b>Indian Railway Finance Corporation Limited</b>		
<b>(valued at amortized cost)</b>		
43,501 Tax Free Secured Redeemable Non-convertible Bonds		
of Rs.1000 each fully paid up	-*	435.01
<b>State Bank of India Bond (valued at amortized cost)</b>		
100 Units of State Bank of India SR I 7.74 BD Perpetual FVRS10LAC		
(purchased during the year)	<b>1031.65</b>	-
50 Units of State Bank of India SR II 7.73 BD Perpetual		
FVRS10LAC (purchased during the year)	<b>513.97</b>	-
<b>Bank of Baroda Bond (valued at amortized cost)</b>		
30 Units of Bank of Baroda SR XIV 8.50 BD Perpetual FVRS10LAC		
(purchased during the year)	<b>302.45</b>	-
20 Units of Bank of Baroda SR XIII 8.50 BD Perpetual FVRS10LAC		
(purchased during the year)	<b>212.07</b>	-
<b>Investment in Alternative Investment Funds</b>		



	As at 31.3.2021	Rupees in Lakhs As at 31.3.2020
<b>Break-up of investment-others-non-current (continued)</b>		
<b>(valued at fair value through profit or loss)</b>		
19,96,885 units of IIFL India Housing Fund of Rs. 10 each	<b>234.76</b>	219.00
50,00,000 Units of IIFL Select Series II of Rs. 10 each	<b>681.67</b>	453.02
<b>Investment in Market Lined Debentures (MLD)</b>		
<b>(valued at fair value through profit or loss)</b>		
500 units of Samasta Micro Finance Limited Rs. 100,000 each	-*	577.05
Previous year 187 Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	-*	229.04
Previous year 150 Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	-*	313.65
100 Units of JM Financial Asset Reconstruction Company Limited - TR XXXI BR NCD 25NV22 FVRS2LAC of Rs,200,000 each (purchased during the year)	<b>207.18</b>	-
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs.200,000 each (purchased during the year)	<b>537.00</b>	-
	<b>3720.75</b>	2226.77
<b>9.5 Investment-others-current</b>		
<b>Indian Railway Finance Corporation Limited</b>		
<b>(valued at amortized cost)</b>		
43,501 Tax Free Secured Redeemable Non-convertible Bonds of Rs.1000 each fully paid up	<b>435.01</b>	** -
<b>Investment in Market Linked Debentures (MLD)</b>		
<b>(valued at fair value through profit or loss)</b>		
150 Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	<b>345.42</b>	** -
187 Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	<b>244.54</b>	** -
Nil (previous year 50) Units of JM Financial Products Limited of Rs.10,00,000 each	-	566.70
500 units of Samasta Micro Finance Limited Rs. 100,000 each	<b>647.90</b>	** -
	<b>1672.87</b>	566.70
<b>9.6 Other equity instruments</b>		
<b>Investments in equity investments (valued at fair value)</b>		
<b>Unquoted investment</b>		
Molind Engineering Limited		
3,500 Equity shares of Rs.10 each fully paid up	<b>0.25</b>	0.25
Less: Written-off	<b>(0.25)</b>	(0.25)
<b>Investment in other equity instruments</b>	-	-
* Transferred to current investments		
** Transferred from non-current investments		
<b>10. Financial assets - Loans (carried at amortised cost)</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Loans to related parties (Refer Note No.45)		
- Loan to officers	<b>7.01</b>	11.71
Loans to employees	<b>445.97</b>	539.32
	<b>452.98</b>	551.03
<b>Current</b>		
Loans to related parties (Refer Note No.45)		
- Loan to officers	<b>4.70</b>	4.70
Loans to employees	<b>149.06</b>	135.50
	<b>153.76</b>	140.20
<b>Total</b>	<b>606.74</b>	691.23



Rupees in Lakhs

## 11. Income taxes

The major components of Income tax expenses are:

	Year ended 31.3.2021	Year ended 31.3.2020
<b>Statement of profit and loss:</b>		
<b>Current income tax</b>		
In respect of the current year	<b>10422.92</b>	12454.94
In respect of the prior years	<b>(187.48)</b>	158.22
<b>Deferred tax</b>		
In respect of the current year	<b>565.14</b>	181.32
In respect of the prior years	<b>0.67</b>	7.35
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>10801.25</b>	12801.83
<b>Statement of Other Comprehensive Income:</b>		
<b>Current income tax</b>		
In respect of the current year	<b>(67.03)</b>	188.12
<b>Deferred tax</b>		
In respect of the current year	<b>112.75</b>	154.53
<b>Income tax credit to OCI</b>	<b>45.72</b>	342.65
<b>The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:</b>		
<b>Profit before tax</b>	<b>46495.35</b>	51589.80
Income tax expense calculated at corporate tax rate of 25.168%	<b>11701.95</b>	12984.12
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	<b>(901.98)</b>	(571.57)
Effect of reversal of excess tax provision for prior years	<b>(186.81)</b>	-
Effect of expenses that are not deductible in determining taxable profit	<b>171.52</b>	155.56
Effect of changes in tax rates	-	206.94
Effect of additions made as per probable income-tax assessments	<b>22.95</b>	191.17
Effect of exempt non-operating income	<b>(8.76)</b>	(173.98)
Others	<b>2.38</b>	9.59
<b>At the effective income tax rate of 23.23% (Previous year: 24.81%)</b>	<b>10801.25</b>	12801.83

Deferred tax balances along with movement are as follows:

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>For the year ended March 31, 2021</b>				
<b>Deferred tax assets in relation to:</b>				
Provisions for compensated absences	1116.82	(258.00)	-	858.82
Accrued expenses deductible on payment basis	477.74	(0.58)	-	477.16
Foreign exchange difference arising on account of import of Property, plant and equipments	24.45	-	-	24.45
Provision for decline in value of non current investments	382.47	15.88	-	398.35
Other financial assets (Net)	228.31	(11.74)	-	216.57
Provision for doubtful debts and advances	103.90	66.05	-	169.95
Right of use asset	406.44	392.18	-	798.62
Provision for employee benefits - Others (Refer Note No. 21)	154.53	-	112.75	267.28
	<b>2894.66</b>	<b>203.79</b>	<b>112.75</b>	<b>3211.20</b>



Rupees in Lakhs

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Income taxes (Continued)</b>				
<b>Deferred tax liabilities in relation to:</b>				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(1992.59)	(795.34)	-	(2,787.93)
Property, plant and equipments, intangible assets and investment properties <sup>Y</sup>	(1144.43)	25.74	-	(1,118.69)
	<b>(3137.02)</b>	<b>(769.60)</b>	-	<b>(3906.62)</b>
<b>Net deferred tax (liabilities)/assets</b>	<b>(242.36)</b>	<b>(565.81)</b>	<b>112.75</b>	<b>(695.42)</b>
<b>For the year ended March 31, 2020</b>				
<b>Deferred tax assets in relation to:</b>				
Provisions for compensated absences	1933.69	(816.87)	-	1116.82
Accrued expenses deductible on payment basis	838.50	(360.76)	-	477.74
Foreign exchange difference arising on account of import of Property, plant and equipments	33.95	(9.50)	-	24.45
Provision for decline in value of non current investments	351.42	31.05	-	382.47
Other financial assets (Net)	8.10	220.21	-	228.31
Provision for doubtful debts	94.85	9.05	-	103.90
Right of use asset	-	406.44	-	406.44
Provision for employee benefits - Others (Refer Note No. 21)	-	-	154.53	154.53
	<b>3260.51</b>	<b>(520.38)</b>	<b>154.53</b>	<b>2894.66</b>
Deferred tax liabilities in relation to:				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(1314.68)	(677.91)	-	(1,992.59)
Property, plant and equipments, intangible assets and investment properties	(2154.05)	1009.62	-	(1,144.43)
	<b>(3468.73)</b>	<b>331.71</b>	-	<b>(3137.02)</b>
<b>Net deferred tax (liabilities)/assets</b>	<b>(208.22)</b>	<b>(188.67)</b>	<b>154.53</b>	<b>(242.36)</b>



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>12. Inventories</b>		
<b>(Lower of cost and net realisable value)</b>		
Raw and packing materials	<b>50927.44</b>	47120.01
Work-in-process	<b>544.12</b>	615.22
Finished goods*		
- Cigarettes	<b>8540.30</b>	5272.09
- Chewing products	<b>79.16</b>	359.78
Stock-in-trade	<b>5685.19</b>	6753.68
Stores and spare parts (Net of provision of Rs.304.81 lakhs (Previous year Rs. 221.53 lakhs))	<b>1281.99</b>	1280.44
	<b>67058.20</b>	61401.22
<b>Inventories include in-transit inventory of:</b>		
Raw and packing materials	<b>197.46</b>	1013.80
Finished goods		
- Cigarettes	-	43.75
Stock-in-trade	<b>413.38</b>	881.20

The cost of inventories recognised as an expense include Rs. 46.02 lakhs (Previous year Rs.39.36 lakhs) in respect of write-downs of inventory to net realisable value.

\* Includes excise duty of Rs. 3895.94 lakhs (Previous year Rs. 1711.30 lakhs)

<b>13. Financial assets - Trade receivables (at amortised cost)</b>		
Unsecured - considered good	<b>10558.77</b>	5570.42
Unsecured - considered good - receivable from Subsidiary (Refer Note No.45)	<b>1809.79</b>	1097.06
Unsecured - credit impaired	<b>524.49</b>	412.81
	<b>12893.05</b>	7080.29
Less: Impairment allowance	<b>524.49</b>	412.81
<b>Total</b>	<b>12368.56</b>	6667.48
The average credit period on sale of goods ranges upto 120 days. Generally no interest is charged on trade receivables.		
<b>Age of receivables</b>		
Not due	<b>7719.77</b>	3816.42
1-30 days past due	<b>3748.14</b>	1706.97
31-45 days past due	<b>467.22</b>	383.42
46-90 days past due	<b>273.30</b>	104.33
91-180 days past due	<b>67.76</b>	134.17
More than 180 days past due	<b>94.20</b>	522.17



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>14. Financial assets - Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	44.72	111.80
Balances with banks		
- In current accounts	801.15	1605.37
	<b>845.87</b>	<b>1717.17</b>
<b>Other bank balances:</b>		
In earmarked accounts for		
- Margin money*	1352.96	1268.55
- Unpaid dividend	436.87	689.94
- Fixed deposit receipts lodged with government authorities	2.02	2.02
	<b>1791.85</b>	<b>1960.51</b>
<b>Cash and bank balances</b>	<b>2637.72</b>	<b>3677.68</b>
*The Company has given margin money to fulfill collateral requirements.		
<b>15. Other financial assets (at amortised cost)</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Security deposits	1471.33	1547.28
	<b>1471.33</b>	<b>1547.28</b>
<b>Current</b>		
Security deposits	84.06	76.08
Interest accrued on bank and other deposits	93.48	71.39
Other receivables (Refer Note No. 45)	1284.04	693.16
	<b>1461.58</b>	<b>840.63</b>
<b>16. Other assets</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Capital advances	566.89	2980.46
Prepaid expenses	25.49	98.45
Others	0.36	0.36
	<b>592.74</b>	<b>3079.27</b>
<b>Current</b>		
Balance with government authorities (net of impairment allowance of Rs. 150.73 lakhs (previous year : nil))	11070.60	8156.83
Prepaid expenses	495.94	453.92
Export incentives accrued/available	68.99	66.96
Prepayment to suppliers (net of impairment allowance of Rs. 194.30 lakhs (previous year : Rs. 194.00 lakhs))	1263.91	1615.50
Others	184.88	189.97
	<b>13084.32</b>	<b>10483.18</b>



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>17. Equity share capital</b>		
<b>Authorised</b>		
60,000 preference shares of Rs. 100 each	60.00	60.00
12,20,00,000 equity shares of Rs. 2 each	2440.00	2440.00
	<b>2500.00</b>	<b>2500.00</b>
<b>Issued, subscribed and fully paid up</b>		
5,19,93,920 equity shares of Rs. 2 each	<b>1039.88</b>	1039.88

- (i) There has been no movement in the equity shares in the current and previous year.
- (ii) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.  
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- (iii) Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31.3.2021		As at 31.3.2020	
	Number of shares	% holding	Number of shares	% holding
a) Philip Morris Global Brands Inc.	13050475	25.10%	13050475	25.10%
b) K K Modi Investment & Financial Services Pvt. Ltd.	15493941	29.80%	15196660	29.23%
c) Good Investment (India) Ltd.	4309220	8.29%	4309220	8.29%
d) The Jupiter India Fund	3548147	6.82%	3787763	7.29%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.

Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>18. Other equity</b>		
Capital redemption reserve	30.00	30.00
General reserve	37430.72	37430.72
Retained earnings	203142.43	167584.28
	<b>240603.15</b>	<b>205045.00</b>
<b>Retained earnings</b>		
Balance at beginning of year	167584.28	151126.80
Profit for the current year	35694.10	38787.97
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax*	(135.95)	(1018.81)
Payment of dividend on equity shares (Rs.Nil; previous year Rs.10 per share)	-	(5199.39)
Dividend distribution tax thereon	-	(1068.75)
Interim dividend (Rs. Nil previous year Rs.24 per share)	-	(12478.54)
Dividend distribution tax thereon	-	(2565.00)
<b>Balance at end of year</b>	<b>203142.43</b>	<b>167584.28</b>

\* Net of income tax of Rs. 45.72 lakhs (Previous year Rs. 342.65 lakhs)

**Capital redemption reserve:**

This was created on redemption of preference shares in accordance with the requirements of the erstwhile Companies Act, 1956.

**General reserve:**

The general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. No amount was transferred during the current and previous year.

**Retained earnings:**

Retained earnings is the amount that can be distributed by the Company as dividends to its equity shareholders subject to the requirements of the Companies Act, 2013. The amount reported above are not distributable in entirety.

In respect of the year ended March 31, 2021, the directors have in the board meeting held on June 25, 2021, proposed a dividend of Rs. 24/- per fully paid equity share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included in liability in the financial statements. The proposed equity dividend is payable to all the holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 12478.54 lakhs.





Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>19. Financial liabilities - Lease liabilities</b>		
<b>Non-current</b>		
Lease liabilities (Refer Note No.42)	<b>28179.43</b>	30918.23
	<b>28179.43</b>	30918.23
<b>Current</b>		
Lease liabilities (Refer Note No.42)	<b>3789.23</b>	3540.54
	<b>3789.23</b>	3540.54
<b>20. Other financial liabilities</b>		
<b>Non-current</b>		
Security deposits - at amortised cost	<b>97.55</b>	94.30
	<b>97.55</b>	94.30
<b>Current</b>		
Current maturities of long-term debt (Refer Note No. 22)	<b>6000.00</b>	-
Interest accrued but not due on borrowings	<b>31.43</b>	-
Unclaimed dividends	<b>436.87</b>	689.94
Payable to gratuity fund (Refer Note No.41)	<b>311.95</b>	1244.40
Liability towards suppliers of property, plant & equipments	<b>1035.26</b>	526.28
Security deposits - at amortised cost	<b>14.20</b>	13.95
	<b>7829.71</b>	2474.57
<b>21. Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits -provision for compensated absences	<b>2506.06</b>	2350.74
	<b>2506.06</b>	2350.74
<b>Current</b>		
Provision for employee benefits -provision for compensated absences -others*	<b>905.27</b>	892.56
	<b>1062.00</b>	614.00
	<b>1967.27</b>	1506.56
	<b>4473.33</b>	3857.30

\*Based on the review of the investments held by the Employee Provident Fund Trust as at March 31, 2021 and March 31, 2020, a provision has been created to cover the possible loss on account of non-realisation of certain such investments.

Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>22. Financial liabilities - Borrowings</b>		
<b>Non-Current carried at amortised cost</b>		
<b>Secured</b>		
Term loans from banks*	<b>6000.00</b>	-
Less:- Current maturities of long - term debt (Refer Note No. 20)	<b>(6000.00)</b>	-
<b>Total non-current borrowings (net)</b>	<b>-</b>	-
*Term loan carries an interest rate of 6.10% per annum and is repayable in a single bullet installment in December, 2021. The same is secured against hypothecation of movable assets to the extent of 1.25 times.		
<b>Current borrowings-carried at amortised cost Secured</b>		
Loans from banks repayable on demand**	<b>1490.15</b>	1114.22
<b>Total current borrowings</b>	<b>1490.15</b>	1114.22
<b>Details of security and terms of above loans:</b>		

\*\*The above current borrowing carries interest of 8.45% per annum and is secured against hypothecation of stocks (Refer Note No.12) and book debts (Refer Note No.13) and second charge on all movable fixed assets of the Company.

**Change in liability arising from financing activities as per IND AS-7**

Particulars	Borrowings due within 1 year*
<b>Balance at April 1, 2019</b>	<b>4117.86</b>
Cash Flow	(3003.64)
<b>Balance at March 31, 2020</b>	<b>1114.22</b>
Cash Flow	6375.93
<b>Balance at March 31, 2021</b>	<b>7490.15</b>

\* including current maturities of long-term debt



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>23. Financial liabilities - Trade payables</b>		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No.39)	<b>565.73</b>	365.65
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
- Others	<b>19517.01</b>	19138.11
- Payables to subsidiaries (Refer Note No.45)	<b>1220.73</b>	422.09
- Employee payables	<b>2623.82</b>	5129.09
	<b>23361.56</b>	24689.29

The Company generally pays its vendors within 30-60 days and interest, if any, payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006 is recognised.

<b>24. Income tax assets and liabilities</b>		
<b>Income tax assets (net)</b>		
Income tax recoverable	<b>2490.96</b>	2506.11
<b>Total income tax assets</b>	<b>2490.96</b>	2506.11
<b>Income tax liabilities (net)</b>		
Income tax payable (net of advance tax and TDS recoverable)	<b>890.16</b>	510.99
<b>Total income tax liabilities</b>	<b>890.16</b>	510.99

<b>25. Other liabilities</b>		
<b>Current</b>		
Statutory dues	<b>34303.56</b>	32438.58
Advances from customers (Contract liabilities)*		
- From subsidiaries (Refer Note No. 45)	<b>225.95</b>	670.11
- From others	<b>4269.20</b>	2678.31
Others	<b>22.47</b>	49.76
	<b>38821.18</b>	35836.76

\*Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs its obligation under the contract.

Balance of Advances from customers at beginning of the year	<b>3348.42</b>	3225.76
Revenue recognised from amounts included in Advances from customers at beginning of the year	<b>3348.42</b>	3225.76
Management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.		



## 26. i) Revenue from contracts with customers (including excise duty)

### Sources of revenue

The Company derives its revenue from the transfer of goods at a point in time in the following major product lines:

a) Disaggregated revenue information	Rupees in Lakhs	
	Year ended 31.3.2021	Year ended 31.3.2020
Cigarettes*	<b>208629.91</b>	210879.70
Unmanufactured tobacco**	<b>43037.49</b>	37940.01
Cut tobacco	<b>3652.55</b>	5570.31
Chewing products#	<b>5740.97</b>	11475.69
Other traded goods	<b>29409.08</b>	36019.08
<b>Total (A)</b>	<b>290470.00</b>	301884.79

\*includes incremental revenue of Rs. 7241.78 lakhs (previous year Rs. 11275.10 lakhs) arising from resale of Marlboro cigarettes.

\*\*transferred from raw and packing materials

#includes chewing tobacco purchased for resale

### Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

### Revenues by Geography

Particulars	Rupees in Lakhs	
	Year ended 31.3.2021	Year ended 31.3.2020
Within India	<b>230726.16</b>	242106.62
Outside India	<b>59743.84</b>	59778.17
<b>Total</b>	<b>290470.00</b>	301884.79

The Company's accounting policies for its revenue streams are disclosed in detail in Note 4.1.1.

### Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Revenue as per contract	<b>292393.52</b>	310505.31
Adjustments:		
Sales return	<b>(182.92)</b>	(618.49)
Discounts, rebates, etc.	<b>(1740.60)</b>	(8002.03)
<b>Revenue from contracts with customers</b>	<b>290470.00</b>	301884.79



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>ii) Other operating revenues</b>		
Export incentives	<b>82.07</b>	86.92
Recovery towards services rendered	<b>379.01</b>	190.13
Receipts from sale of scrap and ancillary products	<b>658.29</b>	735.98
Insurance claims	<b>42.75</b>	167.84
Display income received by retail stores	<b>596.04</b>	918.85
Other receipts	<b>346.03</b>	484.36
<b>Total (B)</b>	<b>2104.19</b>	2584.08
<b>Total revenue from operations (A+B)</b>	<b>292574.19</b>	304468.87

<b>27. Other income</b>		
Interest income from:		
- Debts, deposits, loans and advances, etc.*	<b>323.97</b>	314.12
- Non-current investments valued on amortised cost	<b>74.67</b>	57.22
Dividend income	-	656.46
Rent and hire charges from:		
- Subsidiary company	<b>4.80</b>	4.80
- Others	<b>267.44</b>	239.26
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	<b>7996.54</b>	6438.06
- Short term investments fair valued through profit or loss	<b>1163.30</b>	1879.19
Liabilities written back	<b>106.51</b>	303.15
Foreign currency fluctuation (net)	<b>527.75</b>	573.71
Gain on sale of property, plant and equipment	<b>8.95</b>	-
Gain on modification/concession in leases (Refer Note No. 42)	<b>1039.61</b>	-
Miscellaneous Income	<b>256.50</b>	167.15
	<b>11770.04</b>	10633.12
*includes interest income calculated in relation to financial assets valued on amortised cost basis.	<b>72.25</b>	78.66

<b>28. Cost of materials consumed</b>		
Raw and packing materials consumed		
Unmanufactured and blended tobacco	<b>22819.57</b>	29237.93
Cigarette paper	<b>799.62</b>	947.48
Cardboard (shells, slides and others)	<b>7541.69</b>	9348.96
Filter rods	<b>9679.37</b>	13541.48
Aluminium foil/metallised paper	<b>1316.82</b>	1018.09
Cellulose paper	<b>857.11</b>	1046.99
Flavours for chewing products	<b>477.02</b>	366.35
Betel nut	<b>1398.96</b>	3411.61
Katha, lime and bulking agent	<b>305.22</b>	706.81
Paper/Laminate pouches for chewing products	<b>721.37</b>	1758.92
Miscellaneous	<b>5272.69</b>	8349.68
	<b>51189.44</b>	69734.30



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>29. Purchases stock-in-trade</b>		
Unmanufactured tobacco (transferred from raw and packing materials)	<b>30250.59</b>	26783.09
Other goods (including cigarettes purchased for resale)	<b>42247.77</b>	29686.70
	<b>72498.36</b>	56469.79
<b>30. Changes in Inventories of finished goods, stock-in-trade and work-in-process</b>		
<b>Opening stock:</b>		
Work-in-process	<b>615.22</b>	687.88
Finished goods		
- Cigarettes	<b>5272.09</b>	4485.69
- Chewing products	<b>359.78</b>	283.76
Stock-in-trade	<b>6753.69</b>	6602.55
<b>Opening stock</b>	<b>13000.78</b>	12059.88
<b>Closing stock:</b>		
Work-in-process	<b>544.12</b>	615.22
Finished goods		
- Cigarettes	<b>8540.30</b>	5272.09
- Chewing products	<b>79.16</b>	359.78
Stock-in-trade	<b>5685.19</b>	6753.69
<b>Closing stock</b>	<b>14848.77</b>	13000.78
<b>(Increase) in inventories</b>	<b>(1847.99)</b>	(940.90)
<b>31. Employee benefits expenses</b>		
Salaries and wages	<b>19930.38</b>	21093.34
Provident fund expense (refer Note No.41)	<b>1421.14</b>	1479.68
Workmen and staff welfare expenses	<b>1500.78</b>	1791.45
Gratuity and superannuation expense (refer Note No.41)	<b>694.87</b>	636.83
	<b>23547.17</b>	25001.30
<b>32. Finance costs</b>		
Interest expenses on:		
- Borrowings	<b>131.22</b>	29.69
- Lease liabilities (refer Note No.42)	<b>2727.66</b>	2879.58
- Others	<b>185.10</b>	77.33
Other borrowing costs	<b>26.31</b>	26.65
	<b>3070.29</b>	3013.25



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>33. Other Expenses</b>		
Manufacturing charges paid to a subsidiary company for cigarette manufactured on our behalf (Refer Note No. 45)	<b>5923.98</b>	5973.89
Consumption of stores and spare parts*	<b>232.87</b>	218.29
Power and fuel	<b>2828.80</b>	3920.54
Rent (Refer Note No. 42)	<b>369.97</b>	349.85
Repairs and maintenance		
- Buildings	<b>446.30</b>	494.22
- Plant and machinery	<b>787.08</b>	977.17
- Others	<b>2079.44</b>	1925.87
Insurance	<b>748.96</b>	515.54
Rates and taxes	<b>410.29</b>	2348.15
Freight and cartage	<b>4139.98</b>	4223.81
Legal and professional expenses	<b>3137.81</b>	7806.66
Auditors' Remuneration (net of GST)		
- Audit fees	<b>79.00</b>	99.00
- For tax audit	<b>21.00</b>	21.00
- For limited review of unaudited financial statements	<b>90.00</b>	80.00
- For consolidated financial statements	<b>7.50</b>	7.50
- For other services and certificates	<b>2.50</b>	2.50
- Reimbursement of expenses and expenses incurred	<b>4.32</b>	13.94
Commission paid to other than sole selling agents	<b>73.99</b>	165.57
Commission paid to non-executive director (Refer Note No.45)	<b>150.00</b>	150.00
Advertising and sales promotion	<b>6677.44</b>	15587.32
Selling and distribution expenses	<b>7727.43</b>	8336.34
Travelling and conveyance	<b>910.03</b>	2960.17
Donations	<b>30.00</b>	585.64
Contributions/expenses towards Corporate social responsibility (Refer Note No. 34)	<b>651.51</b>	577.28
Bad debts and advances written off	<b>89.91</b>	98.38
Provision for doubtful debts and advances**	<b>262.42</b>	326.69
Property, plant and equipment written off	<b>254.56</b>	162.72
Loss on sale of property, plant and equipment (net)	-	64.07
Technical services fee and royalty	<b>1081.70</b>	1466.07
Consumer research activity	<b>78.18</b>	789.17
Contract labour for factories and retail stores operations	<b>3379.60</b>	4072.75
Machine and material handling expenses	<b>54.85</b>	43.15
Miscellaneous expenses	<b>9206.42</b>	11489.25
	<b>51937.84</b>	75852.50

\*Excludes consumption of spare parts charged to repairs and maintenance of plant & machinery.

\*\*Net of Rs. 78.51 lakhs written-off/reversed during the year (Previous year Rs.34.73 lakhs).



### 34. Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The CSR activities are aimed at promoting education and healthcare, carrying out community development programs in rural areas providing relief to marginalised communities during COVID pandemic etc.

Gross amount required to be spent by the Company during the year is Rs. 651.51 lakhs (Previous year Rs. 462.00 lakhs) and the details of amount spent are as under:

	Year ended 31.3.2021	Year ended 31.3.2020
a) By way of contribution for the above mentioned activities	<b>643.71</b>	577.28
b) Administrative expenses incurred (restricted to 5%)	<b>7.80</b>	-
	<b>651.51</b>	577.28

### 35. Earnings per share

Profit after tax (A)	<b>35694.10</b>	38787.97
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (B)	<b>51993920</b>	51993920
Basic and Diluted Earnings per share after tax (Rs.) [A/B] (Face value of Rs. 2 each)	<b>68.65</b>	74.60

### 36. Managerial remuneration

a) Included in expenses are:		
Salaries*	<b>645.67</b>	424.00
Monetary value of benefits	<b>475.04</b>	389.81
Commission**	<b>1542.43</b>	1935.60
Sitting fees (excluding GST paid under reverse charge)	<b>78.00</b>	85.00
	<b>2741.14</b>	2834.41

\*excludes incremental liability for gratuity and compensated absences which are actuarially determined on an overall basis.

