



GODFREY PHILLIPS
— INDIA LIMITED —

ANNUAL REPORT 2021 - 22

TOGETHER WE CONQUER





ANNUAL REPORT 2021-22

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GODFREY PHILLIPS
—INDIA LIMITED—

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)

DR. LALIT BHASIN

(DIN 00001607)

MR. ATUL KUMAR GUPTA

(DIN 01734070)

MRS. NIRMALA BAGRI

(DIN 01081867)

MR. SUMANT BHARADWAJ

(DIN: 08970744)

MR. SUBRAMANIAN LAKSHMINARAYANAN *

(DIN: 02808698)

*Additional Director w.e.f. 28th May, 2022

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

BANKERS

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

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.

CORPORATE IDENTITY NUMBER

L16004MH1936PLC008587

www.godfreyphillips.com

R. A. SHAH

Chairman's Message



Dear Shareholders,

As we look back at last couple of years, the macroeconomic conditions globally remained challenging, with subsequent waves of Covid-19 impacting the economic activity and business sentiments. Despite headwinds, the GDP in many countries registered a strong recovery in 2021 following a sharp decline in 2020, driven by governments' fiscal, monetary support and pent-up demand. The global GDP output increased by 6.1% in 2021 compared to 3.1% de-growth in 2020. Similarly, emerging and developing economies registered a GDP growth of 6.8% in 2021 compared

to de-growth of 2.0% in 2020. However, the recovery momentum was short lived with the escalation of Russia-Ukraine conflict at the start of 2022. This conflict, though localized, is expected to have unpredictable and undesired implications on the world-wide economies. The sanctions on Russia has impacted the global trade coupled with sharp rise in commodity and fuel prices and has eventually led to higher inflation and dampened the global economic outlook.

The Indian economy was one of the fastest growing economies with GDP growth of 8.9% in 2021 compared to a decline of 6.6% in 2020. The rebound was backed by India's strong underlying fundamentals such as rising consumerism, pick up in manufacturing activity under Aatmanirbhar Bharat initiatives and prudent fiscal and monetary policies. During first half of the year, second wave of Covid-19 severely impacted the lives of many. However, its economic impact was limited due to mini lockdown restrictions put in place by the States to curb the infection and continued growth momentum was visible across industries in second half of the year. The ongoing global macroeconomic challenges pose a near term threat but, the growth outlook remains positive on the back of increase in government spending on infrastructure development, thrust on manufacturing, growing consumer confidence, tackling supply side issues and focussing on revival in demand.

The fiscal year 2021-22 for the Company, started on a relatively challenging note with pandemic impacting the very first quarter, but steady recovery was visible in the subsequent quarters. Amidst the evolving market conditions, I am pleased to announce that the Company has delivered a strong performance during the year. It has reported Gross Sales Value of Rs. 7,325 Crores, registering a growth of 14.3% on year-on-year basis. Domestic cigarette Gross Sales Value was Rs. 6,212 Crores and International Business driven by export of unmanufactured tobacco registered revenues of Rs. 562 Crores. Our 24Seven Convenience Stores remained opened during the 2nd and 3rd waves of Covid-19 providing essential goods to consumers and store count increased to 105 at the end of year.

Tobacco Industry has also recovered gradually during the fiscal year with rise in footfalls consequent to easing of lockdown restrictions and improving business environment. India maintains its position as the second largest tobacco producer after China and the industry is primary livelihood source for millions of farmers and their families across the country. We remain conscious of our corporate social responsibility and are striving towards holistic growth by supporting the communities through various social initiatives.

Overall, your Company's strong performance during the year is a result of various factors ranging from economic recovery, revival in business activity and dedicated efforts of management on strengthening the core business, focus on product innovation and investment in sales and distribution network, both domestic and international. At Godfrey Phillips, we are well positioned to leverage India's growing consumer market and remain optimistic on maintaining the growth momentum.