\*\*includes Rs.150 lakhs (Previous year Rs. 150 lakhs) payable to a non-executive director.

b) Computation of directors' remuneration and commission:		
Profit before tax	<b>46495.35</b>	51589.80
Add/(less):		
Directors' remuneration	<b>2741.14</b>	2834.41
Net gain on sale/redemption/fair valuation of long term investments	<b>(7996.54)</b>	(6438.06)
Unrealised gain on fair valuation of short-term investments	<b>(35.38)</b>	(347.38)
	<b>41204.57</b>	47638.77
Maximum remuneration to executive directors @ 10% of above	<b>4120.46</b>	4763.88
Restricted to	<b>2513.14</b>	2599.41
Maximum remuneration to non-executive directors @ 1% of above	<b>412.05</b>	476.39
Restricted to	<b>150.00</b>	150.00



Rupees in Lakhs

As at As at  
31.3.2021 31.3.2020

### 37. Contingent liabilities not provided for

a) Demands from excise, income tax, goods and services tax, sales tax and other authorities not accepted by the Company @	<b>6503.32*</b>	4922.37*
b) Uncalled liability on shares partly paid (including share premium)	<b>79.24</b>	1920.07
c) Guarantee given to a bank on behalf of subsidiary company:		
– International Tobacco Company Limited	<b>47.58</b>	47.58
– Godfrey Phillips Middle East DMCC (AED 34.36 lakhs)	<b>705.41@@</b>	708.12@@

\*includes Rs. 2187.54 lakhs (Previous year - Rs. 1682.88 lakhs) relating to demands received by the subsidiary company – International Tobacco Company Limited from the excise authorities. Out of this Rs.1366.56 lakhs (Previous year - Rs. 1366.56 lakhs) relates to an order received during the previous year from the Allahabad High Court upturning the earlier order of the CESTAT in favour of the subsidiary company. Against this order the subsidiary company has filed an appeal before the Hon'ble Supreme Court and has been legally advised that it has a strong case.

@all these matters are subject to legal proceedings in the ordinary course of business and in the opinion of the Company, these are not expected to have material effect on the financial statements of the Company when ultimately concluded and interest, if any, would be additional.

@@this is to secure overdraft limit given by the bank. The actual overdrawn balance as on March 31, 2021 is Rs. Nil (Previous year Rs. Nil).

d) The following are the particulars of dues (including the amounts already provided for in the books) on account of sales tax, goods and services tax, value added tax, excise duty and income-tax as at March 31, 2021 that have been not accepted by the Company and are in appeals:

Nature of the statute	Nature of the dues	Amount of dues* (Rs. in lakh)	Amount deposited (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sale tax	37.72	18.86	2006-07	Sales Tax Tribunal
		0.28	-	2015-16	Upto Commissioner (Appeals) Level
Madhya Pradesh VAT Act, 2002	Value Added Tax	2.13	0.23	2014-15	Sales Tax Tribunal
		21.50	6.06	2012-13	Upto Commissioner (Appeals) Level
Goa VAT Act, 2005	Value Added Tax	0.99	-	2009-10	Upto Commissioner (Appeals) Level
Rajasthan VAT Act, 2003	Value Added Tax	205.05	64.53	2008-09 to 2013-14	High Court
		45.80	-	2008-09 to 2013-14	Upto Commissioner (Appeals) Level
CGST Act 2017	GST	1145.82	-	2017-18	Upto Commissioner (Appeals) Level
	GST	10.80**	10.80	2018-19	Appellate Authority, GST, Jaipur





Rupees in Lakhs

Nature of the statute	Nature of the dues	Amount of dues* (Rs. in lakh)	Amount deposited (Rs. in lakh)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh (UP) VAT Act, 2008	Value Added Tax	250.32***	136.96	2012-13 & 2015-16	Sales Tax Tribunal
		68.65***	68.65	2007-08	High Court
		292.22	116.89	2014-15 & 2015-16	Upto Commissioner (Appeals) Level
Central Excise Act, 1944	Excise duty	77.67	71.42	2010-11, 2014-15, 2016-17 to 2019-20	Upto Commissioner (Appeals) Level
		1265.11^	123.63	2008-09 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal
		918.08^	244.09	2007-08 to 2011-12	High Court
Income-tax Act, 1961	Income tax	232.73^^	232.73#	1979-80 to 1982-83 & 1995-96 to 1997-98	High Court
		14.55^^	14.55	2009-10	Income Tax Appellate Tribunal
		598.24^^	410.06	2012-13 to 2015-16	Commissioner of Income Tax (Appeals)
		195.16^^	179.45	1999-2000, 2005-06 to 2008-09 & 2010-11	Matters have been referred back to the Assessing officer

\* amount as per demand orders, including interest and penalty; where quantified in the Order

\*\* provided for in the accounts amounting to Rs. 10.80 lakhs

\*\*\* provided for in the accounts amounting to Rs. 140.34 lakhs

^ provided for in the accounts amounting to Rs. 471.07 lakhs

^^ provided for in the accounts amounting to Rs. 441.47 lakhs

# includes Rs. 46.17 Lakhs pertaining to F.Y. 1995-96 and 1997-98 for matters in which Company has opted for Vivad Se Vishwas Scheme 2020

Further, as per information available with the Company, the concerned authority is in appeal against favourable orders received by the Company in respect of the following matters:

Name of the statute	Nature	Amount (Rs. in lakh)	Period to which the amount relates	Forum where department has preferred appeal
Income-tax Act, 1961	Income tax	209.36	1969, 1974 to 1977, 1991-92 & 1992-93	High Court
Central Excise Act, 1944	Excise duty	14008.13	2002-03 to 2007-08, 2009-10, 2010-11, 2012-13 & 2015-16	Customs, Excise & Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Sales tax	10.40	2007-08	High Court

e) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the requirements of the Companies Act.

f) The Company and its contract manufacturers have received various show cause notices from Government Authorities asking them to explain why certain amounts mentioned in those notices should not be paid. As those notices are in the nature of explanations required, the Company does not consider them to constitute a liability of any kind.



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>38. Commitments</b>		
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	<b>3285.12</b>	8992.27

b) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services and employee benefits including union agreements, in normal course of business. The Company does not have any other long term contracts including derivative contracts for which there will be any material foreseeable losses.

**39. Dues to micro and small enterprises**

The amount due to micro, small and medium enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED") has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to the micro, small and medium enterprises as at March 31, 2021 are as under:

	As at 31.3.2021	As at 31.3.2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of Year are as under:		
-Principal amount	<b>565.73</b>	365.65
-Interest due thereon	-	0.14
Amount of payments made to suppliers beyond the appointed day during the year are as under:		
-Principal amount	<b>980.69</b>	57.52
-Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED are as under:		
-Interest accrued during the year	<b>0.01</b>	0.18
-Interest remaining unpaid as at the end of the year	<b>2.65</b>	2.64
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961.	<b>0.01</b>	0.32

	Year ended 31.3.2021	Year ended 31.3.2020
<b>40. Expenditure on scientific research and development</b>		
Revenue expenditure	<b>1021.90</b>	1040.98
Capital expenditure	<b>14.09</b>	52.27



#### 41. Employee benefit plans

##### (a) Defined contribution plans and amounts recognised in the Statement of profit and loss/Other Comprehensive Income

	Year ended 31.3.2021	Year ended 31.3.2020
Contribution towards superannuation fund	116.59	139.89
Employers' contribution to employee's state insurance scheme	6.79	8.93
	<b>123.38</b>	148.82

##### (b) Other long term employee benefits (based on actuarial valuation)

	Year ended 31.3.2021	Year ended 31.3.2020
Compensated absences – amount recognized in the Statement of profit and loss	537.00	663.63

##### (c) Defined benefit plans

###### Gratuity

The Company makes annual contributions to gratuity fund established as a trust, for the defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per provisions of the Payment of Gratuity Act, 1972 or the Company Scheme, whichever is beneficial.

**The plan typically exposes the Company to actuarial risks such as: loss of investment risk, interest rate risk, mortality rate risk and salary rate risk.**

###### Loss of investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

###### Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the plan's liability.

###### Mortality rate risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

###### Salary rate risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following tables summarises the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for defined benefit plan:

##### Net employee benefit expense recognized in employee cost:

	Year ended 31.3.2021	Year ended 31.3.2020
Current service cost	514.02	449.14
Net interest cost	75.16	41.67
	<b>589.18</b>	490.81
(Shortfall)/ Excess of fair value over book value of plan assets	(10.90)	6.13
<b>Net employee benefit expense recognized in employee cost</b>	<b>578.28</b>	496.94



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>Amount recognised in other comprehensive income:</b>		
Actuarial loss on obligations arising from changes in financial assumptions	(316.12)	598.90
Actuarial loss on obligations arising from changes in demographic assumptions	195.26	0.00
Actuarial loss on obligations arising on account of experience adjustments	135.64	184.45
Return on plan assets (excluding amounts included in net interest expense)	(281.11)	(35.89)
<b>Net (income)/expense for the year recognized in other comprehensive</b>	<b>(266.33)</b>	<b>747.46</b>
<b>(I) Changes in the present value of the defined benefit obligation are as follows:</b>		
<b>Opening defined obligation</b>	<b>9990.09</b>	8758.04
Current service cost	514.02	449.13
Interest cost (gross)	573.12	578.63
Benefits paid	(846.85)	(579.06)
Actuarial loss on obligations arising from changes in financial assumptions	(316.12)	598.90
Actuarial loss on obligations arising from changes in demographic assumptions	195.26	-
Actuarial loss on obligations arising on account of experience adjustments	135.64	184.45
<b>Closing defined benefit obligation</b>	<b>10245.16</b>	9990.09
<b>(II) Changes in the fair value of plan assets are as follows:</b>		
<b>Opening fair value of plan assets</b>	<b>8756.59</b>	8144.89
Interest income (gross)	497.96	536.95
Return on plan assets (excluding amounts included in net interest expense)	281.11	35.89
Contribution by employer	1244.40	617.92
Benefits paid	(846.85)	(579.06)
<b>Closing fair value of plan assets</b>	<b>9933.21</b>	8756.59
<b>(III) (Shortfall)/Excess of fair value over book value of plan assets</b>	<b>-</b>	10.90
<b>(IV) Net liability recognised in the balance sheet (I - II + III)</b>	<b>311.95</b>	1244.40

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Amount	% of total plan assets
<b>As at March 31, 2021</b>		
Government debt securities	172.90	1.74%
Insurer managed funds	9779.35	98.45%
Others net assets / (liabilities)	(19.04)	-0.19%
	<b>9933.21</b>	<b>100.00%</b>
<b>As at March 31, 2020</b>		
Government debt securities	183.62	2.10%
Other debt instruments	10.35	0.12%
Insurer managed funds	5877.75	97.95%
Others net assets/ (liabilities)	(15.13)	-0.17%
	8756.59	100.00%



**The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:**

	<b>As at 31.3.2021</b>	As at 31.3.2020
Discount rate (in %)	<b>6.80%</b>	6.35%
Salary escalation rate (in %)	<b>8.00%</b>	8.00%
Expected rate of return on plan assets	<b>6.35%</b>	6.35%

**A quantitative sensitivity analysis for significant assumption shown above as at March 31, 2021 is as shown below:**

<b>Assumption</b>	<b>Impact on defined benefit obligation</b>	
	<b>As at 31.3.2021</b>	As at 31.3.2020
Impact of increase in 0.5% in discount rate	<b>-3.24%</b>	-2.94%
Impact of decrease in 0.5% in discount rate	<b>3.44%</b>	3.11%
Impact of increase in 0.5% in salary escalation rate	<b>3.38%</b>	3.05%
Impact of decrease in 0.5% in salary escalation rate	<b>-3.22%</b>	-2.91%

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

Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflations, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**The following payments are expected as contributions to the defined benefit plan in future years:**

	<b>Rupees in Lakhs</b>	
	<b>Year ended 31.3.2021</b>	Year ended 31.3.2020
Within the next 12 months (next annual reporting period)	<b>1854.51</b>	1929.36
Between 2 and 5 years	<b>3636.47</b>	4182.28
Between 6 and 9 years	<b>4231.23</b>	3557.61
10 years and above	<b>8048.34</b>	6130.95
<b>Total expected payments</b>	<b>17770.55</b>	15800.20

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.67 years (Previous year 6.19 years).

**(d) Defined benefit plans - Provident Fund**

The Company makes monthly contributions towards provident fund which is administered by Godfrey Phillips India Limited Provident Fund (the Fund), an exempted PF Trust. The conditions governing the exemption require that the employer shall make good the loss, if any, incurred on the investments made by the Fund and also make good the deficiency in the rate of interest as may be notified by the EPFO from year to year. Based on the review of investments held by the Fund as on 31st March 2021, the Company has recognised an additional liability of Rs. 448 lakhs (previous year Rs. 614 lakhs) to cover possible loss on account of non-realisation by the Fund of certain such investments and the same is recognised under Other Comprehensive Income.

**Amounts recognised on account of PF contribution during the year are as follows :-**

	<b>Rupees in Lakhs</b>	
	<b>Year ended 31.3.2021</b>	Year ended 31.3.2020
Amount recognised in profit and loss	<b>1421.14</b>	1479.68
Amount recognised in other comprehensive income	<b>448.00</b>	614.00
	<b>1869.14</b>	2093.68

The Code on Social Security, 2020 ('the Code') relating to employee benefits during employment and post-employment received the Presidential assent in September 2020. However, the related Rules are yet to be framed and the date on which the Code will come into effect has not yet been notified. The Company will assess the financial impact of the Code when it comes into effect and recognize the same its financial statements in the period in which the Code becomes effective.

**42. Leases**

**42.1 Company as a lessee**

The Company has lease contracts for various items of land, offices, warehouses, retail stores, store equipment and vehicles used in its operations. Leases of land have a term ranging from 45 to 99 years, offices, warehouses and stores have lease terms between 2 and 18 years, store equipment have a lease terms of 5 years, while motor vehicles generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed.

The Company also has certain leases of warehouses of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:



	Rupees in Lakhs	
	As at 31.3.2021	As at 31.3.2020
<b>Carrying amount of:</b>		
Right-of-Use: Office buildings, warehouses and stores	<b>25983.19</b>	28815.27
Right-of-Use: Store equipment & furnitures	<b>2469.04</b>	3612.68
Right-of-Use: Land	<b>1584.79</b>	1621.71
Right-of-Use: Vehicles	<b>343.37</b>	425.14
<b>Total</b>	<b>30380.39</b>	34474.80

	Right-of-Use: Office buildings, warehouses and stores	Right-of-Use: Store equipment & furniture	Right-of-Use: Land	Right-of-Use: Vehicles	Total
<b>Cost</b>					
<b>Balance at April 1, 2019</b>	<b>29960.57</b>	<b>4129.72</b>	<b>1658.63</b>	<b>-</b>	<b>35748.92</b>
Additions / Modifications	3686.38	668.07	-	509.25	4863.70
Derecognition	(1043.04)	-	-	-	(1043.04)
<b>Balance at March 31, 2020</b>	<b>32603.91</b>	<b>4797.79</b>	<b>1658.63</b>	<b>509.25</b>	<b>39569.58</b>
Additions / Modifications	3818.37	82.59	-	69.72	3970.68
Derecognition	(3590.37)	-	-	-	(3590.37)
<b>Balance at March 31, 2021</b>	<b>32831.91</b>	<b>4880.38</b>	<b>1658.63</b>	<b>578.97</b>	<b>39949.89</b>
<b>Accumulated depreciation</b>					
<b>Balance at April 1, 2019</b>	-	-	-	-	-
Depreciation expense	3851.67	1185.11	36.92	84.11	5157.81
Derecognition	(63.03)	-	-	-	(63.03)
<b>Balance at March 31, 2020</b>	<b>3788.64</b>	<b>1185.11</b>	<b>36.92</b>	<b>84.11</b>	<b>5094.78</b>
Depreciation expense	3820.82	1226.23	36.92	151.49	5235.46
Derecognition	(760.74)	-	-	-	(760.74)
<b>Balance at March 31, 2021</b>	<b>6848.72</b>	<b>2411.34</b>	<b>73.84</b>	<b>235.60</b>	<b>9569.50</b>
<b>Balance at March 31, 2021</b>	<b>25983.19</b>	<b>2469.04</b>	<b>1584.79</b>	<b>343.37</b>	<b>30380.39</b>
Balance at March 31, 2020	28815.27	3612.68	1621.71	425.14	34474.80

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31.3.2021	As at 31.3.2020
<b>Balance as at April 1</b>	<b>34458.77</b>	33953.72
Addition / Modification	<b>3925.84</b>	4518.81
Accretion of interest*	<b>2727.66</b>	2879.58
Payments	<b>(5274.37)</b>	(5917.64)
Rent concessions due to Covid-19	<b>(856.37)</b>	-
De-recognition of lease liability on termination	<b>(3012.87)</b>	(975.70)
<b>Balance as at March 31</b>	<b>31968.66</b>	34458.77
<b>Current</b>	<b>3789.23</b>	3540.54
<b>Non-current</b>	<b>28179.43</b>	30918.23

\* Lease liabilities carry an effective interest rate of 8.94%

\*\* For maturities of lease liabilities, Refer Note No. 43

**The following are the amounts recognised in profit or loss:**

	For the year ended 31.3.2021	For the year ended 31.3.2020
Depreciation expense of right-of-use assets	<b>5235.46</b>	5157.81
Interest expense on lease liabilities (Refer Note 32)	<b>2727.66</b>	2879.58
Expense relating to short-term leases (Refer Note 33)	<b>271.25</b>	213.05
Variable lease payments (Refer Note 33)	<b>98.72</b>	136.80
(Gain) / loss on termination of leases (Refer note 27)	<b>(183.24)</b>	4.30
Rent concessions due to Covid-19	<b>(856.37)</b>	-
	<b>7293.48</b>	8391.54



### Lease (Continued)

The Company has lease contracts for stores that contains variable payments based on the revenue earned during the year. These terms are negotiated by management for certain stores as per prevalent market conditions. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Company's variable lease payments:

	<b>Year ended 31.03.2021</b>	Year ended 31.03.2020
Variable rent	<b>98.72</b>	136.80
	<b>98.72</b>	136.80

### 42.2 Company as a lessor

The Company has let out and sub-let part of its owned and rented office premises under lease arrangements which are cancellable in nature but renewable on mutually agreeable terms. These leases have terms ranging between 11 months to 3 years. Rental income recognised by the Company during the year is INR 272.24 Lacs (Previous Year 244.06 Lacs). The carrying value of the said assets is not material.

## 43. Financial instruments and risk management

### 43.1. Fair value measurements

The fair value of financial assets and liabilities are included at the amount at which the instruments could be exchanged in as current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of cash and cash equivalents, trade receivables, trade payables, lease liabilities, security deposits received, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

ii) The financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty/ies. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available.

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and/or debt based mutual fund investments, bonds or debentures.

Level 2: This level hierarchy includes items measured using inputs, other than quoted prices included within level 1, that are observable for such items, directly or indirectly.

Level 3: This level of hierarchy includes items measured using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main items in this category are unquoted equity instruments.



Rupees in Lakhs

### 43.2. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2021	Carrying amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial instruments at FVTPL:</b>					
Investment in					
- mutual funds	131720.18	131720.18	131720.18	-	-
- others	2898.47	2898.47	2898.47	-	-
<b>Financial instruments at amortised cost:</b>					
Investment in					
- others (IRFC Bonds)	2495.15	2466.97	2466.97	-	-
Trade receivables	12368.56	12368.56			
Cash and cash equivalents	845.87	845.87			
Other bank balances	1791.85	1791.85			
Loans	606.74	606.74			
Other financial assets					
- Security deposits	1555.39	1555.39			
- Interest accrued on bank and other deposits	93.48	93.48			
- Other recoverables	1284.04	1284.04			
<b>Total financial assets</b>	<b>155659.73</b>	<b>155631.54</b>	<b>137085.62</b>	-	-
<b>Financial liabilities</b>					
<b>Financial instruments at amortised cost:</b>					
Borrowings	1490.15	1490.15			
Lease liabilities	31968.66	31968.66			
Trade payables	23927.29	23927.29			
Other financial liabilities					
- Current maturities of long term debt	6000.00	6000.00			
- Security deposits	111.75	111.75			
- Interest accrued but not due on borrowings	31.43	31.43			
- Unclaimed dividends	436.87	436.87			
- Payable to gratuity fund	311.95	311.95			
- Liability towards suppliers of property, plant & equipments	1035.26	1035.26			
<b>Total financial liabilities</b>	<b>65313.36</b>	<b>65313.36</b>			
<b>As at March 31, 2020</b>					
<b>Financial assets</b>					
<b>Financial instruments at FVTPL:</b>					
Investment in					
- mutual funds	108148.69	108148.69	108148.69	-	-
- others	2358.46	2358.46	2358.46	-	-
<b>Financial instruments at amortised cost:</b>					
Investment in					
- others (IRFC Bonds)	435.01	468.67	468.67	-	-
Trade receivables	6667.48	6667.48	-	-	-
Cash and cash equivalents	1717.17	1717.17	-	-	-
Other bank balances	1960.51	1960.51	-	-	-
Loans	691.23	691.23	-	-	-
Other financial assets					
- Security deposits	1623.36	1623.36	-	-	-
- Interest accrued on bank and other deposits	71.39	71.39	-	-	-
- Other recoverables	693.16	693.16	-	-	-
<b>Total financial assets</b>	<b>124366.46</b>	<b>124400.12</b>	<b>110975.82</b>	-	-
<b>Financial liabilities</b>					
<b>Financial instruments at amortised cost:</b>					
Borrowings	1114.22	1114.22	-	-	-
Lease liabilities	34458.77	34458.77	-	-	-
Trade payables	25054.94	25054.94	-	-	-
Other financial liabilities					
- Security deposits	108.25	108.25	-	-	-





### 43.2. Fair value hierarchy (continued)

As at March 31, 2020	Rupees in Lakhs				
	Carrying amount	Fair Value	Level 1	Level 2	Level 3
- Unclaimed dividends	689.94	689.94			
- Payable to gratuity fund	1244.40	1244.40			
- Liability towards suppliers of property, plant & equipments	526.28	526.28			
<b>Total financial liabilities</b>	<b>63196.80</b>	<b>63196.80</b>			

Note: Investment in equity of subsidiaries, associates and joint ventures which are carried at cost are not covered under Ind AS 107 and hence not been included above.

#### Note for Financial assets

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to net asset values (NAVs) declared by the respective mutual fund houses for the relevant schemes.

### 43.3. Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by its Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, deposits and foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through its finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest in order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the finance department undertakes the interest rate risk management exercise from time to time.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas markets and purchases from suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivables.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the financial statement. The Company's maximum credit exposure to credit risk



is Rs.153022.01 lakhs (previous year Rs.120688.78 lakhs). The Company has excluded cash and cash equivalents, other bank balances and investments in subsidiaries and associates as the credit risk associated with them is minimal.

Financial assets are provided for, when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been provided for, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss in the subsequent reporting period. The management believes that there is no significant exposure of credit risk due to the nature of Company's business other than those for which impairment allowance has been recorded. For details of trade receivables those are past due, refer Note No.13.

### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Board of Directors. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### (A) Maturities of financial liabilities

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances, except lease liabilities, due within 12 months equal their carrying values as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Rupees in Lakhs		
	Less than 1Year	More than 1Year	Total
<b>As at March 31, 2021</b>			
Lease liabilities	6428.45	40534.10	46962.55
Borrowings	1490.15	-	1490.15
Trade payables	23927.29	-	23927.29
Other financial liabilities (including interest on current maturities of long term debt till maturity)	8092.23	97.55	8189.78
	<b>39938.12</b>	<b>40631.65</b>	<b>80569.77</b>
<b>As at March 31, 2020</b>			
Lease liabilities	6322.94	44196.73	50519.67
Borrowings	1114.22	-	1114.22
Trade payables	25054.94	-	25054.94
Other financial liabilities	2474.57	94.30	2568.87
	<b>34966.67</b>	<b>44291.03</b>	<b>79257.70</b>

#### (B) Foreign currency risk exposure

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	As at 31.3.2021		As at 31.3.2020	
		Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs	Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs
Trade receivables	USD	69.00	5041.13	41.10	3109.49
Current liabilities	USD	34.48	2548.42	21.00	1588.72
	EURO	2.80	243.88	5.85	484.33
	GBP	0.16	16.32	1.38	129.20
	SGD	0.02	1.10	0.08	4.49
	JPY	24.68	16.58	-	-
	AED	-	-	0.10	2.08



### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rate such as USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives:

Currency of exposure	Rupees in Lakhs			
	As at 31.3.2021		As at 31.3.2020	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year - USD	<b>124.64</b>	<b>(124.64)</b>	76.04	(76.04)

### (C) Exposure in mutual fund investments

The Company manages its surplus funds majorly through investments in debt based mutual fund schemes. The fair value of these investments is reflected through net asset values (NAVs) declared by the Asset Management Company on daily basis with regard to the invested schemes. The Company is exposed to market price risk on such investments.

### Sensitivity analysis of mutual fund investments

Had the NAVs been higher/lower by 1% at the end of the reporting period, profit for the year ended 31.3.2021 would have increased/decreased by Rs. 1317.20 lakhs (for the year ended 31.3.2020 by Rs. 1081.49 lakhs).

## 44. Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. Net debts comprises of non-current and current debts (including trade payables, lease liabilities, other financial liabilities and other current liabilities as reduced by cash and cash equivalents and current investments). The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

Gearing ratio	Rupees in Lakhs	
	As at 31.3.2021	As at 31.3.2020
Borrowings	<b>1490.15</b>	1114.22
Trade payables	<b>23927.29</b>	25054.94
Lease liabilities	<b>31968.66</b>	34458.77
Other financial liabilities	<b>7927.26</b>	2568.87
Other current liabilities	<b>38821.18</b>	35836.76
Less : Cash and cash equivalents	<b>845.87</b>	1717.17
: Current investments	<b>46031.05</b>	12719.26
<b>Net debt (A)</b>	<b>57257.62</b>	84597.13
Total equity	<b>241643.03</b>	206084.88
<b>Capital and net debt (B)</b>	<b>298900.65</b>	290682.01
<b>Gearing Ratio (A/B)</b>	<b>19.16%</b>	29.10%

No changes were made in the objectives, policies or processes during the year ended 31 March, 2021.



## 45. Related party transactions

45.1 Disclosure of related parties	Principal Activities	Place of incorporation and operation	Proportion of ownership interest / voting rights held by the parent entity	
			As at 31.3.2021	As at 31.3.2020

### (a) Subsidiaries

International Tobacco Company Limited	Manufacturing of cigarette & tobacco products	India	100%	100%
Chase Investments Limited	Investment activities	India	100%	100%
Godfrey Phillips Middle East DMCC	Trading of cigarette, tobacco & other retail products	U.A.E.	100%	100%
Flavors And More, Inc.	Trading & distribution of vaping devices	U.S.A.	100%	100%
Friendly Reality Projects Limited	Real Estate	India	92.20%*	87.99%*

\* Held partly through other subsidiary

### (b) Subsidiaries through the subsidiary companies:

Unique Space Developers Limited (subsidiary of Chase Investments Limited)		India	66.67%	66.67%
Rajputna Infrastructure Corporate Ltd. (subsidiary of Friendly Reality Projects Limited)		India	92.20%	87.99%
Rajputana Developers Projects (AOP) (ceased to be a subsidiary w.e.f. October 1, 2020)		India	-	63.79%

### (c) Associates:

IPM India Wholesale Trading Private Limited		India	24.80%	24.80%
KKM Management Centre Private Limited		India	36.75%	36.75%

### (d) Associate through the subsidiary companies

KKM Management Centre Middle East (FZC)		U.A.E.	36.00%	36.00%
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### (e) Entities of which the Company is an associate:

K K Modi Investment & Financial Service Private Limited, India  
Philip Morris Global Brands Inc., USA

### (f) Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to :

Philip Morris Philippines Manufacturing Inc.  
Philip Morris Products S.A.  
PT Hanjaya Mandala Sampoerna Tbk.  
Philip Morris International Management SA (merged with Philip Morris Products S.A., effective April 1, 2019)  
Philip Morris Izhora, Russia  
PT Philip Morris Indonesia



**(g) Key management personnel & their relatives and other directors:**

Late Mr. K.K.Modi	President and Managing Director (upto November 2, 2019)
(Dr.) Mrs. Bina Modi	President and Managing Director (ordinary director upto November 13, 2019)
Mr. Samir Modi	Executive Director
Mr. Ruchir Kumar Modi	Ordinary Director and a relative of Late Mr. K.K.Modi, Mr. Samir Modi and (Dr.) Mrs. Bina Modi
Mr. Sharad Aggarwal	Whole-time Director
Mr. Bhasham Wadhwa	Chief Executive Officer
Mr. Sunil Agrawal	Chief Financial Officer
Mr. Sanjay Gupta	Company Secretary
Mr. R A Shah	Non Independent Director and Chairman of Board
Mr. Lalit Bhasin	Independent Director
Mr. Anup N. Kothari	Independent Director
Mr. Atul Kumar Gupta	Independent Director
Mrs. Nirmala Bagri	Independent Director
Mr. Sumant Bharadwaj	Independent Director(w.e.f. February 13, 2021)

**(h) Enterprises over which Key management personnel and their relatives are able to exercise significant influence:**

Modicare Limited  
Beacon Travels Private Limited  
Indofil Industries Limited  
HMA Udyog Private Limited  
Bina Fashion N Food Private Limited  
Modicare Foundation  
Priyal Hitay Nidhi  
Colorbar Cosmetics Private Limited  
Gujarmal Modi Science Foundation  
MHP Staffing Private Limited  
Modi Innovative Education Society  
Modi Stratford Enterprise Management Private Limited  
International Research Park Laboratories Limited  
Crawford Bayley & Co.  
Bhasin & Co.  
Rajputana Developers Limited  
Quick Investment (India) Limited  
Good Investment (India) Limited  
Super Investment (India) Limited

**(i) Others related parties:**

Godfrey Phillips India Limited employees Gratuity Fund No.1  
Godfrey Phillips India Limited employees Gratuity Fund No.2  
Godfrey Phillips India Limited Management Staff Superannuation Fund  
Godfrey Phillips India Limited Provident Fund



**45.2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at the year end** **Rupees in Lakhs**

A Nature of transactions	Subsidiary companies		Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the entity		Other related parties	
	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020
<b>i) Trading transactions</b>														
Sale of goods, spare parts, etc.	11574.92***	13851.51***	19631.66@	24560.58@	-	-	304.13	168.56	20529.93&	-	-	-	-	-
Purchase of goods/services/spare parts	1590*	36.25*	17788.92@	1026.03@	-	-	627.85\$	1823.70\$	4188.94&&	-	-	-	-	-
Receipts from secondment of services	-	-	165.31@*	190.13@*	-	-	213.70\$*	-	-	-	-	-	-	-
Interest income	-	-	243.40@*	163.20@	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	382.46@	106.12@	-	-	-	96.02	-	-	-	-	-	-
Rent and hire charges received	4.80*	4.80*	-	-	-	-	143.54	-	-	-	-	-	-	-
Manufacturing charges paid	5923.98*	5973.89*	195.00@@	736.75@@	-	-	53.82	71.53	-	-	-	-	-	-
Payments for professional services availed	-	-	9215.90@	10756.04@	-	-	240.00	765.22	-	-	-	-	-	-
Donation given \$\$\$	47.62#	66.29#	3.25@*	2.39@*	-	-	0.07	0.04	111.93&	-	-	-	-	-
Expenses recovered	24.18##	1147.26##	-	-	-	-	-	-	-	-	-	-	-	-
Expenses reimbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ii) Other related party transactions</b>														
Subscription to share capital	2419.83	480.02	-	-	-	-	-	-	-	-	-	-	-	-
- Friendly Reality Projects Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Dividend payment including Interim Dividend(gross)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Philip Morris Global Brands Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- K K Modi Investment & Financial Services Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Quick Investment (India) Limited	-	-	-	-	-	-	-	760.17	-	-	-	-	-	-
- Good Investment (India) Limited	-	-	-	-	-	-	-	1465.13	-	-	-	-	-	-
- Super Investment (India) Limited	-	-	-	-	-	-	-	17927	-	-	-	-	-	-
- HMA Udyog Private Limited	-	-	-	-	-	-	-	23.12	-	-	-	-	-	-
- Technical services fee and royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Philip Morris Products S.A.	-	-	-	-	-	-	-	-	1081.70	1466.07	-	-	-	-
<b>iii) Contribution to trusts</b>														
Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	139.89
Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Godfrey Phillips India Limited Provident Fund (Relier No. 41)	-	-	-	-	-	-	-	-	-	-	-	-	-	1307.28
Godfrey Phillips India Limited Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	-	98.61
Godfrey Phillips India Limited Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-	-	1145.79
<b>iv) Compensation &amp; Post Employment benefits of key management personnel and other directors \$\$</b>														
- Samir Modi	-	-	-	-	2060.23	2381.94	-	-	-	-	-	-	-	-
- Bina Modi	-	-	-	-	-	6.00	-	-	-	-	-	-	-	-
- Ruchir Kumar Modi	-	-	-	-	150.00	150.00	-	-	-	-	-	-	-	-
- Bhisham Wadhwa	-	-	-	-	735.82	573.52	-	-	-	-	-	-	-	-
- Sunil Agrawal	-	-	-	-	234.24	201.65	-	-	-	-	-	-	-	-
- Sharad Aggarwal	-	-	-	-	452.92	217.47	-	-	-	-	-	-	-	-
- Sanjay Gupta	-	-	-	-	183.47	139.19	-	-	-	-	-	-	-	-
- R A Shah	-	-	-	-	14.00	15.00	-	-	-	-	-	-	-	-
- Lalit Bhasin	-	-	-	-	19.00	21.00	-	-	-	-	-	-	-	-
- Anup N Kohari	-	-	-	-	17.00	17.00	-	-	-	-	-	-	-	-
- Atul Kumar Gupta	-	-	-	-	15.00	18.00	-	-	-	-	-	-	-	-
- Nirmala Bagri	-	-	-	-	12.00	8.00	-	-	-	-	-	-	-	-
- Sumant Bharadwaj	-	-	-	-	1.00	-	-	-	-	-	-	-	-	-



**45.2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at the year end**

B Outstanding balance	Subsidiary companies		Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the entity		Other related parties		
	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021
Trade receivables	1809.79**	1097.06**	785.65@	-	-	37.40	21.59	4206.39&	54.82&	-	-	-	-	-	-
Loans given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	-	-	712.73@	0.21@	11.71	16.41	57.54	141.90	1312.37&&	408.80&&	-	-	-	-	-
Dues payable	1220.73**	422.09**	66.90@*	1.48@*	-	4.95	-	-	-	-	-	-	-	-	-
Advances from customers	225.95**	670.11	-	-	992.43	-	-	-	-	-	-	-	-	-	-
Commission payable to Mr.Samir Modi (gross)	-	-	600.34***	548.29 #***	1385.60	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given by the Company to a bank on behalf of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- International Tobacco Company Limited	47.58	47.58	-	-	-	-	-	-	-	-	-	-	-	-	-
- Godfrey Phillips Middle East DMCC	705.41	708.12	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical service fee and royalty payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payable/(recoverable)	-	-	-	-	-	-	-	-	281.49 &	301.65&	-	-	-	-	-
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98.61
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1145.79
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance recoverable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	231.12
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.71

\* relates to transaction with wholly owned subsidiary International Tobacco Company Limited.  
 \*\* relates to transaction with wholly owned subsidiary Godfrey Phillips Middle East DMCC.  
 @\* relates to transaction with KKM Management Centre Private Limited.

\*\*\* includes Rs.11,545.03 lakhs (previous year Rs.13,823.96 lakhs) to Godfrey Phillips Middle East DMCC and Rs.29.89 lakhs (previous year Rs.27.55 lakhs) to International Tobacco Company Limited.

# includes Rs.10.80 lakhs (previous year Rs.26.55 lakhs) from International Tobacco Company Limited and Rs.36.82 lakhs (previous year Rs.39.74 lakhs) from Godfrey Phillips Middle East DMCC.

## includes Rs.2.91 lakhs (previous year Rs.1112.07 lacs) to International Tobacco Company Limited and Rs.21.27 lakhs (previous year Rs.35.19 lakhs) to Godfrey Phillips Middle East DMCC.  
 @relates to transactions with IPM India Wholesale Trading Private Limited and figures of sale and purchase of goods have been reduced by Rs.59521.16 lakhs (previous year Rs.88436.02 lakhs) on account of sale/purchase of Marlboro cigarettes manufactured by the Company.

@@relates to KKM Management Centre Private Limited amounting to Rs.195.00 lakhs (previous year Rs.210.00 lakhs) & KKM Management Centre Middle East (FZC) amounting to Rs.526.75 lakhs).

##\* includes Rs.1220.73 lakhs (previous year Rs.410.63 lakhs) to International Tobacco Company Limited and Rs.11.46 lakhs to Godfrey Phillips Middle East DMCC

\$ includes Rs.600.34 lakhs (previous year Rs.533.85 lakhs) from IPM India Wholesale Trading Private Limited and Nil (previous year Rs.1.44 lakhs) from KKM Management Centre Private Limited.

\$ includes Rs.61.74 lakhs (previous year Rs.1229.03 lakhs) from Beacon Travels Private Ltd, Rs.392.19 lakhs (previous year Rs.442.60 lakhs) from Bina Fashions and Foods Private Limited and Rs.101.72 lakhs (previous year Rs.35.95 lakhs) from Colorbar Cosmetics Private Limited

\$\* relates to transaction with Colorbar Cosmetics Pvt. Ltd.

\$ excludes incremental liability for gratuity and compensated absences which are actuarially determined on an overall basis.

\$ \$ including for CSR activities.

& relates to transaction with Philip Morris Products S.A.

&& includes Rs.3030.60 lakhs (previous year Rs.3962.64 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs.570.60 lakhs (previous year Rs.1129.35 lakhs) from PT Hanjaya Mandala Sampoerna Tbk., Rs.465.20 lakhs (previous year Rs.1.54 lakhs) from Philip Morris Izhora and Rs.122.54 lakhs (previous year Nil) from PT Philip Morris Indonesia.

&&& includes Rs.855.34 lakhs (previous year Rs.313.14 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs.Nil (previous year Rs.95.66 lakhs) from PT Hanjaya Mandala Sampoerna Tbk and Rs.457.03 lakhs (previous year Nil) from Philip Morris Izhora

**Terms and conditions of transactions with related parties:**

Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2021, the Company has recorded impairment allowance amounting to Rs.48.86 lakhs (March 31, 2020: Rs.359.56 lakhs) of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates. Purchase and sale transactions with the related parties have been made at arm's length prices.



#### 46. Segment Information

##### Products from which reportable segments derive their revenues

The Company's reportable segments under Ind AS 108 are as follows:

- Cigarette, tobacco and related products; and
- Retail and related products

##### Segment information for the year ended March 31, 2021 and March 31, 2020 is as follows:

	Year ended March 31, 2021			Year ended March 31, 2020		
	Cigarette, Tobacco and related products	Retail and related products	Total	Cigarette, Tobacco and related products	Retail and related products	Total
<b>1. Segment revenue</b>						
- External sales (gross)	261060.92	29409.08	290470.00	266049.61	35835.18	301884.79
- Other operating income	1291.09	813.10	2104.19	1658.75	925.33	2584.08
<b>Total Revenue</b>	<b>262352.01</b>	<b>30222.18</b>	<b>292574.19</b>	<b>267708.36</b>	<b>36760.51</b>	<b>304468.87</b>
<b>2. Segment result</b>	<b>46792.00</b>	<b>(9975.30)</b>	<b>36816.70</b>	<b>54643.55</b>	<b>(12311.12)</b>	<b>42332.43</b>
Unallocable income net of unallocable expenses			<b>10021.28</b>			<b>9391.04</b>
<b>Profit before finance costs and tax</b>			<b>46837.98</b>			<b>51723.47</b>
Less: Finance costs			<b>342.63</b>			<b>133.67</b>
<b>Profit before tax</b>			<b>46495.35</b>			<b>51589.80</b>
<b>3. Other information</b>						
Capital expenditure including capital work in progress and capital advances (excluding ROU Assets)	12596.62	705.32	13301.94	9093.02	1748.45	10841.47
Depreciation and amortization	8504.66	5104.36	13809.02	10074.40	5090.89	15165.29
Non cash expenditure other than depreciation	357.88	249.01	606.89	423.16	228.70	651.86

##### Segment information as at March 31, 2021 and March 31, 2020 is as follows:

	As at March 31, 2021			As at March 31, 2020		
	Cigarette, Tobacco and related products	Retail and related products	Total	Cigarette, Tobacco and related products	Retail and related products	Total
<b>a) Segment assets</b>						
Allocable assets	169392.54	29876.26	199268.80	151179.50	34189.95	185369.45
Unallocable assets			152567.68			124359.64
<b>Total assets</b>			<b>351836.48</b>			<b>309729.09</b>
<b>b) Segment liabilities</b>						
Allocable liabilities	77366.67	23282.77	100649.44	75161.12	25925.64	101086.76
Unallocable liabilities			9544.01			2557.45
<b>Total liabilities</b>			<b>110193.45</b>			<b>103644.21</b>
<b>c) Capital Employed</b>						
Allocable capital employed	92025.87	6593.49	98619.36	76018.38	8264.31	84282.69
Unallocable capital employed			143023.67			121802.19
Total capital employed			<b>241643.03</b>			<b>206084.88</b>
<b>Total (b+c)</b>			<b>351836.48</b>			<b>309729.09</b>



**Rupees in Lakhs**

**d) Entity wide information**

The Company operates in two principle geographical areas - India and Outside India.

The Company's revenue from operations by location of customers and information about its non-current assets by location of assets are detailed below:

	Revenue from operations		Non-current assets*	
	Year ended 31.3.2021	Year ended 31.3.2020	As at 31.3.2021	As at 31.3.2020
<b>India</b>	<b>232830.35</b>	244690.70	<b>105564.45</b>	105428.31
<b>Outside India</b>	<b>59743.84</b>	59778.17	-	-
<b>Total</b>	<b>292574.19</b>	304468.87	<b>105564.45</b>	105428.31

\* Non current assets do not include financial assets: investments, loans & other non-current financial assets

**e) Segment accounting policies for the purpose of monitoring segment performance and allocating resources between segments:**

In addition to the significant accounting policies applicable to the business segments as set out in Note No.4, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

Segment revenue and expenses only include items directly attributable to the segment. They do not include investment income, interest income from loans given, dividend income, profit or loss on sale/redemption/fair valuation of investments, provision for diminution in value of investments, finance cost, donations and provision for taxation (current and deferred tax). Since the corporate office of the Company primarily caters to the cigarette and tobacco products segment, its expenses have been considered to be attributable to the same. There is no single customer contributing more than 10% of the total revenue.

ii) Segment assets and liabilities:

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of net fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities include all operating liabilities and consist principally of trade payables and other financial liabilities. Segment assets and liabilities do not include investments, loans given, bank balances for unclaimed dividend and fixed deposits, unclaimed interest, share capital, reserves and surplus, loan funds, dividends payable and income-tax (current and deferred tax).



- 47.** The Income Tax Department had searched the office premises of the Company in February 2021 in connection with search carried out by them under Section 132 of the Income Tax act, 1961 on a promoter of the Company. The tax officials have taken custody of certain records of the Company and recorded statements of some of the Company officials. Additional information has been requested by the tax authorities which is being furnished.
- 48.** Disclosures required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 186(4) of the Companies Act, 2013:
- Investments:** Full particulars of investments made by the Company have been disclosed in Note No.9.
- Guarantees:** Full particulars of guarantees given by the Company have been disclosed in Note No.37. Further, these guarantees have been given to the banks to secure financial facilities provided by them to the subsidiaries of the Company.
- Loans:** There are no loans and advances in the nature of loans to the subsidiaries/associates/firms and companies in which directors are interested.
- 49.** The figures for the previous year have been re-classified/re-grouped, wherever necessary, to correspond with the current year's classification/ disclosure.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

Place: Faridabad  
Date: June 25, 2021

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

DR. LALIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODFREY PHILLIPS INDIA LIMITED

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Godfrey Phillips India Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<p><b>Recoverability of carrying value of net assets relating to retail and chewing business (as described in notes 5 (d) (i) and 5 (d) (ii) of the consolidated Ind AS financial statements)</b></p>	
<p>As at March 31, 2021, the carrying value of net assets relating to retail and chewing business was Rs. 6,804.39 lakhs and Rs. 5,429.76 lakhs respectively.</p> <p>Recoverability of carrying value of assets relating to retail and chewing business have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>- The significance of the carrying value of the underlying assets being assessed.</li> <li>- Continuing losses being incurred in the retail and chewing business.</li> <li>- The assessment of the recoverable amount of the Group's Cash Generating Units (CGUs) involves significant judgements and estimates.</li> </ul> <p>The key judgements and estimates include identification of indicators of impairment and future projections relating to the aforesaid CGUs.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>-Obtained and assessed management analysis of internal and external factors impacting the Group's CGUs relating to retail and chewing business as per Ind AS 36.</li> <li>-Obtained the valuation report of management appointed experts and critically evaluated the key assumptions and valuation methodologies used to determine the recoverable amount with support from valuation specialists.</li> <li>-Assessed the independence, competence and objectivity of the management appointed experts used for determining the recoverable amount.</li> <li>-Compared the recoverable amount of the assets relating to retail and chewing business to the carrying value in books.</li> <li>-Assessed the disclosures made in the financial statements by the Group in this regard.</li> </ul>
<p><b>Revenue recognition (as described in notes 4.1.1 and 27 of the consolidated Ind AS financial statements)</b></p>	
<p>For the year ended March 31, 2021 the Group has recognized revenue from operations of Rs. 296,142.87 lakhs.</p> <p>Revenue recognition has been recognized as a key audit matter as the Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the control is transferred. This give rise to the risk that revenue is not recognized in the correct period.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Read and assessed the Group's revenue recognition accounting policies in accordance with the requirements of Ind AS 115.</li> <li>- Performed walkthroughs and test of controls, assisted by our IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls.</li> <li>- Selected a sample of revenue transactions occurred close to the balance sheet date and immediately after the balance sheet date to evaluate whether revenue was recognised in the correct period by agreeing the date of revenue recognition to third party supports such as bill of lading, lorry receipts etc.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<b>Related party transactions (as described in note 44 of the consolidated Ind AS financial statements)</b>	
<p>The Group has undertaken transactions with its related parties. These include sale of goods to related parties, purchase of goods and services from related parties.</p> <p>We identified related party transactions as a key audit matter due to significance of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Obtained and read the group’s policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions.</li> <li>- Read minutes of shareholder meetings, board meetings and audit committee meetings regarding Holding Company’s assessment of related party transactions being in the ordinary course of business at arm’s length.</li> <li>- Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents.</li> <li>- Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.</li> </ul>
<b>Fair valuation of Unquoted Equity Shares (as described in note 9.2.2 and 42 of the consolidated Ind AS financial statements)</b>	
<p>As at March 31, 2021, one of the subsidiary company of the Group holds 91,875 unquoted equity shares of Rs. 10 each in KK Modi Investment &amp; Financial Services Private Limited (‘KKMIF’). As on the balance sheet date, these shares have been accounted at fair value of Rs. 13,617.72 lakhs and change in fair value of Rs. 2,501.76 lakhs has been recognised in other comprehensive income for the year ended March 31, 2021.</p> <p>The fair valuation of investments in KKMIF has been considered as key audit matter due to the following reason:</p> <ul style="list-style-type: none"> <li>- Significance of the amounts involved</li> <li>- Estimation and judgement involved in determining the fair value</li> </ul>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> <li>- Obtained the valuation report of the management expert and assessed the independence, competence and objectivity of the management experts used for determining the fair valuation.</li> <li>- Assessed the disclosures made in the financial statements by the Group in this regard.</li> </ul>

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

The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

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



In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to



those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial



year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

We did not audit the financial statements and other financial information, in respect of 7 subsidiaries, whose Ind AS financial statements include total assets of Rs. 29,335.90 lakhs as at March 31, 2021, and total revenues of Rs. 15,113.70 lakhs and net cash inflows of Rs. 746.87 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 52.46 lakhs for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of 2 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The consolidated Ind AS financial statements also include the Group's share of net profit of Nil for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.



## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;



- ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries and associates, incorporated in India during the year ended March 31, 2021.

FOR S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 21086370AAAABM5553

Place: Faridabad

Date: June 25, 2021

**Annexure 1 referred to in paragraph (f) under the heading  
“Report on other legal and regulatory requirements” of our  
report of even date on the consolidated Ind AS financial  
statements of Godfrey Phillips India Limited**

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

In conjunction with our audit of the consolidated Ind AS financial statements of Godfrey Phillips India Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Godfrey Phillips India Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are



recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with Reference to these Consolidated Ind AS Financial Statements**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to four subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate company incorporated in India. In respect of one associate company, incorporated in India, whose financial statements and other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management, in our opinion and according to the information and explanations given to us by the management, the financial statements and other financial information in respect to the said associate are not material to the Group.

FOR S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 21086370AAAABM5553

Place: Faridabad

Date: June 25, 2021



GODFREY PHILLIPS  
—INDIA LIMITED—

# CONSOLIDATED BALANCE SHEET

as at March 31, 2021

Rupees in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	70942.46	65471.52
Capital work-in-progress	6	2640.56	1667.33
Investment property	7	921.74	949.10
Right of Use Assets	40	30585.90	34685.50
Intangible assets	8	949.83	395.20
Intangible assets under development	8	-	60.96
Financial assets			
- Investments	9	109162.98	112191.08
- Loans	10	486.30	588.80
- Other financial assets	15	1627.00	1700.58
Income tax assets (Net)	25	2837.79	3007.64
Other non-current assets	16	642.20	3122.90
<b>Total non-current assets</b>		<b>220796.76</b>	<b>223840.61</b>
<b>Current assets</b>			
Inventories	12	74310.88	68794.72
Financial assets			
- Investments	9	46208.05	12865.85
- Trade receivables	13	12299.28	6887.06
- Cash and cash equivalents	14	2347.73	2464.34
- Other bank balances	14	2261.82	2346.12
- Loans	10	162.72	148.14
- Other financial assets	15	1487.70	883.02
Other current assets	16	13297.66	11284.44
<b>Total current assets</b>		<b>152375.84</b>	<b>105673.69</b>
<b>Total assets</b>		<b>373172.60</b>	<b>329514.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1039.88	1039.88
Other equity	18	257167.29	217692.77
<b>Equity attributable to owners of the Company</b>		<b>258207.17</b>	<b>218732.65</b>
<b>Non-controlling interests</b>	19	540.79	2857.12
<b>Total equity</b>		<b>258747.96</b>	<b>221589.77</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	20	100.06	90.63
- Lease Liabilities	21	28179.42	30917.29
- Other financial liabilities	22	97.95	94.70
Provisions	23	2877.54	2689.46
Deferred tax liabilities (Net)	11	4106.10	2819.49
<b>Total non-current liabilities</b>		<b>35361.07</b>	<b>36611.57</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	20	1490.15	1114.22
- Lease liabilities	21	3789.23	3541.48
- Trade payables	24		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		669.32	369.29
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		22649.35	25033.15
- Other financial liabilities	22	7963.45	2524.35
Other current liabilities	26	39521.90	36568.62
Provisions	23	2085.19	1647.48
Income tax liabilities (Net)	25	894.98	514.37
<b>Total current liabilities</b>		<b>79063.57</b>	<b>71312.96</b>
<b>Total liabilities</b>		<b>114424.64</b>	<b>107924.53</b>
<b>Total equity and liabilities</b>		<b>373172.60</b>	<b>329514.30</b>
<b>Notes forming part of the consolidated financial statements</b>	1-49		

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LALIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021



GODFREY PHILLIPS  
—INDIA LIMITED—

Rupees in Lakhs

Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>I</b> Revenue from operations	27	<b>296142.87</b>	306801.72
<b>II</b> Other income	28	<b>11858.64</b>	10687.27
<b>III Total income (I+II)</b>		<b>308001.51</b>	317488.99
<b>IV Expenses</b>			
Cost of materials consumed	29	<b>51552.97</b>	70560.11
Purchases of stock-in-trade	30	<b>79172.85</b>	56592.24
Changes in inventories of finished goods, stock-in-trade and work-in-process	31	<b>(8411.02)</b>	(1029.39)
Excise duty		<b>43608.67</b>	19143.56
Employee benefits expenses	32	<b>26663.45</b>	27843.79
Finance costs	33	<b>3084.69</b>	3022.96
Depreciation and amortisation expenses	6	<b>14130.16</b>	15521.59
Other expenses	34	<b>49417.56</b>	74532.57
<b>Total expenses</b>		<b>259219.33</b>	266187.43
<b>V Profit before share of profit of associates and tax (III-IV)</b>		<b>48782.18</b>	51301.56
<b>VI Share of (loss)/profit of associates</b>		<b>(52.45)</b>	49.71
<b>VII Profit before tax (V+VI)</b>		<b>48729.73</b>	51351.27
<b>VIII Tax expense:</b>	11		
- Current tax		<b>10266.22</b>	12657.20
- Deferred tax charge		<b>817.77</b>	216.54
		<b>11083.99</b>	12873.74
<b>IX Profit for the year (VII-VIII)</b>		<b>37645.74</b>	38477.53
<b>X Other comprehensive income</b>			
Items that will not to be reclassified to profit or loss			
(i) (Loss) on remeasurements of the defined benefit/contribution plans		<b>(136.72)</b>	(1481.04)
(ii) Tax impact on remeasurements of the defined benefit/contribution plans		<b>34.41</b>	372.75
(iii) (Loss)/Gain on equity instruments fair valued through other comprehensive income		<b>2501.76</b>	(1553.61)
(iv) Tax impact on equity instruments fair valued through other comprehensive income		<b>(581.59)</b>	361.93
<b>Total other comprehensive income, net of tax (i+ii+iii+iv)</b>		<b>1817.86</b>	(2299.97)
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>39463.60</b>	36177.56
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		<b>37651.37</b>	38487.12
Non-controlling interests		<b>(5.63)</b>	(9.59)
		<b>37645.74</b>	38477.53
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>1817.86</b>	(2299.97)
Non-controlling interests		-	-
		<b>1817.86</b>	(2299.97)
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>39469.23</b>	36187.15
Non-controlling interests		<b>(5.63)</b>	(9.59)
		<b>39463.60</b>	36177.56
<b>Basic and Diluted Earnings per share after tax</b>	36	<b>Rs. 72.41</b>	Rs. 74.02
(Face value of share - Rs. 2 each)			
Computed on the basis of profit attributable to the owners of the company			
Computed on the basis of profit attributable to the owners of the company			
<b>Notes forming part of the consolidated financial statements</b>	1-49		

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LAIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

Place: Faridabad  
Date: June 25, 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

Rupees in Lakhs

(a) Equity share capital	Amount
Balance at April 1, 2019	1039.88
Balance at March 31, 2020	1039.88
Balance at March 31, 2021	1039.88

## (b) Other equity

	Reserves and surplus				Equity component of compound financial instrument	Reserve for equity instruments fair valued through other comprehensive income	Attributable to owners of the company (sub-total)	Non controlling interests	Total
	General reserve	Capital redemption reserve	Retained earnings	Statutory Reserve					
<b>Balance at 1 April 2019</b>	<b>37431.89</b>	<b>30.13</b>	<b>155491.90</b>	<b>55.34</b>	<b>125.64</b>	<b>9697.49</b>	<b>202832.39</b>	<b>3279.99</b>	<b>206112.38</b>
Profit for the year	-	-	38487.12	-	-	-	38487.12	(9.59)	38477.53
Other comprehensive income for the year, net of income-tax	-	-	(1108.29)	-	-	(1191.68)	(2299.97)	-	(2299.97)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>37378.83</b>	<b>-</b>	<b>-</b>	<b>(1191.68)</b>	<b>36187.15</b>	<b>(9.59)</b>	<b>36177.56</b>
Payment of dividends (Rs. 10 per equity share)	-	-	(5199.39)	-	-	-	(5199.39)	-	(5199.39)
Dividend distribution tax thereon	-	-	(1068.75)	-	-	-	(1068.75)	-	(1068.75)
Interim dividend paid (Rs. 24 per equity share)	-	-	(12478.54)	-	-	-	(12478.54)	-	(12478.54)
Dividend distribution tax thereon	-	-	(2565.00)	-	-	-	(2565.00)	-	(2565.00)
Transfer to statutory reserve from retained earnings	-	-	(15.54)	15.54	-	-	-	-	-
Arising from change in ownership interests in subsidiaries	-	-	-	-	(15.09)	-	(15.09)	(413.28)	(428.37)
<b>Balance at 31 March 2020</b>	<b>37431.89</b>	<b>30.13</b>	<b>171543.51</b>	<b>70.88</b>	<b>110.55</b>	<b>8505.81</b>	<b>217692.77</b>	<b>2857.12</b>	<b>220549.89</b>
Profit for the year	-	-	37651.37	-	-	-	37651.37	(5.63)	37645.74
Other comprehensive income for the year, net of income-tax	-	-	(102.31)	-	-	1920.17	1817.86	-	1817.86
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>37549.06</b>	<b>-</b>	<b>-</b>	<b>1920.17</b>	<b>39469.23</b>	<b>(5.63)</b>	<b>39463.60</b>
Transfer to statutory reserve from retained earnings	-	-	(6.77)	6.77	-	-	-	-	-
Arising from change in ownership interests in subsidiaries	-	-	-	-	5.29	-	5.29	(2310.70)	(2305.41)
<b>Balance at 31 March 2021</b>	<b>37431.89</b>	<b>30.13</b>	<b>209085.80</b>	<b>77.65</b>	<b>115.84</b>	<b>10425.98</b>	<b>257167.29</b>	<b>540.79</b>	<b>257708.08</b>