I am proud to report that Godfrey Phillips has again been recognized as a 'Great Place to Work' for fourth consecutive year in a row. Also, we are conferred among India's Best Workplaces in Manufacturing in the 'Great Place to Work survey in 2022' for third consecutive time. The awards acknowledge and celebrate an inclusive and strong work culture that we are building at your Company.

Finally, the strong performance during FY22 was made possible by the efforts of all our employees and senior management team. I would like to express my gratitude for their commitment and determination in achieving these results. I also extend my gratitude to all our stakeholders for their continued support and the Board for its valuable guidance and would like to thank the customers, channel partners, farming community, and shareholders for their steadfast support and confidence.

Warm regards,

R. A. Shah

BINA MODI

President's Message



Dear Shareholders,

The fiscal year 2021-22 had started on a volatile note with second wave of Covid-19 pandemic impacting the lives of many in its very first quarter. However, the strong recovery was visible in the subsequent quarters, supported by increased government spending, favourable monetary policy support, improved consumer confidence and greater consumer spending. Yet, the year was impacted by a global pandemic, supply chain disruptions, heightened geo-political conflicts, cross-border trade interruption and sharp increase in fuel and commodity prices.

Godfrey Phillips has shown remarkable resilience and delivered a strong performance during the year, despite the challenging macroeconomic conditions. The Company's focus was on remaining agile, making positive changes to the business and adopting long term customer-centric approach to growth. We remained committed to ensuring wellbeing of our employees by creating a positive workplace environment and culture of inclusion and diversity. We are proud to be recognized as 'India's Best Companies to Work For', a feat achieved for the fourth consecutive year in a row.

In FY22, your Company reported standalone Gross Sales Value of Rs. 7,325 Crore, representing an increase of 14.3% year on year. Despite the headwinds prevailing for most part of the year, we have been able to sustain and improve operating EBITDA margins to 8.6% from 8.1% in FY21. Net profit for the year was Rs. 432 Crore, a growth of 21.0% y-o-y. Considering the strong financial performance, Board of Directors has recommended a dividend of Rs. 28 per share, as compared to Rs. 24 per share paid for the last financial year.

The Company's overall performance was augmented by the broad-based growth across business segments. The tobacco industry, in general, has recorded strong growth compared to last fiscal year due to recovery in out of home consumption with easing of Covid-19 restrictions. In line with the market, your Company registered Gross Sales of Rs. 6,212 Crore for its domestic cigarette on the back of our strong brand portfolio and propelled by gain in market share in key geographies.

Our International Business division registered Gross Sales of Rs. 562 Crore. The segment was initially impacted due to logistics hurdles but gradually the export of unmanufactured tobacco picked up and supported the top-line growth. We continue to focus on expanding our international footprint to further enhance sale of own brands of cigarettes and export of unmanufactured tobacco.

Chewing and Confectionary Business division registered Gross Sales of Rs. 106 Crore. Our strategy continues to focus on the premium pan masala segment led by Pan Vilas which is expected to drive volumes and revenue growth. In confectionary, we have expanded our product portfolio by introducing new innovative candy called FUNDA C during the year, which has received encouraging response from the consumers and focussed on distribution and availability of Naturalz Imli candy.

Godfrey Phillips convenience store chain "24Seven", registered Gross Sales of Rs. 405 Crore, delivering growth of 14% y-o-y. The performance was driven by increase in customer footfall with the easing of Covid-19 restrictions, resumption of offices and improving demand scenario. We have increased our store count from 93 in FY21 to 105 in FY22 and our business team remains steadfast to enhance store level profitability.

Overall, your Company's performance during the year is a culmination of business teams' dedicated efforts in expanding our market presence, strengthening core manufacturing capabilities and improving operating efficiency. We are committed to evolve and grow our business in line with the changing consumer preferences, penetrate even deeper into key markets and expand our physical distribution footprint both in India and internationally. Our management team remains confident of sustaining the growth momentum backed by strong underlying fundamentals of the business and increasing growth opportunity in core business segments led by favourable industry dynamics such as rising consumerism, digitalization and increasing disposable income.