Notes forming part of the consolidated financial statements 1-49

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

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Chief Financial Officer

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Executive Director

ATUL KUMAR GUPTA  
(DIN 01734070)

Place: Faridabad  
Date: June 25, 2021

SANJAY GUPTA  
Company Secretary

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

NIRMALA BAGRI  
(DIN 01081867)

Place: New Delhi  
Date: June 25, 2021

SUMANT BHARADWAJ  
(DIN 08970744)

Directors

# CONSOLIDATED CASH FLOW STATEMENT

## for the year ended March 31, 2021



**GODFREY PHILLIPS**  
— INDIA LIMITED —

Particulars	Rupees in Lakhs	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		48729.73	51351.27
<b>Adjustments for:</b>			
Depreciation and amortisation expenses		14130.16	15521.59
Share of loss/(profit) of associates		52.45	(49.71)
Interest income from:			
- Debts, deposits, loans and advances, etc.		(384.72)	(355.36)
- Non-current investments		(74.67)	(57.22)
Liabilities and provisions no longer required, written back		(106.76)	(307.78)
Dividend income		-	(656.46)
Net gain on sale/redemption/fair value of long term investments		(9702.66)	(5742.51)
Net gain on sale/redemption/fair value of short term investments		(1210.68)	(1869.67)
Exchange loss on foreign currency bank balance		(0.20)	(0.52)
Interest expenses			
- On borrowings		142.18	39.40
- On lease liabilities		2727.66	2879.58
- Others		188.54	77.33
Bad debts and advances written off		100.61	101.16
Provision for doubtful debts and advances (net)		262.42	391.40
Property, plant and equipments written off		254.56	171.59
Assets written off		1.76	5.52
(Gain)/Loss on modification/concession in leases		(1039.62)	4.30
(Gain)/Loss on sale of Property, plant and equipment (net)		(9.45)	67.34
		<b>5331.58</b>	10219.98
<b>Operating profit before working capital changes</b>		<b>54061.31</b>	61571.25
<b>Adjustments for changes in working Capital:</b>			
Increase in Trade receivables, loans, other financial assets and other assets		(8237.44)	(4230.30)
Increase in Inventories		(5516.16)	(4639.77)
Increase/(Decrease) in Trade payables, other financial liabilities, other liabilities and provisions		408.92	(2948.48)
Purchase of current and non current investments*		(0.06)	(19.83)
Proceeds from sale of current and non current investments*		60.42	158.09
		<b>(13284.32)</b>	(11680.29)
<b>Cash generated from operating activities</b>		<b>40776.99</b>	49890.96
Income taxes paid (net)		(9794.10)	(12389.06)
<b>Net cash generated from operating activities</b>		<b>30982.89</b>	37501.90
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development		(13156.78)	(12238.16)
Proceeds from sale of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development		128.90	182.62
Purchase of other current and non-current investments		(390816.16)	(532858.15)
Proceeds from sale/redemption of other current and non-current investments		373804.36	536931.42
Dividend received		-	656.46
Interest received		450.14	408.71
Short term fixed deposits (made)/released (net)		(168.77)	(242.34)
<b>Net cash used in investing activities</b>		<b>(29758.31)</b>	(7159.44)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/(Repayment of) current borrowings (Net)		375.93	(3003.64)
Proceeds from non-current borrowings		6000.00	-
Interest paid		(2878.88)	(2994.44)
Dividend paid		(253.07)	(17234.56)
Dividend distribution tax paid		-	(3633.75)
Repayment of lease liabilities		(2533.03)	(3038.07)
Acquisition of non controlling interests		(2305.41)	(428.37)
<b>Net cash used in financing activities</b>		<b>(1594.46)</b>	(30332.83)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(369.88)</b>	9.63
Cash and cash equivalents at the beginning of the year (Refer Note 1 below)		3154.28	3144.13
		<b>2784.40</b>	3153.76
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0.20	0.52
<b>Cash and cash equivalents at the end of the year (Refer Note 1 below)</b>		<b>2784.60</b>	3154.28
*By the subsidiary company engaged in the business of acquisition of securities			
<b>Note 1:</b>			
For the purpose of consolidated statement of cash flows, cash and cash equivalents comprises the following:			
		<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Cash and cash equivalents (Refer Note No. 14)		2347.73	2464.34
Earmarked unpaid dividend accounts# (Refer Note No. 14)		436.87	689.94
<b>Total</b>		<b>2784.60</b>	3154.28
#Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend			
<b>Note 2:</b>			
The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements			
<b>Notes forming part of the consolidated financial statements</b>		1-49	

As per our report of even date

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

DR. LALIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

Directors

Place: Faridabad  
Date: June 25, 2021

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)



# Notes to consolidated financial statements for the year ended March 31, 2021

## 1. Corporate information

The consolidated financial statements comprise financial statements of Godfrey Phillips India Limited (the Holding Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2021.

Godfrey Phillips India Limited ('the Company') is a public limited company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. The principal activities of the Group are manufacturing of cigarettes, chewing products & tobacco products, trading of cigarettes, tobacco products, and other retail products, trading & distribution of vaping products, acquisition of securities and real estate development.

The address of its registered office is 'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400033 and the address of its corporate office is Omaxe Square, Plot No.14, Jasola District Centre, Jasola, New Delhi - 110025. The consolidated financial statements were approved for issue by the Board of Directors on June 25, 2021.

## 2. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended. The consolidated financial statements are presented in rupees lakhs except when otherwise indicated.

## 3. Basis of preparation and consolidation

### 3.1. Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

### 3.2. Basis of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, has power over the entity (i.e. existing rights that give it the current ability to direct the relevant activities of the entity) and has the ability to use its power over the entity to affect its return. Subsidiaries are consolidated from the date on which control is obtained by the Group. They are de-consolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, expenses and cash flows. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Intragroup transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Non-controlling interests in the equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and the consolidated balance sheet respectively.



The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership as at 31.3.2021	Proportion of ownership as at 31.3.2020
<b>Indian Subsidiaries</b>				
International Tobacco Company Limited	India	Manufacturing of cigarettes & tobacco products	100.00%	100.00%
Chase Investments Limited	India	Acquisition of securities	100.00%	100.00%
Friendly Reality Projects Limited	India	Real estate development	92.20%*	87.99%*
Unique Space Developers Limited	India	Real estate development	66.67%**	66.67%**
Rajputana Infrastructure Corporate Limited	India	Real estate development	92.20%***	87.99%***
Rajputana Developers Projects	India	Real estate development	##	63.79%#
<b>Foreign Subsidiaries</b>				
Godfrey Phillips Middle East DMCC	U.A.E.	Trading of cigarettes, tobacco & other retail products	100.00%	100.00%
Flavors And More, Inc.	U.S.A.	Trading & distribution of vaping devices products	100.00%	100.00%

\*Held partly through other subsidiary

\*\*Held through other subsidiaries

\*\*\*100% subsidiary of Friendly Reality Projects Limited

#Through control exercised by Rajputana Infrastructure Corporate Limited

## Ceased to be a subsidiary w.e.f October 1, 2020

## (ii) Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the group holds between 20% to 50% of the voting power. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

Name of Associates	Country of incorporation	Proportion of ownership as at 31.3.2021	Proportion of ownership as at 31.3.2020
IPM India Wholesale Trading Private Limited	India	24.80%	24.80%
KKM Management Centre Private Limited	India	36.75%	36.75%
KKM Management Centre Middle East (FZC)@	UAE	36.00%	36.00%

@ Held through foreign subsidiaries

## (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the associate in Group's profit and loss, and the Group's share of other comprehensive income of the associate in Group's other comprehensive income. Dividends received from associates are recognised as a reduction in the carrying amount of the investment.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.



The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of associate is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group's share of losses in equity-accounted associate equals or exceeds its interest in the associate, the Group does not recognise its share of further losses. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated to the extent of the Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted associates are tested for impairment in accordance with the prescribed policy.

#### **(iv) Changes in ownership interests**

The Group treats transactions with non-controlling interests which does not result in loss of control as transaction with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and fair value of any consideration paid or received is recognised within equity and attributed to the owners of the company.

If the Group loses control over a subsidiary it

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When the Group ceases to equity account for an investment because of loss of significant influence, any retained interest in the former associate is remeasured to its fair value. The difference between the carrying amount of the investment at the date the equity method was discontinued and the fair value of any retained interest & any proceeds from disposing of a part interest in the associate is recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the former associate as financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that former associate are accounted for as if the Group had directly disposed of related assets or liabilities. This means that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

### **3.3. Use of estimates**

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent assets and contingent liabilities.

The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised and future periods affected.

## **4. Significant accounting policies**

### **4.1.1. Revenue Recognition**

#### **Revenue from Contracts with Customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue excludes amounts collected on behalf of third parties.



## **Sale of Products**

The Group earns revenue from domestic and export of goods (both manufactured and traded). In domestic sales, the Group sells products to wholesaler dealers, modern trade retailers and to retail customers.

Revenue from sale of products is recognised at a point in time when control of the goods is transferred to the customer. Following delivery/loading for shipment, as the case maybe, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. Payment is generally due within 0-120 days as per credit terms with the customers. The Group considers the effects of variable consideration, if any, the existence of significant financing components and consideration payable to the customer.

For sale of retail goods, revenue is recognised when control of the goods is transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

### **(i) Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled to in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group recognizes changes in the estimated amount of variable consideration in the period in which the change occurs.

### **-Rebates and discounts**

The Group accounts for cash discounts, volume discounts, redemption schemes and pricing incentives to customers or end users as a reduction of revenue based on the rateable allocation of the discounts/ incentives to the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

### **(ii) Significant financing component**

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

## **Contract balances**

### **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments.

### **Contract liabilities**

Contract liabilities (termed as Advance from customers in the consolidated financial statements) represents the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

### **Cost to obtain a contract**

The Group pays sales commission to its selling agents for contracts that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included in other expenses) because the amortization period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

## **4.1.2. Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



#### 4.1.3. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

#### 4.2. Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary to sale of such asset and its sale is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

#### 4.3. Leases

##### Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### 4.3.1. Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss.

##### 4.3.2. Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### Group as a lessee

4.3.3 At the date of commencement of the lease, the Group recognises a right-of-use-asset ("ROU") and a corresponding lease liability for all the lease arrangements in which it is a lessee, except for the leases with a term of 12 months or less (short term leases) and the leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on accrual basis.

##### i) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The ROU assets are initially recognised at cost, which comprise of the initial amount of the lease liability adjusted for any payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The ROU asset are depreciated on a straight line basis over the shorter of the lease term and the estimated useful life of the underlying asset, as follows:

Office buildings, warehouses and stores: 2 to 18 years

Store equipment & furniture: 5 years

Land: over the lease period of 45 to 99 years

Vehicles : 3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 4.11. Impairment of non-financial assets.

##### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. For lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic, the Group has elected not to assess Covid-19 related rent concession from lessor as a lease modification.

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



#### **4.4. Foreign currencies**

##### **4.4.1. Functional and presentational currency**

The Group's financial statements are presented in Indian rupees (Rs.), which is also the parent company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### **4.4.2. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### **4.5. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **4.5.1. Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated in accordance with the prevailing tax laws using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group then reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

##### **4.5.2. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profits.

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

##### **4.5.3. Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



#### **4.6. Employee benefits**

##### **4.6.1. Short term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

##### **4.6.2. Long term employee benefits**

Long term employee benefits include compensated absences. The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

##### **4.6.3. Defined contribution plan**

The contributions to these schemes are charged to the consolidated statement of profit and loss of the year in which contribution to such schemes becomes due on the basis of services rendered by the employees. The Group has no further obligation in respect of such plans except for the contributions due from them.

##### **4.6.4. Defined benefit plan**

Present value of obligation is provided on the basis of an actuarial valuation made at the end of each financial year as per projected unit credit method. Current and past service costs and interest expense/income are recognised as employee costs.

For all defined benefit plans the difference between the present value of obligations and the fair value of plan assets is represented in the balance sheet as a liability or an asset. However the assets are restricted to the present value of the economic benefits available to the Group.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated 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 or loss in subsequent periods.

##### **4.6.5. Termination benefits**

Termination benefit is recognised as an expense at earlier of when the Group can no longer withdraw the offer of termination benefit and when the expense is incurred.

#### **4.7. Property, plant and equipment**

##### **4.7.1. Recognition and measurement**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any recognised impairment losses, and include interest on loans attributable to the acquisition of qualifying assets upto the date they are ready for their intended use. Freehold land is measured at cost and is not depreciated.

##### **4.7.2. Capital work in progress**

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

##### **4.7.3. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets (other than free hold land and properties under construction) is recognised on straight-line method, taking into account their nature, their estimated usage, their operating conditions, past history of their replacement and maintenance support etc.

Estimated useful lives of the assets based on technical estimates are as under:

Buildings	30 - 60 years
Plant and machinery	5 - 15 years
Electrical installation and equipments	10 years
Computers and information technology equipments	3 - 6 years
Furniture, fixtures and office equipments	5 -10 years
Motor vehicles	8 years





Leasehold building improvements and Plant & Machinery (Retail Segment) are depreciated on a straight line basis over the period of lease (5 to 18 years) or, if shorter, their useful economic life.

The useful life estimated above are less than or equal to those indicated in Schedule II of the Companies Act, 2013.

Freehold land is not amortised.

The ROU asset are depreciated on a straight line basis over the shorter of the lease term and the estimated useful life of the underlying asset.(Refer note no. 4.3.3).

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **4.8. Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

No depreciation is charged in case of freehold land being designated as an investment property.

The Group based on technical assessment made by it, depreciates building component of investment property on a straight line basis over a period of 30 to 60 years from the date of original purchase.

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

#### **4.9. Intangible assets**

##### **4.9.1. Recognition and measurement of intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### **4.9.2. Derecognition of intangible asset**

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

##### **4.9.3. Amortisation method and useful life**

Intangible assets are amortised on straight line method over their estimated useful life as follows:

Computer software – 5 years

##### **4.9.4. Intangible assets under development**

Intangible assets under development represents the expenditure incurred on the development phase of completing the intangible assets. Expenditure incurred on the research phase however, are recognised as expense as and when they are incurred.

##### **4.9.5. Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.





#### **4.10. Borrowing costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the consolidated statement of profit and loss using effective interest rate (EIR). Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

#### **4.11. Impairment of non-financial assets other than goodwill**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years generally. For longer periods, a long-term growth rate is calculated and applied to project future cash flows. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### **4.12. Inventories**

Inventories are stated at lower of cost and net realisable value. The cost of raw materials, stores and spares and traded goods is determined on moving weighted average cost basis. The cost of finished goods and work-in-process is determined on standard absorption cost basis which approximates actual costs. Absorption cost comprises raw materials cost, direct wages, appropriate share of production overheads and applicable excise duty paid/payable thereon.

Net realisable value is the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

#### **4.13. Provisions and contingencies**

##### **4.13.1. Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event and 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of time value is material, the amount is determined by discounting the expected future cash flows.

##### **4.13.2. Contingent liabilities**

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



#### 4.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 4.14.1. Financial assets

###### 4.14.1.1. Initial recognition and measurement

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

###### 4.14.1.2. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group classifies its financial assets in the following measurement categories:

- those measured at amortized cost,
- those to be measured subsequently at fair value, either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL)

###### Financial assets at amortised cost:

A financial assets is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Group. 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 EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

###### Financial assets at FVTOCI:

A financial asset is classified as at the FVTOCI if both of the following criteria are met unless the asset is designated at fair value through profit or loss under fair value option.

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset, and
- (b) The asset's contractual cash flows represent SPPI.

###### Financial assets at FVTPL:

FVTPL is a residual category for financial assets. Any asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

###### 4.14.1.3. Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

###### 4.14.1.4. Derecognition

A financial asset (or where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

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



#### 4.14.1.5. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group believes that, considering their nature of business and past history, the expected credit loss in relation to its trade receivables and other financial assets is non-existent or grossly immaterial. Thus, the Group has not recognised any provision for expected credit loss. The Group reviews this policy annually, if required.

#### 4.14.2. Financial liabilities

##### 4.14.2.1. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

The Group's financial liabilities include lease liabilities, trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### 4.14.2.2. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

###### **Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

###### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings, lease liabilities and trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

###### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### 4.14.2.3. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

#### 4.15. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 4.16. Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and at banks, short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



For the purpose of the Consolidated Statement of Cash Flows, Cash & Cash Equivalents consists of Cash and Short term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management and balance in unclaimed dividend accounts.

#### **4.17. Earnings per share (EPS)**

Basic earnings per share has been computed by dividing the profit/(loss) after tax for the year attributable to the owners of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share has been computed by dividing the profit/(loss) after tax for the year attributable to the owners of the Holding Company by the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **4.18. Derivative financial instruments**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### **4.19. Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

#### **4.20. Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the Board of directors and the selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board of directors, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

The board of directors, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

At each reporting date, the board of directors analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the board



of directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **4.21. Compound financial instrument**

A compound financial instrument is a non-derivative financial instrument that, from the issuer's perspective, contains both a liability and an equity component.

On issuance of the mandatorily redeemable preference shares with dividends paid at the issuer's discretion, the fair value of the liability component is measured by determining the net present value of redemption amount, discounted at the market rate of interest prevailing at the time of issue. This amount is classified as a borrowing measured at amortised cost until it is extinguished on redemption. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

After initial measurement, on the liability component, interest is accrued using EIR and is recognised in the consolidated statement of profit and loss as finance costs. Any dividends paid are related to the equity component and are recognised directly in the equity. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

#### **4.22. Non Banking Financial Companies**

Income recognition, assets classification and provisioning are done in accordance with the prudential norms/guidelines issued by the Reserve Bank of India from time to time for Non-Banking Financial Companies.

#### **4.23. Current versus non-current classification**

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### **4.24. Dividend distribution to equity holders of the Holding Company**

The Holding Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **4.25. Application of new Standards**

The Group has adopted, with effect from April 01, 2020, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

##### **4.25.1 Amendments to Ind AS 116 regarding COVID-19 related rent concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. Impact of the same have been provided in Note No. 40.

##### **4.25.2 Amendments to Ind AS 103 regarding definition of a Business.**

##### **4.25.3 Amendments to Ind AS 107 and 109 regarding Interest Rate Benchmark Reform.**

##### **4.25.4 Amendments to Ind AS 1 and Ind AS 8 regarding definition of Material.**

#### **Other Amendments**

A number of other minor amendments to existing standards also became effective on April 01, 2020 and have been adopted by the Group. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Group.



#### 4.26 Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

### 5. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management of the Group to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements and estimates

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### a) Impact of Covid19 pandemic

As the effects of COVID-19 pandemic are still unfolding, some sense of uncertainty continues to prevail not just in India but across the globe. The Group has considered the possible impact of the prevailing situation on the carrying amounts of its various assets. Based on the current estimates arrived at by using internal and external sources of information, the Group does not expect any material impact on such carrying values. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of Consolidated Financial Statements.

##### b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note No. 42 for further disclosures.

##### c) Provisions and contingent liabilities

The Group has ongoing litigations with various regulatory authorities and others. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Liability for interest, if any, on the amount of entry tax provided in the books but not paid as per stay ordered by the appellate authorities/courts is considered as remote.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. Management uses in-house and external professionals to make informed decision. These are set out in Note no. 37.

##### d) Assessment of carrying value of retail and chewing business

###### i) Retail business

In view of the continuing operating losses, the Group has reviewed the carrying value of its assets relating to retail business and estimated the recoverable amount of the assets in accordance with the requirements of Ind AS 36 for which an external professional agency was also engaged. Based on the said assessment, it has been concluded that the recoverable amount of the retail business is higher than its carrying value as at 31 March 2021 and therefore, no impairment was required to be recorded in these financial statements. The Group has determined the recoverable amount applying the fair value less cost to sell ('FVLCS') method, using a level 2 valuation technique for which key inputs centred around the forecasted revenue, market multiple and transaction multiple.

The recoverable value of the Retail business has been assessed at Rs. 8859.00 lakhs (previous year Rs. 13636.00 lakhs) as against the carrying value of the net assets of the business which is Rs. 6804.39 lakhs (previous year Rs. 8603.17 lakhs) as at March 31, 2021

###### ii) Chewing business

In view of the continuing operating losses, the Group has reviewed the carrying value of its assets relating to chewing business and estimated the recoverable amount of assets in accordance with the requirements of Ind AS 36. Based on the said assessment, it has been concluded that the recoverable amount of the chewing business is higher than its carrying value as at 31 March 2021 and therefore, no impairment was required to be recorded in these financial statements. The recoverable amount was determined using a fair value less cost to sell ('FVLCS') method. The value of the principal assets of the CGU was determined using a sales comparison method, a level 3 valuation technique for which the key inputs centred around prevailing market rates and replacement cost and for other assets, the value was determined based on their expected realisable value.

The recoverable value of the Chewing business has been estimated at Rs. 6193.00 lakhs (previous year Rs. 10138.00 lakhs (determined as per value in use basis)) as against the carrying value of the net assets of the business which is Rs. 5429.76 lakhs (previous year Rs. 6386.99 lakhs) as at March 31, 2021.



Rupees in Lakhs

6. Property, plant and equipment and capital work in progress

	As at 31.03.2021	As at 31.03.2020							
<b>Carrying amount of:</b>									
Property, plant and equipment	70942.46	65471.52							
Capital work-in-progress	2640.56	1667.33							
	<b>Land-freehold</b>	<b>Buildings*</b>	<b>Leasehold building improvements</b>	<b>Plant and machinery</b>	<b>Electrical installation and equipments</b>	<b>Computers and information technology equipments</b>	<b>Furniture, fixtures and office equipments</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>Cost</b>									
<b>Balance at 1 April 2019</b>	<b>974.61</b>	<b>26045.13</b>	<b>5829.81</b>	<b>61112.01</b>	<b>1875.19</b>	<b>2772.11</b>	<b>4459.60</b>	<b>3527.25</b>	<b>106595.71</b>
Additions	-	2178.02	623.06	3926.22	76.19	516.60	343.84	210.55	7874.48
Reclassification	-	-	-	136.65	(116.99)	15.29	(34.95)	-	-
Disposals	-	(0.85)	(203.82)	(373.26)	(4.23)	(84.32)	(37.14)	(347.32)	(1050.94)
<b>Balance at 31 March 2020</b>	<b>974.61</b>	<b>28222.30</b>	<b>6249.05</b>	<b>64801.62</b>	<b>1830.16</b>	<b>3219.68</b>	<b>4731.35</b>	<b>3390.48</b>	<b>113419.25</b>
Additions	-	229.38	1762.30	11350.99	134.40	182.71	869.57	23.81	14553.16
Disposals	-	-	(409.35)	(34.13)	-	(18.21)	(22.77)	(383.00)	(867.46)
<b>Balance at 31 March 2021</b>	<b>974.61</b>	<b>28451.68</b>	<b>7602.00</b>	<b>76118.48</b>	<b>1964.56</b>	<b>3384.18</b>	<b>5578.15</b>	<b>3031.29</b>	<b>127104.95</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 April 2019</b>	-	<b>3608.47</b>	<b>955.98</b>	<b>28596.73</b>	<b>511.57</b>	<b>1650.89</b>	<b>1683.69</b>	<b>1337.92</b>	<b>38345.25</b>
Depreciation expense	-	860.03	861.84	6867.65	158.19	515.87	534.86	433.43	10231.87
Reclassification	-	-	-	23.67	(16.81)	10.13	(16.99)	-	-
Eliminated on disposals of assets	-	(0.35)	(43.36)	(263.27)	(2.78)	(73.17)	(24.35)	(222.11)	(629.39)
<b>Balance at 31 March 2020</b>	-	<b>4468.15</b>	<b>1774.46</b>	<b>35224.78</b>	<b>650.17</b>	<b>2103.72</b>	<b>2177.21</b>	<b>1549.24</b>	<b>47947.73</b>
Depreciation expense	-	874.55	900.01	5443.70	165.52	420.84	514.28	389.31	8708.21
Eliminated on disposals of assets	-	-	(160.82)	(25.79)	-	(15.69)	(15.69)	(275.46)	(493.45)
<b>Balance at 31 March 2021</b>	-	<b>5342.70</b>	<b>2513.65</b>	<b>40642.69</b>	<b>815.69</b>	<b>2508.87</b>	<b>2675.80</b>	<b>1663.09</b>	<b>56162.49</b>
<b>Net book value</b>									
<b>Balance at 31 March 2021</b>	<b>974.61</b>	<b>23108.98</b>	<b>5088.35</b>	<b>35475.79</b>	<b>1148.87</b>	<b>875.31</b>	<b>2902.35</b>	<b>1368.20</b>	<b>70942.46</b>
Balance at 31 March 2020	974.61	23754.15	4474.59	29576.84	1179.99	1115.96	2554.14	1841.24	65471.52

**Notes:**

\*Includes Rs. 0.02 lakhs (Previous year Rs. 0.02 lakhs) being the cost of shares in co-operative societies.

**Depreciation and amortisation expenses**

	Note no.	Year ended 31.3.2021	Year ended 31.3.2020
Property, plant and equipment	6	8708.21	10231.87
Investment property	7	27.36	27.36
Intangible assets	8	153.94	99.35
Right of use assets	40	5240.65	5163.01
<b>Total</b>		<b>14130.16</b>	<b>15521.59</b>





Rupees in Lakhs

<b>7. Investment Property</b>			
<b>Cost</b>	<b>Freehold Land</b>	<b>Building</b>	<b>Total</b>
<b>Balance as at April 1, 2019</b>	<b>24.51</b>	<b>951.56</b>	<b>976.07</b>
Additions	104.09	-	104.09
<b>Balance as at March 31, 2020</b>	<b>128.60</b>	<b>951.56</b>	<b>1080.16</b>
<b>Balance as at March 31, 2021</b>	<b>128.60</b>	<b>951.56</b>	<b>1080.16</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance as at April 1, 2019</b>	-	<b>103.70</b>	<b>103.70</b>
Depreciation Expenses	-	27.36	27.36
<b>Balance as at March 31, 2020</b>	-	<b>131.06</b>	<b>131.06</b>
Depreciation Expenses	-	27.36	27.36
<b>Balance as at March 31, 2021</b>	-	<b>158.42</b>	<b>158.42</b>
<b>Carrying amount</b>			
<b>Balance as at March 31, 2021</b>	<b>128.60</b>	<b>793.14</b>	<b>921.74</b>
Balance as at March 31, 2020	128.60	820.50	949.10

#### Information regarding income and expenditure of investment property

The Group's investment properties comprise of certain land and buildings presently held by the Group for an undetermined purpose and these are located in Mumbai, Maharashtra and Bazpur, Uttarakhand.

The Group has earned rental income of Rs. 65.46 lakhs (previous year Rs. 78.20 lakhs) from investment properties.

#### Fair valuation of the properties

The following table provides an analysis of investment properties and their fair values:

<b>Fair Valuation of the properties</b>	<b>As at 31.3.2021</b>	As at 31.3.2020
Located in Maharashtra	<b>35472.00</b>	34757.77
Located in Uttarakhand	<b>890.80</b>	861.44
	<b>36362.80</b>	35619.21

The above values are based on valuation performed by an accredited independent valuer and the valuation has been carried out in accordance with the valuation model recommended by the International Valuation Standards Committee.

The Group has no restrictions on realisability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group has used Level 3 valuation technique to arrive at the fair values.

#### Description of valuation technique

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Assumption used</b>	
			<b>As at March 31, 2021</b>	As at March 31, 2020
<b>Located in Maharashtra</b>				
Factory Land and Building (including Godown)	Market Value Method	Industrial rate for sales (Rs./Sq. Ft)	13000 to 15000	13000 to 15000
Residential Land and Building	Market Value Method	Residential rate for sales (Rs./Sq. Ft)	8000 to 16000	7900 to 16000
Office Building	Market Value Method	Fair Market Value (Rs./Sq. Ft.)	30000	30000
<b>Located in Uttarakhand</b>				
Factory Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	1450 to 8900	1235 to 9070

Significant increases / (decreases) in the assumptions in isolation or with combined effect would accordingly result in significantly higher / (lower) fair value of the properties.





Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>8. Intangible assets and Intangible assets under development</b>		
Carrying amount of:		
Intangible assets	<b>949.83</b>	395.20
Intangible assets under development	-	60.96
	<b>949.83</b>	<u>456.16</u>
	<b>Computer Software</b>	
<b>Cost</b>		
<b>Balance at April 1, 2019</b>	1003.35	
Additions	179.14	
<b>Balance at March 31, 2020</b>	<b>1182.49</b>	
Additions	708.57	
<b>Balance at March 31, 2021</b>	<b>1891.06</b>	
<b>Accumulated amortisation</b>		
<b>Balance at April 1, 2019</b>	687.94	
Amortisation expense	99.35	
<b>Balance at March 31, 2020</b>	<b>787.29</b>	
Amortisation expense	153.94	
<b>Balance at March 31, 2021</b>	<b>941.23</b>	
<b>Net book value</b>		
<b>Balance at March 31, 2021</b>	<b>949.83</b>	
Balance at March 31, 2020	395.20	

	As at 31.03.2021	As at 31.03.2020
<b>9. Financial assets - Investments</b>		
<b>Non-current</b>		
Investment in equity instruments		
-Associate companies	<b>406.45</b>	458.90
-Other equity instruments	<b>17472.32</b>	13345.82
Investment in preference shares	<b>176.07</b>	139.87
Investment in mutual funds	<b>87386.28</b>	96018.64
Investment-others	<b>3721.86</b>	2227.85
	<b>109162.98</b>	<u>112191.08</u>
<b>Current</b>		
Investment in mutual funds	<b>44535.18</b>	12299.15
Investment-others	<b>1672.87</b>	566.70
	<b>46208.05</b>	<u>12865.85</u>
Aggregate value of unquoted investments non-current	<b>15220.20</b>	12734.66
Aggregate value of quoted investments non-current	<b>94962.78</b>	100476.42
Aggregate value of quoted investments current	<b>46208.05</b>	12865.85
Market value of quoted investments non-current	<b>94905.05</b>	100510.08
Market value of quoted investments current	<b>46237.60</b>	12865.85
Aggregate value of impairment (other than temporary) in value of investments non-current	<b>510.00</b>	510.00
<b>Classification of investments as per Ind AS 109</b>		
Investments carried at fair value through profit or loss (FVTPL)	<b>138851.71</b>	113047.06
Investments carried at fair value through other comprehensive income (FVTOCI)	<b>13617.72</b>	11115.96
Investments carried at amortised costw	<b>2495.15</b>	435.01
	<b>154964.58</b>	<u>124598.03</u>
<b>9.1 Investment in associates</b>		
<b>Break-up of investment in associates (carrying amount determined using the equity method of accounting) Unquoted investment</b>		
IPM India Wholesale Trading Private Limited		
49,60,000 Equity shares of Rs. 10 each fully paid up	<b>496.00</b>	496.00
Less: Provision for impairment in the value	<b>(496.00)</b>	(496.00)
	-	-
KKM Management Centre Private Limited	<b>110.25</b>	110.25
11,02,500 Equity shares of Rs. 10 each fully paid up	<b>246.98</b>	246.18
Group's share of profit upto year end	<b>357.23</b>	<u>356.43</u>
KKM Management Centre Middle East (FZC)	<b>25.89</b>	25.89
144 Equity shares of AED 1,000 each fully paid up	<b>23.33</b>	76.58
Group's share of profit upto year end	<b>49.22</b>	<u>102.47</u>
<b>Aggregate carrying amount of the Group's investment in associates</b>	<b>406.45</b>	<u>458.90</u>



**Rupees in Lakhs**

	<b>As at 31.03.2021</b>	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
Investment in associates are accounted using the equity method in these consolidated financial statements. Each of the three associates are not individually material to the Group considering the contribution of these associates to the consolidated net asset of the Group		
<b>Share of profit of associates that are not individually material</b>	<b>Year ended 31.03.2021</b>	Year ended 31.03.2020
The Group's share of profit or loss	<b>(52.45)</b>	49.71
The Group's share of other comprehensive income	-	-
<b>The Group's share of total comprehensive income</b>	<b>(52.45)</b>	49.71
<b>Unrecognised share of profit of associate (IPM India Wholesale Trading Private Limited)*</b>		
The unrecognised share of profit of associate for the year (including other comprehensive income)	<b>3593.71</b>	4667.07
	<b>As at 31.03.2021</b>	As at 31.03.2020
Cumulative share of loss of an associate (Including other comprehensive income)	<b>(8627.42)</b>	(12221.13)
*The Current and previous year profits of the said associate has not been consolidated due to negative net worth of the associate as at March 31, 2021 and March 31, 2020 respectively.		
<b>9.2 Investment in other equity instruments</b>		
<b>9.2.1 Investments measured at fair value through profit or loss (FVTPL)</b>		
<b>Unquoted equity instruments</b>		
Molind Engineering Limited	<b>0.25</b>	0.25
3,500 Equity shares of Rs.10 each fully paid up	<b>(0.25)</b>	(0.25)
Less: Written-off	-	-
Narang Industries Limited	<b>4.00</b>	4.00
40,000 Equity Shares of Rs.10 each fully paid up	<b>(4.00)</b>	(4.00)
Less: Provision for impairment in the value	-	-
<b>Quoted equity instruments</b>		
Nestle India Limited		
93 Equity Shares of Rs.10 each fully paid up	<b>15.90</b>	15.16
Glaxo SmithKline Consumer Healthcare Limited		
Nil (Previous year 320) Equity Shares of Rs.10 each fully paid up	-	31.92
Golden Tobacco Limited		
100 Equity Shares of Rs.10 each fully paid up	<b>0.04</b>	0.02
VST Industries Limited		
100 Equity Shares of Rs.10 each fully paid up	<b>3.38</b>	2.77
Hindustan Unilever Limited		
1,694 (Previous year 290) Equity Shares of Re.1 each fully paid up	<b>41.31</b>	6.67
HDFC Bank Limited		
1,46,400 Equity Shares of Rs. 1 each fully paid up	<b>2179.16</b>	1261.82
Oriental Bank of Commerce		
Nil (Previous year 1,000) Equity Shares of Rs.10 each fully paid up	-	0.43
Punjab National Bank		
1,150 Equity Shares of Rs.10 each fully paid up (purchased during the year)	<b>0.42</b>	-
Bank of Baroda		
5,000 Equity Shares of Rs.2 each fully paid up	<b>3.71</b>	2.68
State Bank of India		
40,910 Equity Shares of Re.1 each fully paid up	<b>149.57</b>	80.53
Maruti Suzuki India Limited		
950 Equity Shares of Rs.5 each fully paid up	<b>66.14</b>	40.74
Emami Limited		
5,400 Equity Shares of Re.1 each fully paid up	<b>26.09</b>	9.18
NTPC Limited		
7,852 Equity Shares of Rs.10 each fully paid up	<b>8.51</b>	6.61
Reliance Industries Limited		
10,352 Equity Shares of Rs.10 each fully paid up	<b>209.05</b>	115.30
Tata Consultancy Services Limited		
7,700 Equity Shares of Re.1 each fully paid up	<b>246.74</b>	140.61
Ashok Leyland Limited		
15,000 Equity Shares of Re.1 each fully paid up	<b>17.12</b>	6.46
ICICI Bank Limited		
12,864 Equity Shares of Rs.2 each fully paid up	<b>74.81</b>	41.65
Aditya Birla Capital Limited		
12,577 Equity Shares of Rs.10 each	<b>15.27</b>	5.30



Rupees in Lakhs

	As at 31.03.2021	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
Zee Entertainment Enterprises Limited 1,094 Equity Shares of Re.1 each fully paid up	<b>2.25</b>	1.36
Dabur India Limited 6,000 Equity Shares of Re.1 each fully paid up	<b>32.58</b>	27.00
SRF Limited 3,200 Equity Shares of Rs.10 each fully paid up	<b>177.11</b>	89.07
Tata Chemicals Limited 1,500 Equity Shares of Rs.10 each fully paid up	<b>11.34</b>	3.35
Power Finance Corporation Limited 1,994 Equity Shares of Rs.10 each fully paid up	<b>2.28</b>	1.83
Indian Bank Limited 2,096 Equity Shares of Rs.10 each fully paid up	<b>2.49</b>	0.90
Reliance Home Finance Limited 75 Equity Shares of Rs.10 each fully paid up (received free of cost)	-	-
Reliance Capital Limited 75 Equity Shares of Rs.10 each fully paid up (received free of cost)	<b>0.01</b>	-
Axis Bank 5,000 Equity Shares of Rs.2 each fully paid up	<b>34.94</b>	18.95
ITC Limited 13,500 Equity Shares of Re.1 each fully paid up	<b>29.69</b>	23.18
J.K.Cement Limited 2,000 Equity Shares of Rs.10 each fully paid up	<b>58.81</b>	18.71
Power Grid Corporation of India Limited 17,068 Equity Shares of Rs.10 each fully paid up	<b>36.73</b>	27.16
Tata Motors Limited 10,164 Equity Shares of Rs.2 each fully paid up	<b>31.01</b>	7.22
Fortis Healthcare Limited 51,176 Equity Shares of Rs.10 each fully paid up	<b>102.28</b>	64.56
Bharat Electronics Limited 8,800 Equity Shares of Re.1 each fully paid up	<b>11.09</b>	6.55
Cipla Limited 1,000 Equity Shares of Rs.2 each fully paid up	<b>8.19</b>	4.23
ICRA Limited 1,000 Equity Shares of Rs.10 each fully paid up	<b>33.08</b>	21.45
Infosys Limited 4,000 Equity Shares of Rs.5 each fully paid up	<b>55.63</b>	25.66
Kotak Mahindra Bank Limited 4,000 Equity Shares of Rs. 5 each fully paid up	<b>70.66</b>	51.84
Coal India Limited 154 Equity Shares of Rs.10 each fully paid up	<b>0.20</b>	0.22
Zee Media Corporation Limited 226 Equity Shares of Re.1 each fully paid up (received free of cost)	<b>0.01</b>	0.01
IDFC Bank Limited 13,815 Equity Shares of Rs.10 each fully paid up	<b>7.94</b>	2.91
Ashoka Buildcon Limited 9,090 Equity Shares of Rs.5 each fully paid up	<b>9.35</b>	3.76
Castrol India Limited 4,800 Equity Shares of Rs.5 each fully paid up	<b>6.06</b>	4.77
RBL Bank Limited 2,300 Equity Shares of Rs.10 each fully paid up	<b>4.80</b>	3.12
KEC International Limited Nil (Previous year 3,835) Equity Shares of Rs.2 each fully paid up	-	7.11
Persistent System Limited Nil (Previous year 825) Equity Shares of Rs.10 each fully paid up	-	4.55
Piramal Enterprises Limited 432 Equity Shares of Rs.2 each fully paid up	<b>7.76</b>	4.06
Care Rating Limited 1,020 Equity Shares of Rs.10 each fully paid up	<b>4.35</b>	3.34
Century Plyboards India Limited 7133 Equity Shares of Re.1 each fully paid up	<b>22.81</b>	7.91
Coachin shipyard Limited 2286 Equity Shares of Rs.10 each fully paid up	<b>8.61</b>	6.09



		<b>Rupees in Lakhs</b>	
		<b>As at 31.03.2021</b>	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>			
Engineers India Limited 4,500 Equity Shares of Rs.5 each fully paid up		<b>3.51</b>	2.70
NCL Industries Limited 2,790 Equity Shares of Rs.10 each fully paid up		<b>4.81</b>	1.50
PNB Housing Finance Limited 1,538 Equity Shares of Rs.10 each fully paid up		<b>5.90</b>	2.49
L&T Technology Services Ltd Nil (Previous year 810) Equity Shares Rs. 10 each fully paid up		-	9.41
Tata Consumer Products Limited 1,710 Equity shares of Rs. 1 each fully paid up		<b>11.02</b>	5.04
Steel Authority of India Limited 100 Equity shares of Rs. 10 each fully paid up (purchased during the year)		<b>0.08</b>	-
<b>Sub total (B)</b>		<b>3854.60</b>	<b>2229.86</b>
<b>9.2.2 Investments measured at fair value through other comprehensive income</b>			
<b>Unquoted equity instrument</b>			
K K Modi Investment & Financial Services Private Limited 91,875 Equity Shares of Rs.10 each fully paid up		<b>13617.72</b>	11115.96
<b>Sub total (C)</b>		<b>13617.72</b>	<b>11115.96</b>
<b>9.2.3 Investments measured at amortised cost</b>			
<b>Unquoted equity instrument</b>			
Circassia Pacific Finance Limited 1,00,000 Equity Shares of Rs.10 each fully paid up		<b>10.00</b>	10.00
Less: Provision for impairment in the value		<b>(10.00)</b>	(10.00)
<b>Sub total (D)</b>		-	-
<b>Aggregate investment in other equity instruments (A+B+C+D)</b>		<b>17472.32</b>	13345.82
<b>9.3 Investment in mutual funds - Quoted</b>			
<b>Non-current investment in mutual funds (valued at fair value through profit or loss)</b>			
		<b>87386.28</b>	96018.64
<b>Current investment in mutual funds (valued at fair value through profit or loss)</b>			
		<b>44535.18</b>	12299.15
<b>9.3.1 Break-up of non-current investment in mutual funds</b>			
<b>Franklin Templeton Mutual Fund</b>			
1,00,00,000 Units of Franklin India Fixed Maturity Plans-Series 2- Plan C (1205 Days)- Direct- Growth of Rs. 10 each		-*	1189.63
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each		-*	589.01
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan C(1098 Days)- Direct-Growth of Rs. 10 each		-*	580.78
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan D(1098 Days)- Direct-Growth of Rs. 10 each		-*	554.22
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each		<b>617.32</b>	563.95
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each		<b>611.72</b>	559.88
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each		<b>604.84</b>	553.43
Nil (Previous year 1,21,40,782) Units of Franklin India Banking And PSU Debt Fund - Direct Growth of Rs.10 each		-	2054.08
<b>ICICI Prudential Mutual Fund</b>			
41,57,762 Units of ICICI Prudential Short Term Fund-Direct Plan-Growth Option of Rs.10 each		<b>2021.47</b>	1844.64
1,46,62,444 (Previous year 1,05,70,087) Units of ICICI Prudential Banking and PSU Debt Fund-Direct Plan-Growth of Rs.10 each		<b>3755.99</b>	2499.14
27,82,985 (Previous year 75,73,199) Units of ICICI Prudential Medium Term Bond Fund Direct Plan-Growth of Rs. 10 each		<b>1008.48</b>	2515.27
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K-Direct Plan of Rs.10 each		<b>633.28</b>	583.09
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each		<b>633.73</b>	579.11
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N-Direct Plan of Rs.10 each		<b>629.62</b>	579.28
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U-Direct Plan of Rs.10 each		<b>615.93</b>	566.86
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z-Direct Plan of Rs. 10 each		<b>1234.02</b>	1127.42
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B-Direct Plan of Rs. 10 each		<b>613.36</b>	562.81
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D-Direct Plan of Rs. 10 each		<b>609.09</b>	560.02
1,21,31,499 (Previous year - 98,98,160) Units of ICICI Prudential Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each		<b>2851.71</b>	2129.10
78,705 Units of ICICI Prudential Income Opportunities Fund -Regular Plan- Growth of Rs. 10 each		<b>24.28</b>	22.51
Nil (Previous year 66,56,202) Units of ICICI Credit Risk Fund- Direct Growth of Rs. 10 each		-	1540.78



Rupees in Lakhs

	As at 31.03.2021	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
<b>Aditya Birla Sunlife Mutual Fund (formerly known as Birla Mutual Fund)</b>		
12,09,715 (previous year 8,72,520) Units of Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan of Rs. 10 each	<b>1049.22</b>	688.28
1,00,00,000 Units of Aditya Birla Sunlife Fixed Term Plan -Series PG (1148 Days) -Direct-Growth of Rs.10 each	-*	1184.71
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days)-Direct Growth of Rs. 10 each	-*	526.80
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) -Direct Growth of Rs. 10 each	-*	581.51
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) -Direct Growth of Rs. 10 each	-*	575.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) -Direct Growth of Rs. 10 each	-*	570.57
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) -Direct -Growth of Rs. 10 each	<b>623.58</b>	579.55
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) -Direct Growth of Rs. 10 each	<b>622.11</b>	575.87
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RW (1202 Days) -Direct Growth of Rs. 10 each	<b>618.40</b>	568.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS) -Direct Growth of Rs. 10 each	<b>607.74</b>	559.39
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ (1135 DAYS) -Direct Growth of Rs. 10 each	<b>603.64</b>	554.77
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN (1099 Days) Direct Growth of Rs. 10 each	<b>598.51</b>	549.71
20,91,866 (previous year 15,86,927) Units of Aditya Birla Sunlife Income Fund-Growth-Direct Plan of Rs.10 each	<b>2161.52</b>	1506.88
<b>IDFC Mutual Fund</b>		
12,82,926 Units of IDFC Bond Fund-Short Term Plan-Growth-Direct Plan of Rs. 10 each	<b>601.21</b>	556.31
78,77,427 Units of IDFC Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	<b>1202.70</b>	1099.89
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan -Growth (1170 Days) of Rs. 10 each	<b>612.42</b>	560.35
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan -Growth (1160 Days) of Rs. 10 each	<b>608.07</b>	555.77
31,47,920 Units of IDFC Banking & PSU Debt Fund-Direct Plan-Growth of Rs. 10 each	<b>615.12</b>	565.50
Nil (previous year 1,62,83,851) Units of IDFC Credit Risk Fund Direct Plan-Growth of Rs.10 each	-	2072.89
<b>HDFC Mutual Fund</b>		
2,60,51,855 Units of HDFC Banking and PSU Debt Fund Direct Growth Option of Rs. 10 each	<b>4754.30</b>	4383.34
Nil (previous year 68,09,948) Units of HDFC Credit Risk Debt Fund-Direct -Growth of Rs.10 each	-	1187.87
50,00,000 Units of HDFC FMP 1177D March, 2018(1) -Direct-Growth-Series 39 of Rs.10 each	-*	577.81
1,00,00,000 Units of HDFC FMP 1141D August 2018(1) -Direct-Growth-Series 42 of Rs.10 each	-*	1129.92
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	<b>1272.13</b>	1156.47
50,00,000 Units of HDFC FMP 1274D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	<b>634.14</b>	584.89
50,00,000 Units of HDFC FMP 1154D February 2019 (1) -Direct-Growth Series 43 of Rs.10 each	<b>607.99</b>	559.05
50,00,000 Units of HDFC FMP 1126D March 2019 (1) -Direct-Growth Series 44 of Rs.10 each	<b>604.28</b>	555.30
1,09,30,550 (Previous year - 88,53,353) Units of HDFC Corporate Bond Fund-Direct Plan-Growth Option of Rs. 10 each	<b>2752.69</b>	2043.66
33,02,012 Units of HDFC Medium Term Debt Fund-Direct Plan-Growth Option of Rs.10 each (purchased during the year)	<b>1507.85</b>	-
89,83,476 Units of HDFC Short Term Debt Fund-Direct Plan-Growth Option of Rs.10 each	<b>2241.10</b>	2056.16
<b>SBI Mutual Fund</b>		
1,26,95,752 (Previous year- 83,68,144) Units of SBI Short Term Debt Fund-Direct Plan-Growth of Rs. 10 each	<b>3304.55</b>	3064.01
50,00,000 Units of SBI Debt Fund Series -C-12-(1122 Days) -Direct-Growth of Rs. 10 each	-*	578.39
1,00,00,000 Units of SBI Debt Fund Series -C-22-(1100 Days) -Direct-Growth of Rs. 10 each	-*	1154.50
50,00,000 Units of SBI Debt Fund Series -C-25-(1100 Days) -Direct-Growth of Rs. 10 each	-*	581.22
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) -Direct-Growth of Rs. 10 each	<b>632.45</b>	581.15
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) -Direct-Growth of Rs. 10 each	<b>625.63</b>	576.61
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days) -Direct-Growth of Rs. 10 each	<b>618.15</b>	567.36
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)-Direct Growth of Rs. 10 each	<b>610.89</b>	562.68
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)-Direct Growth of Rs. 10 each	<b>609.50</b>	558.44
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)-Direct Growth of Rs. 10 each	<b>609.86</b>	559.88
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)-Direct Growth of Rs. 10 each	<b>603.27</b>	552.57
43,174 Units of SBI Banking & PSU Debt Fund- Direct Growth of Rs. 1000 each	<b>1102.66</b>	1021.21
90,59,366 Units of SBI Corporate Bond Fund- Direct Plan- Growth of Rs.10 each	<b>1106.53</b>	1022.42
<b>AXIS Mutual Fund</b>		
50,00,000 Units of Axis Fixed Term Plan Series-96 (1124 Days) -Direct-Growth (WH-DG) of Rs.10 each	-*	527.04
83,523 units of Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) of Rs. 1000 each	<b>1752.14</b>	1621.18
22,47,887 Units of Axis Short Term Fund - Direct Plan - Growth( ST-DG) of Rs. 10 each	<b>570.98</b>	525.43
40,58,268 Units of Axis Dynamic Bond Fund - Direct Plan - Growth (DBDGG) of Rs. 10 each (purchased during the year)	<b>1006.89</b>	-
44,64,883 Units of Axis Strategic Bond Fund - Direct Plan - Growth (IF-DG) of Rs. 10 each (purchased during the year)	<b>1006.96</b>	-
<b>DSP BlackRock Mutual Fund</b>		
1,00,00,000 Units of DSP FMP- Series 221-40M -Direct-Growth of Rs 10 each	-*	1183.05
50,00,000 Units of DSP FMP -S241-36M-Direct-Growth of Rs. 10 each	-*	573.05



<b>Rupees in Lakhs</b>		
	<b>As at 31.03.2021</b>	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
<b>PGIM India Mutual Fund</b>		
50,000 Units of PGIM India Fixed Duration Fund-Series AR -Direct Plan-Growth of Rs. 1000 each	-*	543.72
50,000 Units of PGIM India Fixed Duration Fund Series BE-Direct Plan-Growth of Rs. 1000 each	-*	488.97
<b>Nippon India Mutual Fund</b>		
65,82,430 Units of Nippon India Dynamic Bond Fund Direct Growth Plan of Rs.10 each (purchased during the year)	<b>1997.94</b>	-
29,17,578 Units of Nippon India Floating Rate Fund Direct Growth Plan of Rs.10 each (purchased during the year)	<b>1049.98</b>	-
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04- Direct- Growth Plan of Rs.10 each	<b>649.31</b>	602.98
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX-Series 9- Direct -Growth Plan of Rs.10 each	<b>637.44</b>	584.92
<b>UTI Mutual Fund</b>		
1,00,00,000 Units of UTI Fixed Term Income Fund Series XXX-III-1106 Days -Direct-Growth Plan of Rs. 10 each	-*	1006.85
50,00,000 Units of UTI Fixed Term Income Fund Series XXXII-1209 Days -Direct-Growth Plan of Rs. 10 each	<b>616.51</b>	566.34
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-III-1174 Days-Direct Growth Plan of Rs. 10 each	<b>612.06</b>	562.21
1,76,45,229 Units of UTI Corporate Bond Fund-Direct Growth Plan of Rs 10 each	<b>2259.68</b>	2085.51
<b>TATA Mutual Fund</b>		
50,00,000 Units of Tata Fixed Maturity Plan Series 53 Scheme A-Direct Plan-Growth of Rs. 10 each	-*	589.71
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme E-Direct Plan-Growth of Rs. 10 each	-*	530.06
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme F-Direct Plan-Growth of Rs. 10 each	-*	525.49
<b>KOTAK Mutual Fund</b>		
Nil (Previous year 76,74,987) Units of Kotak Credit Risk Fund-Direct Plan-Growth of Rs. 10 each	-	1800.57
50,00,000 Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	-*	590.07
50,00,000 Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	-*	579.56
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	<b>634.28</b>	583.08
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	<b>625.76</b>	574.99
19,858 Units of Kotak Corporate Bond Fund Direct Growth of Rs. 1000 each	<b>592.69</b>	548.14
54,72,469 (Previous year 44,56,464) Units of Kotak Banking and PSU Debt Fund Direct-Growth of Rs. 10 each	<b>2819.61</b>	2123.36
65,14,905 Units of Kotak Dynamic Bond Fund Direct-Growth of Rs. 10 each (purchased during the year)	<b>1988.37</b>	0.00
54,07,152 Units of Kotak Medium Term Fund Direct-Growth of Rs. 10 each (purchased during the year)	<b>998.63</b>	0.00
60,86,604 Units of Kotak Bond (Short Term) -Direct Plan-Growth of Rs. 10 each	<b>2646.34</b>	2441.55
<b>Edelweiss Mutual Fund</b>		
1,00,000 Units of Edelweiss Mutual Fund Bharat Bond ETF-April 2030 of Rs.1000 each	<b>1134.37</b>	1040.34
45,52,180 Units of Bharat Bond FOF April 2030 - Direct Pan Growth of Rs.100 each (purchased during the year)	<b>515.73</b>	0.00
88,88,991 Units of Bharat Bond FOF April 2030 - Regular Plan Growth of Rs.10 each (purchased during the year)	<b>1007.07</b>	0.00
98,66,305 Units of Bharat Bond FOF - April 2031 - Regular Plan Growth of Rs.10 each (purchased during the year)	<b>1004.58</b>	0.00
49,99,750 Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth of Rs.10 each (purchased during the year)	<b>505.41</b>	0.00
1,01,43,531 Units of Bharat Bond FOF-April 2023-Regular Plan-Growth of Rs.10 each	<b>1131.18</b>	1037.90
<b>IIFL Mutual Fund</b>		
50,00,000 Units of IIFL Select Series II of Rs. 10 each	-	-
<b>HSBC Mutual Fund</b>		
1,00,00,000 Units of HSBC FTS 133-Growth-Direct -1134 days of Rs.10 each	-*	1144.77
<b>L&amp;T Mutual Fund</b>		
27,52,410 Units of L&T Short Term Bond Fund-Direct Plan-Growth of Rs. 10 each	<b>595.90</b>	554.23
54,59,152 Units of L&T Banking and PSU Debt Fund-Direct Plan- Growth of Rs 10 each	<b>1097.95</b>	1013.55
65,92,441 (previous year 49,16,716) Units of L& T Triple Ace Bond Fund Direct Plan Growth of Rs. 10 each	<b>3931.67</b>	2717.30
10,02,536 Units of L&T Triple Ace Bond Fund Growth of Rs 10 each	<b>569.46</b>	529.50
58,18,859 Units of L&T Banking and PSU Debt Fund-Growth of Rs 10 each	<b>1129.11</b>	1046.50
<b>Sundaram Mutual Fund</b>		
1,50,00,000 Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	-*	1768.16
50,00,000 Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	-*	586.13
34,70,150 Units of Sundaram Corporate Bond Fund Direct-Growth of Rs. 10 each	<b>1111.23</b>	1019.96
<b>Total aggregate non-current investment in mutual funds</b>	<b>87386.28</b>	96018.64



	Rupees in Lakhs	
	As at 31.03.2021	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
<b>9.3.2 Break-up of current investment in mutual funds</b>		
<b>Franklin Templeton Mutual Fund</b>		
1,00,00,000 Units of Franklin India Fixed Maturity Plans-Series 2- Plan C (1205 Days)- Direct- Growth of Rs. 10 each	<b>1263.40**</b>	-
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each	<b>627.88**</b>	-
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan C (1098 Days)- Direct-Growth of Rs. 10 each	<b>625.36**</b>	-
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 4- Plan D (1098 Days)- Direct-Growth of Rs. 10 each	<b>597.34**</b>	-
<b>Aditya Birla Sunlife Mutual Fund (formerly known as Birla Mutual Fund)</b>		
1,00,00,000 Units of Aditya Birla Sunlife Fixed Term Plan -Series PG (1148 Days) - Direct-Growth of Rs.10 each	<b>1260.68**</b>	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days) -Direct Growth of Rs. 10 each	<b>565.26**</b>	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) -Direct Growth of Rs. 10 each	<b>619.65**</b>	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) -Direct Growth of Rs. 10 each	<b>611.29**</b>	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) -Direct Growth of Rs. 10 each	<b>615.31**</b>	-
18,33,542 Units of Aditya Birla Sun Life Floating Rate Fund- Growth Direct Plan of Rs.100 each (purchased during the year)	<b>4963.09**</b>	-
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series OJ (1136 Days) -Growth Direct Plan of Rs. 10 each	-	618.11
38,94,301 (previous year Nil) Units of Aditya Birla Sunlife Savings Fund - Growth Direct Plan of Rs.100 each	<b>16622.29</b>	-
<b>HDFC Mutual Fund</b>		
50,00,000 Units of HDFC FMP 1177D March, 2018(1) -Direct-Growth-Series 39 of Rs.10 each	<b>639.40**</b>	-
1,00,00,000 Units of HDFC FMP 1141D August 2018(1) -Direct-Growth-Series 42 of Rs.10 each	<b>1263.72**</b>	-
<b>SBI Mutual Fund</b>		
50,00,000 Units of SBI Debt Fund Series -C-12-(1122 Days) -Direct-Growth of Rs. 10 each	<b>614.51**</b>	-
1,00,00,000 Units of SBI Debt Fund Series -C-22-(1100 Days) -Direct-Growth of Rs. 10 each	<b>1246.77**</b>	-
50,00,000 Units of SBI Debt Fund Series -C-25-(1100 Days) -Direct-Growth of Rs. 10 each	<b>629.31**</b>	-
<b>Axis Mutual Fund</b>		
50,00,000 Units of Axis Fixed Term Plan Series-96 (1124 Days) -Direct-Growth (WH-DG) of Rs.10 each	<b>575.85**</b>	-
<b>DSP BlackRock Mutual Fund</b>		
6,16,558 (Previous year - 5,58,832 Units) of DSP Black Rock Arbitrage Fund Direct- Dividend of Rs.10 each	<b>64.82</b>	62.45
1,00,00,000 Units of DSP FMP- Series 221-40M -Direct-Growth of Rs 10 each	<b>1258.11**</b>	-
50,00,000 Units of DSP FMP -S241-36M-Direct-Growth of Rs. 10 each	<b>626.25**</b>	-
<b>IIFL Mutual Fund</b>		
10,28,489 Units of IIFL Special Opportunities Fund Series 5 of Rs.10 each	<b>112.18</b>	84.14
<b>UTI Mutual Fund</b>		
1,00,00,000 Units of UTI Fixed Term Income Fund Series XXX-III-1106 Days -Direct-Growth Plan of Rs. 10 each	<b>1152.73**</b>	-
<b>Tata Mutual Fund</b>		
50,00,000 Units of Tata Fixed Maturity Plan Series 53 Scheme A-Direct Plan- Growth of Rs. 10 each	<b>627.77**</b>	-
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme E-Direct Plan-Growth of Rs. 10 each	<b>574.16**</b>	-
50,00,000 Units of Tata Fixed Maturity Plan Series 55 Scheme F-Direct Plan-Growth of Rs. 10 each	<b>565.62**</b>	-
<b>Kotak Mutual Fund</b>		
Nil (Previous year 3,14,41,297) Units of Kotak Savings Fund-Direct Plan- Growth of Rs. 10 each	-	10329.63
50,00,000 Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	<b>637.43**</b>	-
50,00,000 Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	<b>635.64**</b>	-
<b>Sundaram Mutual Fund</b>		
1,50,00,000 Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	<b>1918.47**</b>	-
50,00,000 Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	<b>625.64**</b>	-
<b>Nippon India Mutual Fund</b>		
Nil (previous year 1,00,00,000) Units of Nippon India Mutual Fund Fixed Horizon Fund XXXIII-Series 5-Direct-Growth Plan of Rs. 10 each	-	1204.82
<b>PGIM India Mutual Fund</b>		
50,000 Units of PGIM India Fixed Duration Fund-Series AR -Direct Plan-Growth of Rs. 1000 each	<b>547.12**</b>	-
50,000 Units of PGIM India Fixed Duration Fund Series BE-Direct Plan-Growth of Rs. 1000 each	<b>614.77**</b>	-
<b>HSBC Mutual Fund</b>		
1,00,00,000 Units of HSBC FTS 133-Growth-Direct -1134 days of Rs.10 each	<b>1233.36**</b>	-
<b>Total aggregate current investment in mutual funds</b>	<b>44535.18</b>	<b>12299.15</b>





Rupees in Lakhs

	As at 31.03.2021	As at 31.03.2020
<b>9. Financial assets - Investments (continued)</b>		
<b>9.4 Investment-Others Quoted-non-current</b>		
<b>9.4.1 Investments in bonds (valued at amortised cost)</b>		
Indian Railway Finance Corporation Limited 43,501 Tax Free Secured Redeemable Non-convertible Bonds of Rs.1000 each fully paid up	-*	435.01
<b>State Bank of India</b>		
100 Units of State Bank of India SR I 7.74 BD Perpetual FVRS10LAC (purchased during the year)	<b>1031.65</b>	-
50 Units of State Bank of India SR II 7.73 BD Perpetual FVRS10LAC (purchased during the year)	<b>513.97</b>	-
<b>Bank of Baroda</b>		
30 Units of Bank of Baroda SR XIV 8.50 BD Perpetual FVRS10LAC (purchased during the year)	<b>302.45</b>	-
20 Units of Bank of Baroda SR XIII 8.50 BD Perpetual FVRS10LAC (purchased during the year)	<b>212.07</b>	-
<b>9.4.2 Investment in Debentures (FVTPL)</b>		
NTPC Limited (6,544 12.5% Non Convertible Debentures)	<b>0.89</b>	0.86
<b>9.4.3 Investment in Alternative Investment Funds (FVTPL)</b>		
IIFL Series		
19,96,885 units of IIFL India Housing Fund of Rs. 10 each	<b>234.76</b>	219.00
50,00,000 Units of IIFL Select Series II of Rs. 10 each	<b>681.67</b>	453.02
<b>9.4.4 Investment in Exchange Traded Fund (FVTPL)</b>		
Reliance Liquid Bees Fund		
22.100 Units (previous year 21.384) of Rs. 1,000 each	<b>0.22</b>	0.22
<b>9.4.5 Investment in Market Lined Debentures (MLD) (FVTPL)</b>		
100 Units of JM Financial Asset Reconstruction Company Limited - TR XXXI BR NCD 25NV22 FVRS2LAC of Rs.200,000 each (purchased during the year)	<b>207.18</b>	-
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs.200,000 each (purchased during the year)	<b>537.00</b>	-
187 Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	-*	229.04
150 Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	-*	313.65
500 units of Samasta Micro Finance Limited Rs. 100,000 each	-*	577.05
	<b>3721.86</b>	<b>2227.85</b>
<b>9.5 Investment-Others-current</b>		
<b>Indian Railway Finance Corporation Limited (valued at amortised cost)</b>		
43,501 Tax Free Secured Redeemable Non-convertible Bonds of Rs.1000 each fully paid up	<b>435.01**</b>	-
<b>Investment in Market Lined Debentures (MLD) (FVTPL)</b>		
500 units of Samasta Micro Finance Limited Rs. 100,000 each	<b>647.90**</b>	-
187 Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	<b>244.54**</b>	-
150 Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	<b>345.42**</b>	-
Nil (previous year 50) Units of JM Financial Products Limited of Rs.10,00,000 each	-	566.70
	<b>1672.87</b>	<b>566.70</b>
<b>9.6 Investment in preference shares (FVTPL)</b>		
K K Modi Investment & Financial Services Private Limited - Unquoted - FVTPL		
71,28,000 Preference Shares of Rs.10 each fully paid up	<b>176.03</b>	139.80
Zee Entertainment Enterprises Limited - Quoted - FVTPL		
2,297 6% Preference Shares of Rs. 10 each fully paid up (received free of cost)	<b>0.04</b>	0.07
<b>Aggregate investment in preference shares</b>	<b>176.07</b>	<b>139.87</b>
* Transferred to current investments		
** Transferred from non-current investments		
<b>10. Financial assets - Loans (carried at amortised cost) (unsecured considered good unless otherwise stated)</b>	<b>As at 31.3.2021</b>	<b>As at 31.3.2020</b>
<b>Non-current</b>		
Loans to related parties (Refer note No.44)		
- Loan to officers	<b>7.01</b>	11.71
Loans to employees	<b>479.29</b>	577.09
	<b>486.30</b>	<b>588.80</b>
<b>Current</b>		
Loans to related parties (Refer note No.44)		
- Loan to officers	<b>4.70</b>	4.70
Loans to employees	<b>158.02</b>	143.44
	<b>162.72</b>	<b>148.14</b>
<b>Total</b>	<b>649.02</b>	<b>736.94</b>





Rupees in Lakhs

**11. Income taxes**

**Income tax expense in the consolidated statement of profit and loss comprises:**

	<b>Year ended 31.3.2021</b>	Year ended 31.3.2020
<b>Statement of profit and loss</b>		
<b>Current income tax</b>		
In respect of the current year	<b>10452.56</b>	12498.63
In respect of the prior years	<b>(186.34)</b>	158.57
<b>Deferred tax</b>		
In respect of the current year	<b>817.10</b>	209.19
In respect of the prior years	<b>0.67</b>	7.35
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>11083.99</b>	12873.74
<b>Statement of Other Comprehensive Income:</b>		
<b>Current tax related to items recognised in OCI during the year:</b>		
Loss on remeasurements of defined benefit plans	<b>(78.33)</b>	218.21
<b>Deferred tax related to items recognised in OCI during the year:</b>		
(Loss)/Gain on equity instruments fair valued through OCI	<b>(468.85)</b>	516.47
<b>Income tax credited/(charged) to OCI</b>	<b>(547.18)</b>	734.68
<b>The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:</b>		
<b>Profit before tax</b>	<b>48729.73</b>	51351.27
Income tax expense calculated at corporate tax rate of 25.168%	<b>12264.30</b>	12924.09
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	<b>(1142.68)</b>	(458.61)
Unrecognised tax assets in respect of losses of one of its subsidiary	<b>3.58</b>	7.04
Effect of reversal of excess tax provision for previous years	<b>(185.67)</b>	-
Effect of expenses that are not deductible in determining taxable profit	<b>198.51</b>	149.94
Effect of exempt non-operating income	<b>(8.76)</b>	(183.89)
Effect of changes in income tax rates	-	226.73
Effect of write off of MAT credit entitlement	-	29.91
Impact of additions made as per probable income-tax assessments	<b>22.95</b>	191.17
Difference in tax rates of subsidiaries	<b>(68.76)</b>	(13.77)
Others	<b>0.52</b>	1.13
<b>At the effective income tax rate of 22.75% (Previous year: 25.07%)</b>	<b>11083.99</b>	12873.74

**Deferred tax balances are reflected in the consolidated balance sheet as follows:-**

	<b>As at 31.3.2021</b>	As at 31.3.2020
Deferred tax liabilities	<b>(4106.10)</b>	(2819.49)
<b>Deferred tax liabilities (net)</b>	<b>(4106.10)</b>	(2819.49)



Rupees in Lakhs

**Income taxes (continued)**

**Deferred tax balances along with movement are as follows:**

	<b>Opening Balance</b>	<b>Recognised in statement of profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing Balance</b>
<b>For the year ended March 31, 2021</b>				
<b>Deferred tax assets in relation to</b>				
Provisions for compensated absences	1229.39	(277.72)	-	951.67
Accrued expenses deductible on payment basis	477.97	(0.58)	-	477.39
Foreign exchange difference arising on account of import of property, plant & equipment	24.45	-	-	24.45
Voluntary retirement scheme payments deductible in instalments	21.79	(13.96)	-	7.83
Minimum alternative tax credit entitlement*	-	1.05	-	1.05
Provision for doubtful debts	103.90	66.05	-	169.95
Provision for decline in value of non current investment	382.47	15.88	-	398.35
Right-of-Use Assets	406.44	392.17	-	798.61
Other financial assets (net)	228.31	(11.74)	-	216.57
Provision for employee benefits - Others (Refer Note No. 23)	154.54	-	112.74	267.28
Unabsorbed depreciation	5.79	(5.79)	-	-
	<b>3035.05</b>	<b>165.36</b>	<b>112.74</b>	<b>3313.15</b>
<b>Deferred tax liabilities in relation to</b>				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(1991.16)	(806.33)	-	(2797.49)
Investment in unquoted equity instruments fair valued through OCI	(2573.36)	-	(581.59)	(3154.95)
Property, plant and equipments, intangible assets, investment properties	(1292.87)	10.40	-	(1282.47)
Investment in quoted equity instruments valued through profit or loss	47.19	(190.96)	-	(143.77)
Investment in unquoted preference shares fair valued through profit or loss	(8.77)	(6.66)	-	(15.42)
Compound financial instrument	(35.57)	10.42	-	(25.15)
	<b>(5854.54)</b>	<b>(983.13)</b>	<b>(581.59)</b>	<b>(7419.25)</b>
	<b>(2819.49)</b>	<b>(817.77)</b>	<b>(468.85)</b>	<b>(4106.10)</b>
<b>Net deferred tax liabilities</b>				
<b>For the year ended March 31, 2020</b>				
<b>Deferred tax assets in relation to</b>				
Provisions for compensated absences	2106.24	(876.85)	-	1229.39
Accrued expenses deductible on payment basis	838.80	(360.83)	-	477.97
Foreign exchange difference arising on account of import of property, plant & equipment	33.95	(9.50)	-	24.45
Voluntary retirement scheme payments deductible in instalments	47.42	(25.63)	-	21.79
Minimum alternative tax credit entitlement	29.91	(29.91)	-	-
Provision for doubtful debts	94.85	9.05	-	103.90
Provision for decline in value of non current investments	351.42	31.05	-	382.47
Right-of-Use Assets	-	406.44	-	406.44
Other financial assets (net)	8.10	220.21	-	228.31
Provision for employee benefit-Others (Refer Note No. 23)	-	-	154.54	154.54
Unabsorbed depreciation	31.46	(25.67)	-	5.79
	<b>3542.15</b>	<b>(661.64)</b>	<b>154.54</b>	<b>3035.05</b>



Rupees in Lakhs

**Income taxes (continued)**

	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax liabilities in relation to</b>				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(1319.48)	(671.68)	-	(1991.16)
Investment in unquoted equity instruments fair valued through OCI	(2935.29)	-	361.93	(2573.36)
Property, plant and equipments, intangible assets, investment properties	(2325.36)	1032.49	-	(1292.87)
Investment in quoted equity instruments valued through profit or loss	(38.18)	85.37	-	47.19
Investment in unquoted preference shares fair valued through profit or loss	(2.06)	(6.71)	-	(8.77)
Compound financial instrument	(41.20)	5.63	-	(35.57)
	<b>(6661.57)</b>	<b>445.10</b>	<b>361.93</b>	<b>(5854.54)</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(3119.42)</b>	<b>(216.54)</b>	<b>516.47</b>	<b>(2819.49)</b>

Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>12. Inventories</b>		
<b>(Lower of cost and net realisable value)</b>		
Raw and packing materials	<b>50927.44</b>	47191.76
Work-in-process	<b>544.12</b>	615.22
Finished goods *		
- Cigarettes	<b>8536.97</b>	5268.01
- Chewing products	<b>79.16</b>	359.78
Stock-in-trade (Net of provision of Rs. 233.89 lakhs, Previous year Rs.242.21 lakhs)	<b>5785.27</b>	6846.26
Stores and spare parts (Net of provision of Rs. 424.18 lakhs, Previous year Rs. 383.32 lakhs)	<b>1883.15</b>	1844.39
Land (Refer Note No. 48)	<b>6554.77</b>	6669.30
	<b>74310.88</b>	<u>68794.72</u>
<b>Inventories include in-transit inventory of:</b>		
Raw and packing materials	<b>197.46</b>	1013.79
Finished goods		
- Cigarettes	-	43.75
- Stock-in-trade	<b>413.38</b>	881.20

The cost of inventories recognised as an expense include Rs 46.02 lakhs (Previous year Rs. 39.36 lakhs) in respect of write-down of inventory to net realisable value.

\* Includes excise duty of Rs. 3895.94 lakhs (Previous year Rs. 1711.30 lakhs)



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>13. Financial assets - Trade receivables (at amortised cost)</b>		
<b>Unsecured - considered good</b>	<b>12299.28</b>	6887.06
Unsecured - credit impaired	<b>610.42</b>	572.05
	<b>12909.7</b>	7459.11
Less: Impairment allowance	<b>610.42</b>	572.05
<b>Total trade receivables</b>	<b>12299.28</b>	6887.06
The average credit period on sale of goods ranges upto 120 days. Generally no interest is charged on trade receivables.		
<b>Age of receivables</b>		
Not due	<b>7597.85</b>	4017.75
1-30 days past due	<b>3649.03</b>	1728.37
31-45 days past due	<b>467.79</b>	352.79
46-90 days past due	<b>381.28</b>	89.80
91-180 days past due	<b>55.06</b>	153.33
More than 180 days past due	<b>148.27</b>	545.02
<b>14. Financial assets - Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	<b>47.03</b>	117.86
Balances with banks		
- In current accounts	<b>2149.03</b>	2346.48
- Fixed deposit with original maturity of less than 3 months	<b>151.67</b>	-
	<b>2347.73</b>	2464.34
<b>Other bank balances:</b>		
In earmarked accounts for		
- Margin money*	<b>1352.96</b>	1268.55
- Unpaid dividend	<b>436.87</b>	689.94
- Fixed deposit receipts lodged with government authorities	<b>2.02</b>	2.02
- Fixed deposit with original maturity of more than 3 months but less than 12 months	<b>469.97</b>	385.61
	<b>2261.82</b>	2346.12
<b>Cash and bank balances</b>	<b>4609.55</b>	4810.46
* The Group has given margin money to fulfill collateral requirements.		
<b>15. Other financial assets (at amortised cost)</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Security deposits	<b>1627.00</b>	1700.58
	<b>1627.00</b>	1700.58
<b>Current</b>		
Security deposits	<b>88.52</b>	80.70
Interest accrued on bank and other deposits	<b>115.14</b>	107.65
Other receivables (Refer Note No. 44)	<b>1284.04</b>	694.67
	<b>1487.70</b>	883.02



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>16. Other assets</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Capital advances	572.20	3007.66
Balance with government authorities	41.60	15.77
Prepaid expenses	28.04	99.11
Others	0.36	0.36
	<b>642.20</b>	<b>3122.90</b>
<b>Current</b>		
Balance with government authorities (net of impairment allowance of Rs. 150.73 lakhs (previous year : nil))	11142.97	8830.28
Prepaid expenses	538.27	510.22
Export incentives accrued/available	68.99	66.96
Recoverable from gratuity fund (Refer Note No. 41)	42.44	-
Prepayment to suppliers (net of impairment allowance of Rs. 194.30 lakhs (previous year : Rs. 194.00 lakhs))	1263.91	1615.50
Others	241.08	261.48
<b>Total</b>	<b>13297.66</b>	<b>11284.44</b>

### 17. Equity Share Capital

#### Authorised

60,000 preference shares of Rs. 100 each  
122,000,000 equity shares of Rs. 2 each

60.00	60.00
<b>2440.00</b>	<b>2440.00</b>
<b>2500.00</b>	<b>2500.00</b>

#### Issued, subscribed and fully paid up

51,993,920 equity shares of Rs. 2 each

<b>1039.88</b>	<b>1039.88</b>
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(i) There has been no movement in the equity shares in the current and previous year.

(ii) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

(iii) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	As at 31.3.2021		As at 31.3.2020	
	Number of shares	% holding	Number of shares	% holding
a) Philip Morris Global Brands Inc.	13050475	25.10%	13050475	25.10%
b) K K Modi Investment & Financial Services Private Limited	15493941	29.80%	15196660	29.23%
c) Good Investment (India) Limited	4309220	8.29%	4309220	8.29%
d) The Jupiter India Fund	3548147	6.82%	3787763	7.29%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>18. Other equity</b>		
Capital redemption reserve	30.13	30.13
Statutory reserve	77.65	70.88
Reserve for equity instruments fair valued through OCI	10425.98	8505.81
General reserve	37431.89	37431.89
Retained earnings	209085.80	171543.51
Equity component of compound financial instrument (Refer Note No. 20)	115.84	110.55
	<b>257167.29</b>	<b>217692.77</b>
<b>Reserve for equity instruments fair valued through OCI</b>		
Opening balance	8505.81	9697.49
Add: Fair value gain on equity instruments, net of income tax*	1920.17	(1191.68)
Closing balance	<b>10425.98</b>	<b>8505.81</b>
* Net of income tax of (Rs.581.59 lakhs) (previous year Rs.361.93 lakhs)		
<b>Retained earnings</b>		
Balance at beginning of year	171543.51	155491.90
Profit for the current year	37651.37	38487.12
Other comprehensive income arising from		
remeasurement of defined benefit/contribution plan, net of income tax*	(102.31)	(1108.29)
Payment of dividend on equity shares (Rs. Nil; previous year Rs.10 per equity share)	-	(5199.39)
Dividend distribution tax thereon	-	(1068.75)
Interim Dividend (Rs. Nil; previous year Rs. 24 per equity share)	-	(12478.54)
Dividend distribution tax thereon	-	(2565.00)
Transfer to statutory reserve	(6.77)	(15.54)
<b>Balance at end of year</b>	<b>209085.81</b>	<b>171543.51</b>

\* Net of income tax of Rs. 34.41 lakhs (previous year Rs. 372.75 lakhs)

**Capital redemption reserve:**

This was created on redemption of preference shares in accordance with the requirements of the erstwhile Companies Act, 1956.

**General reserve:**

The general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. No amount was transferred during the current and previous year.

**Statutory Reserve:**

As per the Reserve Bank of India Act, 1934, every non-banking financial company has to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The statutory reserve has been created by Chase Investments Limited.

**Retained earnings:**

Retained earnings is the amount that can be distributed by the Group as dividends to its equity shareholders subject to the requirements of the Companies Act, 2013. The amount reported above are not distributable in entirety.

In respect of the year ended March 31, 2021, the directors have in the board meeting held on June 25, 2021, proposed a dividend of Rs. 24/- per fully paid equity share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included in liability in the financial statements. The proposed equity dividend is payable to all the holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 12478.54 lakhs.

	As at 31.3.2021	As at 31.3.2020
<b>19. Non-controlling interests</b>		
Balance at beginning of year	2857.12	3279.99
Share of total comprehensive income of the year	(5.63)	(9.59)
Arising from change in ownership interests in subsidiaries	(2310.70)	(413.28)
Balance at the end of the year	<b>540.79</b>	<b>2857.12</b>

**Details of partially owned subsidiary**

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit/(loss) allocated to non-controlling interest		Accumulated non-controlling interest	
		As at 31.3.2021	As at 31.3.2020	For the year ended 31.3.2021	For the year ended 31.3.2020	As at 31.3.2021	As at 31.3.2020
Rajputana Developers Projects (AOP)*	India	0.00%	36.21%	(4.11)	(8.94)	-	2308.67*
Individually immaterial subsidiaries with non-controlling interests						<b>540.79</b>	548.45
						<b>540.79</b>	<b>2857.12</b>

\* Refer Note No. 48



Rupees in Lakhs

	As at 31.3.2021	As at 31.3.2020
<b>20. Financial liabilities - Borrowings</b>		
<b>Non-current borrowings - carried at amortised cost secured</b>		
Term Loan from bank*	<b>6000.00</b>	-
Less: Current maturities of long-term debt (Refer Note No. 22)	<b>(6000.00)</b>	-
	-	-
6.25%, non-cumulative, non-convertible, redeemable preference shares		
Liability component of compound financial instrument** (Refer Note No.18)	<b>100.06</b>	90.63
<b>Total non-current borrowings</b>	<b>100.06</b>	90.63

**Details of security and terms of above loans:**

\*Term loan carries an interest rate of 6.10% per annum and is repayable in a single bullet installment in December, 2021. The same is secured against hypothecation of movable assets to the extent of 1.25 times.

\*\*The Group will redeem the preference shares by December 2027 and accordingly the same has been classified between equity and liability.

**Current borrowings - carried at amortised cost Secured**

Loans from banks repayable on demand*	<b>1490.15</b>	1114.22
<b>Total current borrowings</b>	<b>1490.15</b>	1114.22

**Details of security and terms of above loans:**

\*The above current borrowing carries interest of 8.45% per annum and is secured against hypothecation of stocks (Refer Note No.12) and book debts (Refer Note No.13) and second charge on all movable fixed assets of the Company.

**Change in liability arising from financing activities as per IND AS-7**

Particulars	Borrowings due within 1 year	Compound financial instrument : Proceeds from issue of non-cumulative redeemable preference shares	Total
<b>Balance at April 1, 2019</b>	<b>4117.86</b>	<b>200.00</b>	<b>4317.86</b>
Cash Flow	(3003.64)	-	(3003.64)
<b>Balance at 1 April 2020</b>	<b>1114.22</b>	<b>200.00</b>	<b>1314.22</b>
Cash Flow	6375.93	-	6375.93
<b>Balance at March 31, 2021</b>	<b>7490.15</b>	<b>200.00</b>	<b>7690.15</b>

\* including current maturities of long-term debt

Rupees in Lakhs

<b>21. Financial liabilities - Lease liabilities</b>		
<b>Non-current</b>		
Lease liabilities (Refer Note No.40)	<b>28179.42</b>	30917.29
<b>Current</b>		
Lease liabilities (Refer Note No.40)	<b>3789.23</b>	3541.48
	<b>31968.65</b>	34458.77



Rupees in Lakhs

As at 31.3.2021 As at 31.3.2020

<b>22. Other financial liabilities</b>		
<b>Non-current</b>		
Security deposits - at amortised cost	<b>97.95</b>	94.70
	<b>97.95</b>	94.70
<b>Current</b>		
Current maturities of long-term debt (Refer Note No.20)	<b>6000.00</b>	-
Interest accrued but not due on borrowings	<b>31.43</b>	-
Unclaimed dividends	<b>436.87</b>	689.94
Payable to gratuity fund (Refer Note No.41)	<b>311.95</b>	1249.01
Liability towards suppliers of property, plant and equipments	<b>1152.47</b>	570.70
Security deposits - at amortised cost	<b>14.95</b>	14.70
Others	<b>15.78</b>	-
	<b>7963.45</b>	2524.35
<b>23. Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits		
- provision for compensated absences	<b>2877.54</b>	2689.46
	<b>2877.54</b>	2689.46
<b>Current</b>		
Provision for employee benefits		
- provision for compensated absences		
- others*	<b>1023.19</b>	1033.48
	<b>1062.00</b>	614.00
	<b>2085.19</b>	1647.48
<b>Total</b>	<b>4962.73</b>	4336.94

\*Based on the review of the investments held by the Employees Provident Fund Trust as at March 31, 2021 and March 31, 2020, a provision has been created to cover the possible loss on account of non-realisation of some of such investments.

<b>24. Financial liabilities - Trade payables</b>		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	<b>669.32</b>	369.29
	<b>669.32</b>	369.29
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
- Other than Micro and small enterprises	<b>19961.97</b>	19850.34
- Employee payables	<b>2687.38</b>	5182.81
	<b>22649.35</b>	25033.15

The Group generally pays its vendors within 30-60 days and interest, if any, payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006 is recognised.

<b>25. Income tax assets and liabilities</b>		
<b>Income tax assets (Net)</b>		
Income tax recoverable	<b>2837.79</b>	3007.64
<b>Total income tax assets</b>	<b>2837.79</b>	3007.64
<b>Income tax liabilities (Net)</b>		
Income tax payable (net of advance tax and TDS recoverable)	<b>894.98</b>	514.37
<b>Total income tax liabilities</b>	<b>894.98</b>	514.37





Rupees in Lakhs

As at  
**31.3.2021** As at  
31.3.2020

## 26. Other liabilities

### Current

Statutory dues	<b>34389.36</b>	32503.57
Advances from customers (Contract liabilities)*	<b>5103.22</b>	4001.96
Others	<b>29.32</b>	63.09
	<b>39521.90</b>	36568.62

\*Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Group performs its obligation under the contract.

Balance of Advances from customers at beginning of the year	<b>4001.96</b>	4371.54
Revenue recognised from amounts included in Advances from customers at beginning of the year	<b>4001.96</b>	4371.54

\*Management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.

## 27. i) Revenue from contracts with customers (including excise duty)

### Sources of revenue

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines:

#### a) Disaggregated revenue information

	Year ended <b>31.3.2021</b>	Year ended 31.3.2020
Cigarettes*	<b>210497.01</b>	213541.71
Unmanufactured tobacco**	<b>43037.49</b>	37940.01
Cut tobacco	<b>3583.74</b>	5198.71
Chewing products#	<b>5740.97</b>	11475.69
Other traded goods	<b>29409.08</b>	36019.10
<b>Total (A)</b>	<b>292268.29</b>	304175.22

\*includes incremental revenue of Rs. 7241.78 lakhs (previous year Rs. 11275.10 lakhs) arising from resale of cigarettes manufactured by the Company

\*\*transferred from raw and packing materials

#includes chewing tobacco purchased for resale

#### Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

#### Revenues by Geography

Particulars	Year ended <b>31.3.2021</b>	Year ended 31.3.2020
Within India	<b>230726.16</b>	242106.62
Outside India	<b>61542.13</b>	62068.60
<b>Total</b>	<b>292268.29</b>	304175.22

#### Reconciling the amount of revenue recognized in the consolidated statement of profit and loss with the contracted price:

Particulars	Year ended <b>31.3.2021</b>	Year ended 31.3.2020
Revenue as per contract	<b>294191.81</b>	312878.22
Adjustments:		
Sales return	<b>(182.92)</b>	(673.37)
Discounts, rebates, etc.	<b>(1740.60)</b>	(8029.63)
<b>Revenue from contracts with customers</b>	<b>292268.29</b>	304175.22



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>ii) Other operating revenues</b>		
Export incentives	<b>82.07</b>	86.92
Dividend Income	<b>18.66</b>	38.10
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	<b>1706.12</b>	-
- Short term investments fair valued through profit or loss	<b>45.61</b>	4.32
Recovery towards services rendered	<b>379.01</b>	190.13
Receipts from sale of scrap and ancillary products	<b>658.29</b>	735.98
Insurance claims	<b>42.75</b>	167.84
Display income received by retail stores	<b>596.04</b>	918.85
Other receipts	<b>346.03</b>	484.36
<b>Total (B)</b>	<b>3874.58</b>	2626.50
<b>Total revenue from operations (A+B)</b>	<b>296142.87</b>	306801.72
<b>28. Other income</b>		
Interest income from:		
- Debts, deposits, loans and advances, etc. **	<b>384.72</b>	355.36
- Non-current investments valued on amortised cost	<b>74.67</b>	57.22
Dividend income	-	656.46
Rent and hire charges from:		
- Others (Refer Note No. 40)	<b>267.44</b>	239.26
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	<b>7996.54</b>	6438.06
- Short term investments fair valued through profit or loss	<b>1165.07</b>	1881.43
Foreign currency fluctuation (net)	<b>502.29</b>	555.45
Profit on sale of property plant and equipment	<b>9.45</b>	-
Liabilities written back	<b>106.76</b>	307.78
Gain on modification/concession in leases (Refer Note No. 40)	<b>1039.61</b>	-
Miscellaneous income	<b>312.09</b>	196.25
	<b>11858.64</b>	10687.27
**includes interest income calculated in relation to financial assets valued on amortised cost basis.	<b>72.25</b>	78.66
<b>29. Cost of materials consumed</b>		
(Raw and packing materials)		
Unmanufactured and blended tobacco	<b>22819.57</b>	29237.93
Cigarette paper	<b>799.62</b>	947.48
Cardboard (shells, slides and others)	<b>7615.40</b>	9934.20
Filter rods	<b>9722.12</b>	13578.34
Aluminium foil/metallised paper	<b>1316.82</b>	1018.09
Cellulose paper	<b>857.11</b>	1046.99
Flavours for chewing products	<b>477.02</b>	366.35
Betel nut	<b>1398.96</b>	3411.61
Katha, lime and bulking agent	<b>305.22</b>	706.81
Paper/Laminate pouches for chewing products	<b>721.37</b>	1758.92
Miscellaneous	<b>5519.76</b>	8553.39
	<b>51552.97</b>	70560.11



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>30. Purchases of stock-in-trade</b>		
Unmanufactured tobacco (transferred from raw and packing materials)	<b>30250.59</b>	26783.15
Other goods (including cigarettes purchase for re-sale)	<b>42367.49</b>	29809.09
Purchase of stock-in trade - land (Refer Note No.48)	<b>6554.77</b>	-
	<b>79172.85</b>	56592.24
<b>31. Changes in Inventories of finished goods, stock-in-trade and work-in-process</b>		
<b>Opening stock:</b>		
Work-in-process	<b>615.22</b>	687.88
Finished goods		
- Cigarettes	<b>5268.01</b>	4485.69
- Chewing products	<b>359.78</b>	283.76
Stock-in-trade	<b>6846.26</b>	6602.55
Land	<b>6669.30</b>	6669.30
	<b>19758.57</b>	18729.18
Less:De-recognition of land on account of dissolution of AOP	<b>(6669.30)</b>	-
<b>(A)</b>	<b>13089.27</b>	18729.18
<b>Closing stock:</b>		
Work-in-process	<b>544.12</b>	615.22
Finished goods		
- Cigarettes	<b>8536.97</b>	5268.01
- Chewing products	<b>79.16</b>	359.78
Stock-in-trade	<b>5785.27</b>	6846.26
Land	<b>6554.77</b>	6669.30
<b>(B)</b>	<b>21500.29</b>	<b>19758.57</b>
<b>(Increase) in inventories (A-B)</b>	<b>(8411.02)</b>	<b>(1029.39)</b>
<b>32. Employee benefits expenses</b>		
Salaries and wages	<b>22607.52</b>	23528.41
Provident fund expense (Refer Note No.41)	<b>1559.49</b>	1620.57
Workmen and staff welfare expenses	<b>1740.47</b>	2018.36
Gratuity and superannuation expense (Refer Note No.41)	<b>755.97</b>	676.45
	<b>26663.45</b>	27843.79
<b>33. Finance costs</b>		
Interest expenses on:		
- Borrowings	<b>142.18</b>	39.40
- Lease liabilities (Refer Note No. 40)	<b>2727.66</b>	2879.58
- Others*	<b>188.54</b>	77.33
Other borrowing costs	<b>26.31</b>	26.65
	<b>3084.69</b>	3022.96
*including Rs. 0.13 lakhs (Previous year Rs. 0.13 lakhs) towards interest on entry tax.		
<b>34. Other Expenses</b>		
Net loss on fair value adjustment of:		
- Long term investments fair valued through profit or loss	-	695.55
- Short term investments fair valued through profit or loss	-	15.75
Consumption of stores and spare parts*	<b>240.98</b>	229.06
Power and fuel	<b>3675.87</b>	4794.79
Rent (Refer Note No.40)	<b>414.96</b>	409.79



Rupees in Lakhs

**34. Other Expenses (continued)**

	<b>Year ended 31.3.2021</b>	Year ended 31.3.2020
Repairs and maintenance		
- Buildings	<b>530.93</b>	649.67
- Plant and machinery	<b>1896.51</b>	2009.21
- Others	<b>2099.10</b>	1946.60
Insurance	<b>783.15</b>	545.57
Rates and taxes	<b>428.23</b>	2387.21
Freight and cartage	<b>4139.98</b>	4223.81
Legal and professional expenses	<b>3327.02</b>	8062.42
Auditors' Remuneration (net of GST)**		
- Audit fees	<b>113.36</b>	134.21
- For tax audit	<b>23.64</b>	23.64
- For limited review of unaudited financial statements	<b>91.07</b>	80.00
- For corporate governance, consolidated financial statements and other certificates	<b>7.50</b>	7.50
- For other services	<b>2.50</b>	2.50
- Reimbursement of expenses	<b>5.10</b>	15.44
Commission paid to other than sole selling agents	<b>135.20</b>	221.53
Commission paid to non-executive director (Refer Note No.44)	<b>150.00</b>	150.00
Advertising and sales promotion	<b>6678.49</b>	15588.49
Selling and distribution expenses	<b>7727.43</b>	8336.34
Travelling and conveyance	<b>942.18</b>	3181.39
Donations	<b>30.00</b>	585.64
Contributions/expenses towards Corporate social responsibility (Refer Note No.35)	<b>651.51</b>	577.28
Bad debts and advances written off	<b>100.61</b>	101.16
Provision for doubtful debts and advances***	<b>262.42</b>	391.40
Property, plant and equipment written off	<b>254.56</b>	171.59
Loss on sale of property, plant and equipment (net)	-	67.34
Loss on sale of investments	-	0.33
Technical services fee and royalty	<b>1081.70</b>	1466.07
Consumer research activity	<b>78.18</b>	789.17
Machine and material handling expenses	<b>328.14</b>	353.37
Contract labour for factories and retail stores operations	<b>3646.74</b>	4323.13
Miscellaneous expenses	<b>9570.50</b>	11995.62
	<b>49417.56</b>	74532.57

\*Excludes consumption of spare parts charged to repairs and maintenance of plant & machinery

\*\*Includes fees paid to the auditors of the subsidiary companies.

\*\*\* Net of Rs. 78.51 lakhs written-off during the year (Previous year Rs. 98.04 lakhs)



Rupees in Lakhs

	Year ended 31.3.2021	Year ended 31.3.2020
<b>35. Corporate social responsibility (CSR)</b>		
As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The CSR activities are aimed at promoting education and healthcare, carrying out community development programs in rural areas providing relief to marginalised communities during COVID pandemic etc.		
Gross amount required to be spent by the Holding Company during the year is Rs. 651.51 lakhs (Previous year Rs. 462.00 lakhs) and the details of amount spent are as under:		
a) By way of contribution for the above mentioned activities	<b>643.71</b>	577.28
b) Administrative expenses incurred (not exceeding 5%)	<b>7.80</b>	-
	<b>651.51</b>	577.28
<b>36. Earnings per share</b>		
Profit after tax (A)	<b>37651.37</b>	38487.12
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (B)	<b>51993920</b>	51993920
Basic and Diluted Earnings per share after tax (Rs.) [A/B] (Face value of Rs. 2 each)	<b>72.41</b>	74.02
<b>37. Contingent liabilities not provided for</b>		
	<b>As at 31.3.2021</b>	As at 31.03.20
a) Demands from excise, income tax, sales tax and other authorities not accepted by the Group @	<b>6667.81*</b>	5059.14*
b) Claims against the Group not acknowledged as debts	<b>1.37</b>	1.37
c) Share of contingent liabilities relating to associate companies	<b>66.22</b>	67.68
@all these matters are subject to legal proceedings in the ordinary course of business and in the opinion of the Group, these are not expected to have material effect on the financial results of the Group when ultimately concluded.		
*Out of this Rs. 1366.56 lakhs (Previous year - Rs. 1366.56 lakhs) relates to an order received during the previous year from the Allahabad High Court upturning the earlier order of the CESTAT in favour of the subsidiary company. Against this order the subsidiary company has filed an appeal before the Hon'ble Supreme Court and has been legally advised that it has a strong case.		
d) The Holding Company has been regular in transferring Amounts to the Investor Education and Protection Fund in accordance with the requirements of the Companies Act. There are no Amounts that were due to be transferred by the subsidiary companies and associate companies to the Investor Education and Protection Fund.		
e) The Group has received various show cause notices from Government Authorities asking it to explain why certain Amounts mentioned in these notices should not be paid. As these notices are in the nature of explanations required, the Group does not consider these to constitute a liability of any kind.		
<b>38. Commitments</b>		
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	<b>3286.86</b>	9279.77
b) The Group has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits including union agreements, in normal course of business. The Group does not have any other long term contracts including derivative contracts for which there will be any material foreseeable losses.		
<b>39. Expenditure on scientific research and development</b>		
	<b>Year ended 31.3.2021</b>	Year ended 31.03.20
Revenue expenditure	<b>1021.90</b>	1040.98
Capital expenditure	<b>14.09</b>	52.27



## 40. Leases

### 40.1 Group as a lessee

The Group has lease contracts for various items of land, offices, warehouses, retail stores, store equipment and vehicles used in its operations. Leases of land have a term ranging from 45 to 99 years, offices, warehouses and stores have lease terms between 2 and 18 years, store equipment have a lease terms of 5 years, while motor vehicles generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed.

The Group also has certain leases of warehouses of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Rupees in Lakhs	
	As at 31.3.2021	As at 31.3.2020
<b>Carrying amount of:</b>		
Right-of-Use: Office buildings, warehouses and stores	<b>25983.19</b>	28815.27
Right-of-Use: Store equipment & furniture	<b>2469.04</b>	3612.68
Right-of-Use: Land*	<b>1790.30</b>	1832.41
Right-of-Use: Vehicles	<b>343.37</b>	425.14
<b>Total</b>	<b>30585.90</b>	34685.50

	Right-of-Use: Office buildings, warehouses and stores	Right-of-Use: Store equipment & furniture	Right-of-Use: Land*	Right-of-Use: Vehicles	Total
Cost					
<b>Balance as at April 1, 2019</b>	<b>29960.57</b>	<b>4129.72</b>	<b>1874.52</b>	-	<b>35964.81</b>
Additions / Modifications	3686.38	668.07	-	509.25	4863.70
Derecognition	(1043.04)	-	-	-	(1043.04)
<b>Balance as at March 31, 2020</b>	<b>32603.91</b>	<b>4797.79</b>	<b>1874.52</b>	<b>509.25</b>	<b>39785.47</b>
Additions / Modifications	3818.37	82.59	-	69.72	3970.68
Derecognition	(3590.37)	-	-	-	(3590.37)
<b>Balance as at March 31, 2021</b>	<b>32831.91</b>	<b>4880.38</b>	<b>1874.52</b>	<b>578.97</b>	<b>40165.78</b>
<b>Accumulated depreciation</b>					
<b>Balance as at April 1, 2019</b>	-	-	-	-	-
Depreciation expense	3851.68	1185.11	42.11	84.11	5163.01
Derecognition	(63.04)	-	-	-	(63.04)
<b>Balance as at March 31, 2020</b>	<b>3788.64</b>	<b>1185.11</b>	<b>42.11</b>	<b>84.11</b>	<b>5099.97</b>
Depreciation expense	3820.82	1226.23	42.11	151.49	5240.65
Derecognition	760.74	-	-	-	760.74
<b>Balance as at March 31, 2021</b>	<b>6848.72</b>	<b>2411.34</b>	<b>84.22</b>	<b>235.60</b>	<b>9579.88</b>
<b>Balance as at March 31, 2021</b>	<b>25983.19</b>	<b>2469.04</b>	<b>1790.30</b>	<b>343.37</b>	<b>30585.90</b>
Balance as at March 31, 2020	28815.27	3612.68	1832.41	425.14	34685.50

\*Includes Rs. 4.50 lakhs (Previous year - Rs. 4.57 lakhs) in respect of plot of land in one of a subsidiary for which a notice of termination of lease has been received from the Government of U.P. The Subsidiary has disputed the said notice by a petition filed before the Allahabad High Court and the same is pending disposal.



#### 40. Leases (continued)

##### Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31.3.2021	As at 31.3.2020
<b>Balance as at April 1</b>	<b>34458.77</b>	33953.72
Addition	<b>3925.83</b>	4518.81
Accretion of interest*	<b>2727.66</b>	2879.58
Payments	<b>(5274.37)</b>	(5917.64)
Rent concessions due to Covid-19	<b>(856.37)</b>	-
De-recognition of lease liabilities on termination	<b>(3012.87)</b>	(975.70)
<b>Balance as at March 31**</b>	<b>31968.65</b>	34458.77
<b>Current</b>	<b>3789.23</b>	3540.54
<b>Non-current</b>	<b>28179.42</b>	30918.23

\* Lease liabilities carry an effective interest rate of 8.94%

\*\* For maturities of lease liabilities, Refer Note No. 42.3

##### The following are the amounts recognised in profit or loss:

	For the year ended 31.3.2021	For the year ended 31.3.2020
Depreciation expense of right-of-use assets	<b>5240.65</b>	5163.01
Interest expense on lease liabilities (Refer Note No. 33)	<b>2727.66</b>	2879.58
Expense relating to short-term leases (Refer Note No. 34)	<b>316.24</b>	272.99
Variable lease payments (Refer Note No. 34)	<b>98.72</b>	136.80
(Gain)/Loss on termination of leases (Refer Note No. 28)	<b>(183.24)</b>	4.30
Rent concessions due to Covid-19	<b>(856.37)</b>	-
	<b>7343.66</b>	8456.68

The Group has lease contracts for stores that contains variable payments based on the revenue earned during the year. These terms are negotiated by management for certain stores as per prevalent market conditions. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments:

Variable rent	<b>98.72</b>	136.80
	<b>98.72</b>	136.80

#### 40.2 Group as a lessor

The Group has let out and sub-let part of its owned and rented office premises under lease arrangements which are cancellable in nature but renewable on mutually agreeable terms. These leases have terms ranging between 11 months to 3 years. Rental income recognised by the Group during the year is INR 267.44 Lacs (Previous Year 239.26 Lacs). The carrying value of the said assets is not material.



Rupees in Lakhs

41. Employee benefit plans	Year ended 31.3.2021	Year ended 31.3.2020
<b>(a) Defined contribution plans and amounts recognised in the consolidated statement of profit and loss/other comprehensive income</b>		
Contribution towards provident fund	<b>121.57</b>	124.86
Contribution towards superannuation fund	<b>135.65</b>	157.49
Employers' contribution to employee's state insurance scheme	<b>6.79</b>	8.93
	<b>264.01</b>	291.28
<b>(b) Other long term employee benefits (based on actuarial valuation)</b>		
Compensated absences – amount recognized in the consolidated statement of profit and loss	<b>608.47</b>	758.48
<b>(c) Defined benefit plans</b>		
<b>Gratuity</b>		
The Group makes annual contributions to gratuity funds established as trusts, for the defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per provisions of the Payment of Gratuity Act, 1972 or the relevant Company Scheme, whichever is beneficial.		
<b>The plan typically exposes the Group to actuarial risks such as: loss of investment risk, interest rate risk, mortality rate risk and salary rate risk.</b>		
<b>Loss of Investment risk</b>		
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.		
<b>Interest rate risk</b>		
The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the plan's liability.		
<b>Mortality rate risk</b>		
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.		
<b>Salary rate risk</b>		
The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.		
The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and Amounts recognised in the consolidated balance sheet for defined benefit plan:		
<b>Net employee benefit expense recognized in employee cost</b>		
Current service cost	<b>570.89</b>	526.80
Net interest cost	<b>73.06</b>	27.95
	<b>643.95</b>	554.75
(Shortfall)/Excess of fair value over book value of plan assets	<b>(23.63)</b>	(35.79)
<b>Net employee benefit expense recognized in employee cost</b>	<b>620.32</b>	518.96





Rupees in Lakhs

**(c) Defined benefit plans - Gratuity (continued)**

**Amount recognised in other comprehensive income:**

	Year ended 31.3.2021	Year ended 31.3.2020
Actuarial (gain)/loss on obligations arising from change in financial assumptions	(354.26)	654.11
Actuarial loss on obligations arising from change in demographic adjustments	216.89	-
Actuarial loss on obligations arising on account of experience adjustments	127.84	286.96
Return on plan assets (excluding amounts included in net interest expense)	(301.75)	(44.66)
Adjustment to recognize the effect of asset ceiling	-	(29.37)
<b>Net expense/(income) for the year recognized in other comprehensive income</b>	<b>(311.28)</b>	<b>867.04</b>

**(I) Changes in the present value of the defined benefit obligation are as follows:**

	As at 31.3.2021	As at 31.3.2020
<b>Opening defined obligation</b>	<b>11283.03</b>	9919.70
Current service cost	570.89	497.44
Interest cost (Gross)	642.05	654.04
Benefits paid	(997.27)	(729.22)
Actuarial loss/(gain) on obligations arising from change in financial assumptions	(354.26)	654.11
Actuarial loss/(gain) on obligations arising from change in demographic adjustments	216.89	-
Actuarial loss/(gain) on obligations arising on account of experience adjustments	127.84	286.96
<b>Closing defined benefit obligation</b>	<b>11489.17</b>	11283.03
<b>(II) Changes in the fair value of plan assets are as follows:</b>		
<b>Opening fair value of plan assets</b>	<b>10057.63</b>	9498.19
Interest income (Gross)	568.99	626.08
Return on plan assets (excluding Amounts included in net interest expense)	301.75	44.66
Contribution by employer	1288.56	617.92
Benefits paid	(997.27)	(729.22)
<b>Closing fair value of plan assets</b>	<b>11219.66</b>	10057.63
<b>(III) Excess of fair value over book value of plan assets</b>	-	23.63
<b>(IV) Net Liability recognised in the consolidated balance sheet (I - II + III)</b>	<b>269.51</b>	1249.03

**The major categories of plan assets of the fair value of the total plan assets are as follows:**

	Amount	% of total plan assets
<b>As at March 31, 2021</b>		
Government debt securities	244.47	2.18%
Other debt instruments	10.33	0.09%
Insurer managed funds	10981.05	97.87%
Others	(16.19)	-0.14%
	<b>11219.66</b>	<b>100.00%</b>

	Amount	% of total plan assets
<b>As at March 31, 2020</b>		
Government debt securities	255.19	2.54%
Other debt instruments	30.87	0.30%
Insurer managed funds	9781.80	97.26%
Others	(10.23)	-0.10%
	10057.63	100.00%



### (c) Defined benefit plans - Gratuity (continued)

The principal assumptions used in determining gratuity obligation for the Group's plans are shown below:

	As at 31.3.2021	As at 31.3.2020
Discount rate (in %)	6.80%	6.30%-6.35%
Salary escalation rate (in %)	7.50%-8.00%	7.50%-8.00%
Expected rate of return on plan assets	6.35%-7.50%	6.35%-7.50%

A quantitative sensitivity analysis for significant assumption shown above as at March 31, 2021 is as shown below:

Assumption	Impact on defined benefit obligation	
	As at 31.3.2021	As at 31.3.2020
Impact of increase in 0.5% in discount rate	-3.20%	-2.87%
Impact of decrease in 0.5% in discount rate	3.40%	3.03%
Impact of increase in 0.5% in salary escalation rate	3.34%	2.97%
Impact of decrease in 0.5% in salary escalation rate	-3.18%	-2.84%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflations, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The following payments are expected as contributions to the defined benefit plan in future years:

	Rupees in Lakhs	
	Year ended 31.3.2021	Year ended 31.3.2020
Within the next 12 months (next annual reporting period)	2203.43	2326.41
Between 2 and 5 years	4111.19	4780.71
Between 6 and 9 years	4481.12	3852.46
10 years and above	9065.36	6708.57
<b>Total expected payments</b>	<b>19861.10</b>	<b>17668.15</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.94~6.67 years (Previous year 4.73~6.19 years).

### (d) Defined benefit plans - Provident Fund

The Holding Company makes monthly contributions towards provident fund which is administered by Godfrey Phillips India Limited Provident Fund (the Fund), an exempted PF Trust. The conditions governing the exemption require that the employer shall make good the loss, if any, incurred on the investments made by the Fund and also make good the deficiency in the rate of interest as may be notified by the EPFO from year to year. Based on the review of investments held by the Fund as on 31st March 2021, the Holding Company has recognised an additional liability of Rs. 448 lakhs (previous year Rs. 614 lakhs) to cover possible loss on account of non-realisation by the Fund of certain such investments and the same is recognised under Other Comprehensive Income.

Amounts recognised on account of PF contribution by the Holding Company during the year are as follows :-

	Year ended 31.03.2021	Year ended 31.03.2020
Amount recognised in profit and loss	1437.92	1495.71
Amount recognised in other comprehensive income	448.00	614.00
	<b>1885.92</b>	<b>2109.71</b>

The Code on Social Security, 2020 ('the Code') relating to employee benefits during employment and post-employment received the Presidential assent in September 2020. However, the related Rules are yet to be framed and the date on which the Code will come into effect has not yet been notified. The Group will assess the financial impact of the Code when it comes into effect and recognize the same in its financial statements in the period in which the Code becomes effective.



## 42. Financial instruments and risk management

### 42.1. Fair value measurements

The fair value of financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of cash and cash equivalents, trade receivables, trade payables, security deposits received, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

ii) The financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available.

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and/or debt based mutual fund investments, bonds or debentures.

Level 2: This level of hierarchy includes items measured using inputs, other than quoted prices included within level 1, that are observable for such items, directly or indirectly.

Level 3: This level of hierarchy includes items measured using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main items in this category are unquoted equity instruments. The fair valuation of the major unquoted equity investment i.e. investment held in K K Modi Investment & Financial Services Private Limited, has been carried out by an independent valuer using the asset approach valuation technique. The valuer has used significant inputs like market data, growth projections, future cash flow discounting @ 13% to 15%, P/E multiple, etc., as the case may be, in arriving at the gross value and then applied discount rates ranging between 56% to 58% to arrive at the fair value for current and previous year.



Rupees in Lakhs

**42. Financial instruments and risk management (continued)**

**42.2. Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2021	Carrying amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial instruments at FVTPL:</b>					
Investment in					
- mutual funds	131921.46	131921.46	131921.46	-	-
- equity shares	3854.60	3854.60	3854.60	-	-
- preference shares	176.07	176.07	0.04	-	176.03
- debentures	1982.93	1982.93	1982.93	-	-
- in others	916.65	916.65	916.65	-	-
<b>Financial instruments at amortised cost:</b>					
Investment in					
- others (IRFC & Other Bonds)	2495.15	2466.97	2466.97	-	-
Trade receivables	12299.28	12299.28	-	-	-
Cash and cash equivalents	2347.73	2347.73	-	-	-
Other bank balances	2261.82	2261.82	-	-	-
Loans	649.02	649.02	-	-	-
Other financial assets					
- Security deposits	1715.52	1715.52	-	-	-
- Interest accrued on bank and other deposits	115.14	115.14	-	-	-
- other receivables	1284.04	1284.04	-	-	-
<b>Financial instruments at FVTOCI:</b>					
Investments in equity instruments designated upon initial recognition	13617.72	13617.72	-	-	13617.72
<b>Total financial assets</b>	<b>175637.13</b>	<b>175608.95</b>	<b>141142.65</b>	-	<b>13793.75</b>
<b>Financial liabilities</b>					
<b>Financial instruments at amortised cost:</b>					
Borrowings	1590.21	1590.21			
Lease liabilities	31968.65	31968.65			
Trade payables	23318.67	23318.67			
Other financial liabilities					
- Current maturities of long-term debt	6000.00	6000.00			
- Security deposits	112.90	112.90			
- Interest accrued but not due on borrowings	31.43	31.43			
- Unclaimed dividends	436.87	436.87			
- Payable to gratuity funds	311.95	311.95			
- Liability towards suppliers of property, plant and equipments	1152.47	1152.47			
Others	15.78	15.78			
<b>Total financial liabilities</b>	<b>64938.93</b>	<b>64938.93</b>			



### Financial instruments and risk management (continued)

As at March 31, 2020	Carrying amount	Fair Value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Financial instruments at FVTPL:</b>					
Investment in					
- mutual funds	108317.79	108317.79	108317.79	-	-
- equity shares	2229.86	2229.86	2229.86	-	-
- preference shares	139.87	139.87	0.07	-	139.80
- debentures	1687.30	1687.30	1687.30	-	-
- others	672.24	672.24	672.24	-	-
<b>Financial instruments at amortised cost:</b>					
Investment in					
- others (IRFC Bonds)	435.01	468.67	468.67	-	-
Trade receivables	6887.06	6887.06			
Cash and cash equivalents	2464.34	2464.34			
Other bank balances	2346.12	2346.12			
Loans	736.94	736.94			
Other financial assets					
- Security deposits	1781.28	1781.28			
- Interest accrued on bank and other deposits	107.65	107.65			
- other receivables	694.67	694.67			
<b>Financial instruments at FVTOCI:</b>					
Investments in equity instruments designated upon initial recognition	11115.96	11115.96	-	-	11115.96
<b>Total financial assets</b>	<b>139616.09</b>	<b>139649.75</b>	<b>113375.93</b>	<b>-</b>	<b>11255.76</b>
<b>Financial liabilities</b>					
<b>Financial instruments at amortised cost:</b>					
Borrowings	1204.85	1204.85			
Lease liabilities	34458.77	34458.77			
Trade payables	25402.44	25402.44			
Other financial liabilities					
- Security deposits	109.40	109.40			
- Unclaimed dividends	689.94	689.94			
- Payable to gratuity funds	1249.01	1249.01			
- Liability towards property, plant and equipments	570.70	570.70			
<b>Total financial liabilities</b>	<b>63685.11</b>	<b>63685.11</b>			

Note: Investment in associates are accounted for using the equity method and are not covered under Ind AS 107 and hence not been included above.



## 42.2. Fair value hierarchy (continued)

### Note for Financial assets

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to net asset values (NAVs) declared by the respective mutual fund houses for the relevant schemes.

## 42.3. Financial risk management objectives and policies

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by its Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, deposits, foreign currency receivables, payables, loans and borrowings.

The Group manages market risk through its finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest in order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, the finance department undertakes the interest rate risk management exercise from time to time.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

### Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas markets and purchases from suppliers in various foreign currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and it follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the Consolidated Financial Statements. The Group's maximum credit exposure to credit risk is Rs. 171027.58 lakhs (previous year Rs. 134805.63 lakhs). The Group has excluded cash and cash equivalents, other bank balances and investments in associates as the credit risk associated with them is minimal.

Financial assets are provided for, when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been provided for, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss in the subsequent reporting period. The management believes that there is no significant exposure of credit risk due to the nature of Group's business other than those for which impairment allowance has been recorded.

For details of trade receivables those are past due date refer note no. 13

### Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligation on time or at a reasonable price. The Group's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Board of Directors. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.



### 42.3. Financial risk management objectives and policies (continued)

#### (A) Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Rupees in Lakhs		
	Less than 1 Year	More than 1 Year	Total
<b>As at March 31, 2021</b>			
Borrowings*	1490.15	200.00	1690.15
Lease liabilities	6428.45	40534.10	46962.55
Trade payables	23318.67	-	23318.67
Other financial liabilities (including interest on current maturities of long term debt till maturity)	8225.97	97.95	8323.92
	<b>39463.24</b>	<b>40832.05</b>	<b>80295.29</b>
<b>As at March 31, 2020</b>			
Borrowings*	1114.22	200.00	1314.22
Lease liabilities	6322.94	44196.73	50519.67
Trade payables	25402.44	-	25402.44
Other financial liabilities	2524.35	94.70	2619.05
	<b>35363.95</b>	<b>44491.43</b>	<b>79855.38</b>

\* includes current borrowings, accrued interest obligations and future interest obligations

#### (B) Foreign currency risk exposure

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	As at 31.3.2021		As at 31.3.2020	
		Amount in foreign currency (lakhs)	Amount in Rs. lakhs	Amount in foreign currency (lakhs)	Amount in Rs. lakhs
Trade receivables	USD	44.26	3233.60	26.60	2012.44
Current liabilities	USD	31.42	2322.47	15.35	1161.76
	EURO	3.05	265.74	6.09	504.16
	GBP	0.19	19.19	1.39	130.09
	SGD	0.02	1.00	0.08	4.49
	JPY	24.68	16.57	0.00	0.00
	AED	-	-	0.10	2.08

#### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rate such as USD, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives:



**Rupees in Lakhs**

Currency of exposure	As at 31.3.2021		As at 31.3.2020	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year -USD	<b>45.56</b>	<b>(45.56)</b>	42.53	(42.53)

**(C) Exposure in mutual fund investments**

The Group manages its surplus funds majorly through investments in mutual fund schemes. The fair value of these investments is reflected through net asset values (NAVs) declared by the Asset Management Company on daily basis with regard to the invested schemes. The Group is exposed to market price risk on such investments.

**Sensitivity analysis of mutual fund investments**

Had the NAVs been higher/lower by 1% at the end of the reporting period, profit for the year ended 31.3.2021 would have increased/decreased by Rs.1319.21 lakhs (for the year ended 31.3.2020 by Rs.1083.18 lakhs).

**43. Capital management**

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves excluding non controlling interest. Net debts comprises of non-current and current debts (including trade payables and other financial liabilities), other current liabilities as reduced by cash and cash equivalents and current investments. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

Gearing ratio	As at 31.3.2021	As at 31.3.2020
Borrowings	<b>1590.21</b>	1204.85
Trade payables	<b>23318.67</b>	25402.44
Lease Liabilities	<b>31968.65</b>	34458.77
Other financial liabilities	<b>8061.40</b>	2619.05
Other current liabilities	<b>39521.90</b>	36568.62
Less : Cash and cash equivalents as per cash flow	<b>2347.73</b>	2464.34
: Current investments	<b>46208.05</b>	12865.85
<b>Net debt (A)</b>	<b>55905.05</b>	84923.54
Total equity	<b>258207.17</b>	218732.65
<b>Capital and net debt (B)</b>	<b>314112.22</b>	303656.19
<b>Gearing Ratio (A/B)</b>	<b>17.80%</b>	27.97%

No changes were made in the objectives, policies or processes during the year ended March 31, 2021.

**44. Related party transactions**

44.1 Disclosure of related parties	Place of incorporation and operation	Proportion of ownership interest / voting rights held by the parent entity	
		As at 31.3.2021	As at 31.3.2020
<b>(a) Associates:</b>			
IPM India Wholesale Trading Private Limited	India	24.80%	24.80%
KKM Management Centre Private Limited	India	36.75%	36.75%
KKM Management Centre Middle East (FZC)	U.A.E.	36.00%	36.00%





**(b) Entities of which the Holding Company is an associate:**

K K Modi Investment & Financial Service Private Limited, India  
Philip Morris Global Brands Inc., U.S.A.

**(c) Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to :**

Philip Morris Philippines Manufacturing Inc.  
Philip Morris Products S.A.  
PT Hanjaya Mandala Sampoerna Tbk.  
Philip Morris International Management SA (merged with Philip Morris Products S.A., effective April 1, 2019)  
Philip Morris Izhora, Russia  
PT Philip Morris Indonesia

**(d) Key management personnel & their relatives and other directors:**

Late Mr. K.K.Modi	President and Managing Director (upto November 2, 2019)
(Dr.) Mrs. Bina Modi	President and Managing Director (ordinary director upto November 13, 2019)
Mr. Samir Modi	Executive Director
Mr. Ruchir Kumar Modi	Ordinary Director, and a relative of Mr. K.K.Modi, Mr. Samir Modi and Mrs. Bina Modi
Mr. Sharad Aggarwal	Whole-time Director
Mr. Bisham Wadhera	Chief Executive Officer
Mr. Sunil Agrawal	Chief Financial Officer
Mr. Sanjay Gupta	Company Secretary
Ms. Priyal Bhartiya Panwani	Executive Director of a subsidiary (upto May 31, 2019)
Mr. Amit Kaushal	Executive Director of a subsidiary (w.e.f June 1, 2019)
Mr. Ashrant Bhartiya	Director of a subsidiary (Whole Time Director of a subsidiary till 1 <sup>st</sup> December, 2020)
Mr. R A Shah	Non Independent Director and Chairman of Board
Mr. Lalit Bhasin	Independent Director
Mr. Anup N. Kothari	Independent Director
Mr. Atul Kumar Gupta	Independent Director
Mrs. Nirjala Bagri	Independent Director
Mr. Sumant Bharadwaj	Independent Director (w.e.f. February 13, 2021)

**(e) Enterprises over which key management personnel and their relatives are able to exercise significant influence:**

Modicare Limited  
Beacon Travels Private Limited  
Indofil Industries Limited  
HMA Udyog Private Limited  
Bina Fashion N Food Private Limited  
Modicare Foundation  
Priyal Hitay Nidhi  
Colorbar Cosmetics Private Limited  
Gujarmal Modi Science Foundation  
MHP Staffing Private Limited  
Modi Innovative Education Society  
Modi Stratford Enterprise Management Private Limited  
International Research Park Laboratories Limited  
Crawford Bayley & Co.  
Bhasin & Co.  
Rajputana Developers Limited  
Quick Investment (India) Limited  
Good Investment (India) Limited  
Super Investment (India) Limited

**(f) Other related parties:**

Godfrey Phillips India Limited employees Gratuity Fund No.1  
Godfrey Phillips India Limited employees Gratuity Fund No.2  
Godfrey Phillips India Limited Management Staff Superannuation Fund  
Godfrey Phillips India Limited Provident Fund  
International Tobacco Company Limited employees Gratuity Fund No. 1  
International Tobacco Company Limited employees Gratuity Fund No.2  
International Tobacco Company Limited Management Staff Superannuation Fund



**44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end** **Rupees in Lakhs**

A Nature of transactions	Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the holding company		Other related parties	
	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020
<b>i) Trading transactions</b>												
Sale of goods, spare parts, etc.	19631.66 @	24580.58 @	-	-	304.13	168.56	20529.93&	20575.65&	-	-	-	-
Purchase of goods/services/spare parts	17788.92 @	1026.03 @	-	-	644.60 \$	1925.07 \$	4188.94&&	5103.53&&	-	-	-	-
Receipts from secondment of services	165.31 @*	190.13 @*	-	-	213.70 \$*	-	-	-	-	-	-	-
Interest income	243.40 @	163.20 @	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	382.46 @	106.12 @	-	-	-	-	-	-	-	-	-	-
Rent and hire charges received	-	-	-	-	143.54	96.02	-	-	-	-	-	-
Payments for professional services availed	195.00@@	746.97 @@	-	-	53.82	71.53	-	-	-	-	-	-
Donation given \$ \$	-	-	-	-	240.00	765.22	-	-	-	-	-	-
Expenses recovered	9215.90 @	10756.04 @	-	-	0.07	0.04	-	-	-	-	-	-
Expenses reimbursed	3.25 @*	2.39 @*	-	-	-	-	111.93&	2.35&	-	-	-	-
<b>ii) Other related party transactions</b>												
Dividend payment including interim dividend (gross)	-	-	-	-	-	-	-	-	-	4437.16	-	-
- Philip Morris Global Brands Inc.	-	-	-	-	-	-	-	-	-	5166.86	-	-
- K K Modi Investment & Financial Service Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Quick Investment (India) limited	-	-	-	-	-	760.17	-	-	-	-	-	-
- Good Investment (India) limited	-	-	-	-	-	1465.13	-	-	-	-	-	-
- Super Investment (India) limited	-	-	-	-	-	179.27	-	-	-	-	-	-
- HMA Udyog Private Limited	-	-	-	-	-	23.12	-	-	-	-	-	-
Technical services fee and royalty	-	-	-	-	-	-	1081.70	1466.07	-	-	-	-
- Philip Morris Products S.A.	-	-	-	-	-	-	-	-	-	-	-	-
<b>iii) Contribution to trusts</b>												
Godfrey Phillips India Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	116.60	139.89
Godfrey Phillips India Limited Provident Fund (Refer Note No. 41)	-	-	-	-	-	-	-	-	-	-	1253.13	1307.28
Godfrey Phillips India Limited Gratuity Fund no. 1	-	-	-	-	-	-	-	-	-	-	306.77	98.61



**44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end**

A Nature of transactions	Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the holding company		Other related parties	
	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020	Year ended 31.3.2021	Year ended 31.3.2020
Godfrey Phillips India Limited Gratuity Fund no. 2	-	-	-	-	-	-	-	-	-	-	-	1145.79
International Tobacco Company Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	17.60
International Tobacco Company Limited Gratuity Fund no.1	-	-	-	-	-	-	-	-	-	-	-	82.83
International Tobacco Company Limited Gratuity Fund no.2	-	-	-	-	-	-	-	-	-	-	-	58.77
<b>iv) Compensation &amp; Post Employment benefits of key management personnel and other directors \$ \$</b>												
- Samir Modi	-	-	2060.23	2381.94	-	-	-	-	-	-	-	-
- Bina Modi	-	-	-	6.00	-	-	-	-	-	-	-	-
- Ruchir Kumar Modi	-	-	150.00	150.00	-	-	-	-	-	-	-	-
- Priyal Bharita Panwani	-	-	-	9.92	-	-	-	-	-	-	-	-
- Ashant Bharita	-	-	6.45	33.17	-	-	-	-	-	-	-	-
- Bhisham Wadhera	-	-	735.82	573.52	-	-	-	-	-	-	-	-
- Sunil Agrawal	-	-	234.24	201.65	-	-	-	-	-	-	-	-
- Sanjay Gupta	-	-	183.47	139.19	-	-	-	-	-	-	-	-
- Sharad Aggarwal	-	-	452.92	217.47	-	-	-	-	-	-	-	-
- Amit Kaushal	-	-	264.79	247.64	-	-	-	-	-	-	-	-
- R. A. Shah	-	-	14.00	15.00	-	-	-	-	-	-	-	-
- Lalit Bhasin	-	-	19.00	21.00	-	-	-	-	-	-	-	-
- Anup N Kohari	-	-	17.00	17.00	-	-	-	-	-	-	-	-
- Atul Kumar Gupta	-	-	15.00	18.00	-	-	-	-	-	-	-	-
- Nirmala Bagri	-	-	12.00	8.00	-	-	-	-	-	-	-	-
- Sumant Bharadwaj	-	-	1.00	-	-	-	-	-	-	-	-	-



**44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end Rupees in Lakhs**

B Outstanding balance	Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the holding company		Other related parties	
	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020
Trade receivables	785.65 @	-	-	-	37.40	21.59	4206.39 &	54.82 &	-	-	-	-
Loans given	-	-	11.71	16.41	-	-	-	-	-	-	-	-
Trade payables	712.73 @	0.21@	-	-	57.67	151.48	1312.37&&	408.80&&&	-	-	-	-
Dues payable	66.90 @*	1.48@*	-	-	4.95	4.95	-	-	-	-	-	-
Commission payable to Samir Modi(gross)	-	-	992.43	1385.60	-	-	-	-	-	-	-	-
Other recoverable	600.34#***	548.29#***	-	-	294.85\$*	-	-	-	-	-	-	-
Technical service fee and royalty payable - Philip Morris Product S.A.	-	-	-	-	-	-	281.49&	301.65&	-	-	-	-
<b>Other payable/(recoverable)</b>												
Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	306.77	98.61
Godfrey Phillips India Limited Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	5.18	1145.79
International Tobacco Company Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	(61.44)	(39.55)
International Tobacco Company Limited Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	19.01	44.16
Godfrey Phillips India Limited Provident Fund	-	-	-	-	-	-	-	-	-	-	36.69	231.12
<b>Advance recoverable</b>												
Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	5.71

@relates to transactions with IPM India Wholesale Trading Private Limited and figures of sale and purchase of goods have been reduced by Rs.59521.16 lakhs (previous year Rs. 88436.02 lakhs) on account of sale/purchase of Marlboro cigarettes manufactured by the Company.

@\*\*relates to transactions with KKM Management Centre Private Limited.

@@relates to KKM Management Centre Private Limited amounting to Rs. 210.00 lakhs (previous year Rs. 195.00 lakhs) & KKM Management Centre Middle East (FZC) amounting to Rs. Nil (previous year Rs.536.97 lakhs). #\*\*\*includes Rs.600.34 lakhs (Previous year Rs.533.85 lakhs) from IPM India Wholesale Trading Private Limited and Nil (previous year Rs.14.44 lakhs) from KKM Management Centre Private Limited.

\$ includes Rs. 72.15 lakhs (previous year Rs. 1330.40 lakhs) from Beacon Travels Private Ltd, Rs. 398.25 lakhs (previous year Rs. 442.60 lakhs) from Bina Fashions and Foods Private Limited and Rs. 101.72 lakhs (previous year Rs. 35.95 lakhs) from Colorbar Cosmetics Private Limited

\$\* relates to transaction with Colorbar Cosmetics Pvt. Ltd.

\$\$ excludes incremental liability for gratuity and compensated absences which are actuarially determined on an overall basis.

\$\$\$ including for CSR activities.

& relates to transaction with Philip Morris Products S.A.

&& includes Rs. 3030.60 lakhs (previous year Rs. 3962.64 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs. 570.60 lakhs (previous year Rs. 1129.35 lakhs) from PT Hanjaya Mandala Sampoerna Tbk, Rs. 465.20 lakhs (previous year Rs. 11.54 lakhs) from Phillip Morris Izhora and Rs. 122.54 lakhs (previous year Rs. Nil) from Phillip Morris Indonesia.

&&& includes Rs. 855.34 lakhs (previous year Rs. 313.14 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs. Nil (previous year Rs. 95.66 lakhs) from PT Hanjaya Mandala Sampoerna Tbk and Rs. 457.03 lakhs (previous year Rs. Nil) from Philip Morris Izhora.

Additionally, the Group has entered into a transaction with an associate of K K Modi Investment & Financial Service Private Limited. Refer Note No. 48 for further details.

**Terms and conditions of transactions with related parties:**

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2021, the Group has recorded impairment of receivables relating to amounts owed by related parties Nil (31 March 2020 : Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates. Purchase and sale transactions with the related parties have been made at arm length prices.



**45. Segment Information**  
**Products from which reportable segments derive their revenues**

The Group's reportable segments under Ind AS 108 are as follows:

- i) Cigarette, tobacco and related products
- ii) Retail and related products
- iii) Others

Segment information for the year ended March 31, 2021 and March 31, 2020 is as follows:

	As at March 31, 2021			As at March 31, 2020			Total
	Cigarette, tobacco and related products	Retail and related products	Others	Cigarette, tobacco and related products	Retail and related products	Others	
<b>1 Segment revenue</b>							
- External sales (gross)	262859.21	29409.08	-	268340.04	35835.18	-	304175.22
- Other operating income	1291.09	813.10	1770.39	1658.75	925.33	42.42	2626.50
<b>Total revenue</b>	<b>264150.30</b>	<b>30222.18</b>	<b>1770.39</b>	<b>269998.79</b>	<b>36760.51</b>	<b>42.42</b>	<b>306801.72</b>
<b>2 Segment result</b>	<b>47285.47</b>	<b>(9975.30)</b>	<b>1671.49</b>	<b>55034.92</b>	<b>(12311.16)</b>	<b>(724.47)</b>	<b>41999.29</b>
Unallocable income net of unallocable expenses							9445.65
<b>Profit before finance costs and tax</b>							51444.94
Less: Finance costs							143.38
<b>Profit before tax</b>							51301.56
Share of profit of associates							49.71
Profit before tax and after share of profit of associates							51351.27
<b>3 Other information</b>							
Capital expenditure including capital work in progress and capital advances	13033.22	705.32	-	9548.56	1748.45	104.09	11401.10
Depreciation and amortization	8984.53	5104.36	-	10357.58	5090.89	-	15448.47
Non cash expenditure other than depreciation	368.59	249.01	1.76	504.11	228.70	717.15	1449.97

**45. Segment Information (continued)**

	As at March 31, 2021			As at March 31, 2020				
	Cigarette, tobacco and related products	Retail and related products	Others	Total	Cigarette, tobacco and related products	Retail and related products	Others	Total
<b>a) Segment assets</b>								
Allocable assets	175226.06	29876.26	25168.64	230270.96	157149.35	34189.95	20850.98	212190.28
Unallocable assets				142901.64				117324.02
<b>Total assets</b>				373172.60				329514.30
<b>b) Segment liabilities</b>								
Allocable liabilities	78057.16	23282.77	24.80	101364.73	76761.56	25925.64	8.32	102695.52
Unallocable liabilities				13059.91				5229.01
<b>Total liabilities</b>				114424.64				107924.53
<b>c) Capital Employed</b>								
Allocable capital employed	97168.90	6593.49	25143.84	128906.23	80387.79	8264.31	20842.66	109494.76
Unallocable capital employed				129841.73				112095.01
<b>Total capital employed</b>				258747.96				221589.77
<b>Total (b+c)</b>				373172.60				329514.30

**d) Entity wide information**

The Group operates in two principle geographical areas - India and Outside India.

The Group's revenue from operations by location of customers and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets **	
	Year ended 31.3.2021	Year ended 31.3.2020	As at 31.3.2021	As at 31.3.2020
<b>India</b>	234600.74	244733.13	109492.33	109327.57
<b>Outside India</b>	61542.13	62068.59	28.15	32.58
<b>Total</b>	296142.87	306801.72	109520.48	109360.15

\*\* Non current assets do not include deferred tax assets, financial assets-investments & other non-current financial assets

e) Segment accounting policies for the purpose of monitoring segment performance and allocating resources between segments:

In addition to the significant accounting policies applicable to the business segments as set out in Note No.4, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

Segment revenue and expenses only include items directly attributable to the segment. They do not include investment income, interest income from loans given, dividend income, profit or loss on sale/redemption/fair valuation of investments, provision for diminution in value of investments, finance cost, donations and provision for taxation (current and deferred tax). Since the corporate office of the Holding Company primarily caters to the cigarette and tobacco products segment, its expenses have been considered to be attributable to the same. There is no single customer contributing more than 10% of the total revenue.

ii) Segment assets and liabilities:

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of net fixed assets, inventories, trade receivables, loans and advances and operating cash and bank balances. Segment liabilities include all operating liabilities and consist principally of trade payables and other financial liabilities. Segment assets and liabilities do not include investments, loans given, bank balances for unclaimed dividend and fixed deposits, unclaimed interest, share capital, reserves and surplus, loan funds, dividends payable and income-tax (current and deferred tax).



**46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

Name of the entity	As at 31.3.2021		For the year ended 31.3.2021		For the year ended 31.3.2021		For the year ended 31.3.2021	
	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs.in Lakhs)	As % of consolidated profit or loss	Amount (Rs.in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs.in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs.in Lakhs)
<b>Parent</b>								
Godfrey Phillips India Limited	93.39%	241643.03	94.82%	35694.10	-7.48%	(135.95)	90.10%	35558.15
<b>Subsidiaries</b>								
<b>a) Indian</b>								
1.International Tobacco Company Limited	1.99%	5139.97	0.57%	214.87	2.01%	36.54	0.64%	251.41
2.Chase Investments Limited	5.80%	15013.77	4.12%	1552.02	105.63%	1920.17	8.80%	3472.19
3.Friendly Reality Projects Limited	2.47%	6379.38	0.00%	(1.52)	0.00%	-	0.00%	(1.52)
4.Rajputana Infrastructure Corporate Limited	1.69%	4380.49	-0.20%	(73.53)	0.00%	-	-0.19%	(73.53)
5.Unique Space Developers Limited	0.05%	134.03	0.00%	(0.97)	0.00%	-	0.00%	(0.97)
<b>b) Foreign</b>								
1.Godfrey Phillips Middle East DMCC	0.19%	480.60	0.82%	309.36	0.00%	-	0.78%	309.36
2.Flavors and More, Inc.	0.00%	12.68	-0.05%	(19.68)	0.00%	-	-0.05%	(19.68)
<b>Non controlling interests in all subsidiaries</b>	0.21%	540.79	-0.01%	(5.63)	0.00%	-	-0.01%	(5.63)
<b>Associates</b>								
<b>a) Indian</b>								
1.IPM India Wholesale Trading Private Limited *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2.KKM Management Centre Private Limited	0.14%	357.23	0.00%	0.80	0.00%	-	0.00%	0.80
<b>b) Foreign</b>								
1.KKM Management Centre Middle East (FZC)	0.02%	49.22	-0.14%	(53.25)	0.00%	-	-0.13%	(53.25)
Adjustments on consolidation	-5.95%	(15383.22)	0.08%	29.17	-0.16%	(2.90)	0.07%	26.27
	<b>100.00%</b>	<b>258747.97</b>	<b>100.00%</b>	<b>37645.74</b>	<b>100.00%</b>	<b>1817.86</b>	<b>100.00%</b>	<b>39463.60</b>

\*since the share of losses have exceeded the value of investment made  
The amount stated above are as per the standalone financial statements of each of the individual entities, before making any adjustments for intragroup transactions and/or balances.





**46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (continued)**

Name of the entity	As at 31.3.2020		For the year ended 31.3.2020		For the year ended 31.3.2020		For the year ended 31.3.2020	
	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs.in Lakhs)	As % of consolidated profit or loss	Amount (Rs.in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs.in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs.in Lakhs)
<b>Parent</b>								
Godfrey Phillips India Limited	93.00%	206084.88	100.81%	38787.97	44.30%	(1081.81)	104.40%	3769.16
<b>Subsidiaries</b>								
<b>a) Indian</b>								
1.International Tobacco Company Limited	2.21%	4888.58	0.61%	232.85	5.01%	(115.27)	0.33%	117.58
2.Chase Investments Limited	5.21%	11541.61	-1.56%	(600.14)	51.81%	(1191.68)	-4.95%	(1791.82)
3.Friendly Reality Projects Limited	1.79%	3960.32	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
4.Rajputana Infrastructure Corporate Limited	1.80%	3988.69	-0.17%	(67.29)	0.00%	-	0.19%	(67.29)
5.Unique Space Developers Limited	0.06%	135.00	-0.01%	(3.56)	0.00%	-	-0.01%	(3.56)
6.Rajputana Developers Projects	1.92%	4252.08	-0.04%	(15.76)	0.00%	-	-0.04%	(15.76)
<b>b) Foreign</b>								
1.Godfrey Phillips Middle East DMCC	0.08%	171.25	0.13%	48.61	0.00%	-	0.13%	48.61
2.Flavors and More, Inc.	0.01%	32.36	-0.04%	(14.95)	0.00%	-	-0.04%	(14.95)
<b>Non controlling interests in all subsidiaries</b>	1.29%	2857.12	-0.02%	(9.59)	0.00%	-	-0.03%	(9.59)
<b>Associates</b>								
<b>a) Indian</b>								
1.IPM India Wholesale Trading Private Limited *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2.KKM Management Centre Private Limited	0.16%	356.43	-0.01%	(2.07)	0.00%	-	-0.01%	(2.07)
<b>b) Foreign</b>								
1.KKM Management Centre Middle East (FZC)	0.05%	102.47	0.13%	51.78	0.00%	-	0.14%	51.78
Adjustments on consolidation	-7.58%	(16781.02)	0.17%	70.07	-1.12%	25.79	0.27%	95.86
	<b>100.00%</b>	<b>221589.77</b>	<b>100.00%</b>	<b>38477.53</b>	<b>100.00%</b>	<b>(2299.97)</b>	<b>100.00%</b>	<b>36177.56</b>

\*since the share of losses have exceeded the value of investment made.

The amount stated above are as per the standalone financial statements of each of the individual entities, before making any adjustments for intragroup transactions and/or balances.

**47.** The Income Tax Department had searched the office premises of the Holding Company in February 2021 in connection with search carried out by them under Section 132 of the Income Tax act, 1961 on a promoter of the Holding Company. The tax officials have taken custody of certain records of the Holding Company and recorded statements of some of the Holding Company officials. Additional information has been requested by the tax authorities which is being furnished.

**48.** A subsidiary of the Group, Rajputana Infrastructure Corporate Limited (RICL) had entered into an agreement with Rajputana Fertilizers Limited (RFL) dated 8th January, 2008, as amended, to give effect to their understanding and formed an Association of Persons (AOP) under the name and style of "Rajputana Developers Projects" (a former subsidiary) for carrying on the business activity of development of certain real estate vested in RFL, on profit sharing basis on various terms and conditions mutually agreed between them and contained in the said agreement. In terms of the said agreement, RFL had vested ownership, possession and title of two land parcels at Modinagar, jointly known as 'Sikri Bagh Land' in the AOP and RICL had committed to arrange the requisite financial resources to develop the said land parcels. However, due to continuing litigation in respect of these land parcels and not so conducive real estate market conditions, not much progress could be made towards developing them for commercial gains. Accordingly, both the Parties mutually agreed to dissolve the AOP by executing the Dissolution Deed on 1st October 2020.





Subsequently, two subsidiaries of the Group, namely Rajputana Infrastructure Corporate Limited (RICL) and Friendly Reality Projects Limited (FRPL) purchased title, rights, and interest in these land parcels from Rajputana Fertilizers Limited (RFL) by virtue of sale deeds executed in their favour, with the intention of developing them into real estate property in course of time. These companies have taken possession of the said land parcels and is in the process to get their names recorded in the land records maintained by the appropriate authority.

The Group has been legally advised that the title of the seller i.e. RFL in the above land parcels is clear and marketable despite there being some long pending litigations. The Group is confident of a favorable outcome in this matter and hence no adjustment is recorded to the carrying value of the land.

- 49.** The figures for the previous year have been re-classified/re-grouped, wherever necessary, to correspond with the current year's classification/ disclosure.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm registration number: 301003E/E300005  
Chartered Accountants  
Per Atul Seksaria  
Partner  
Membership No.: 086370

Place: Faridabad  
Date: June 25, 2021

BHISHAM WADHERA  
Chief Executive Officer

SUNIL AGRAWAL  
Chief Financial Officer

SANJAY GUPTA  
Company Secretary

Place: New Delhi  
Date: June 25, 2021

For and on behalf of the Board of Directors  
of Godfrey Phillips India Limited

DR. BINA MODI  
(DIN 00048606)  
President & Managing Director

SAMIR MODI  
(DIN 00029554)  
Executive Director

SHARAD AGGARWAL  
(DIN 07438861)  
Whole-time Director

DR. LALIT BHASIN  
(DIN 00001607)

ATUL KUMAR GUPTA  
(DIN 01734070)

NIRMALA BAGRI  
(DIN 01081867)

SUMANT BHARADWAJ  
(DIN 08970744)

Directors



**GODFREY PHILLIPS**  
—INDIA LIMITED—

**GODFREY PHILLIPS INDIA LIMITED**

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