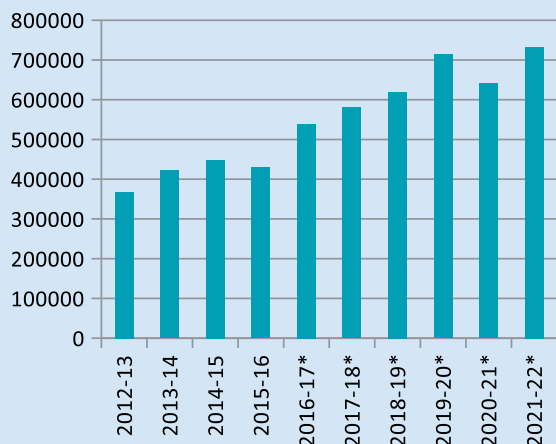
I would like to thank the leadership team of Godfrey Phillips and all the employees for their relentless commitment in the difficult times and enabling the Company to deliver strong performance. I sincerely thank the Board of Directors for providing their valuable guidance in shaping the Company and would like to thank all our consumers, partners, distributors, and shareholders for their continued trust and confidence in the Company.

Warm regards,

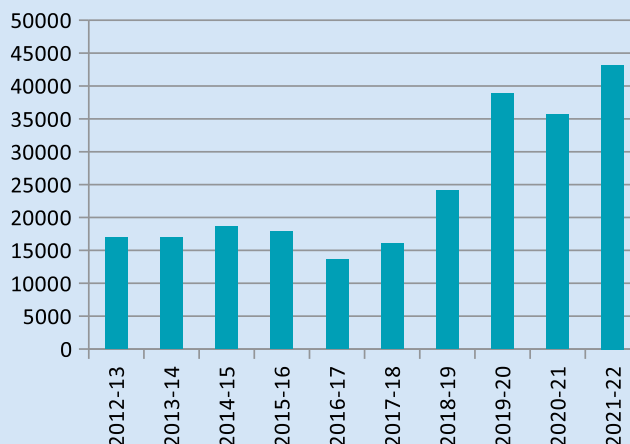
Bina Modi

Financial Highlights Trends

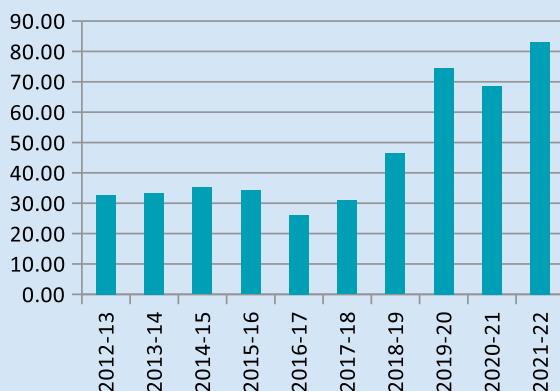
Gross Revenue* (Rs. in lakhs)



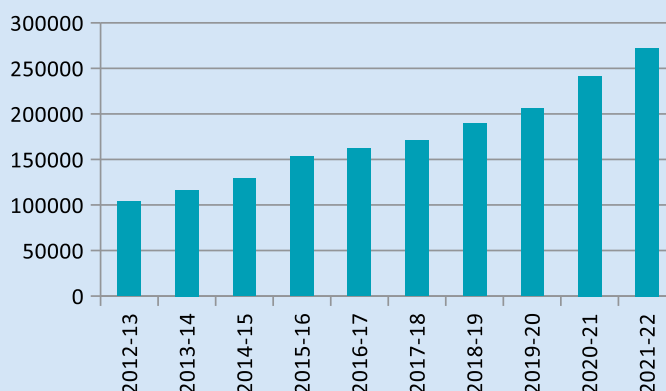
Profit After Tax (Rs. in lakhs)



Earning Per Share (in Rs.)



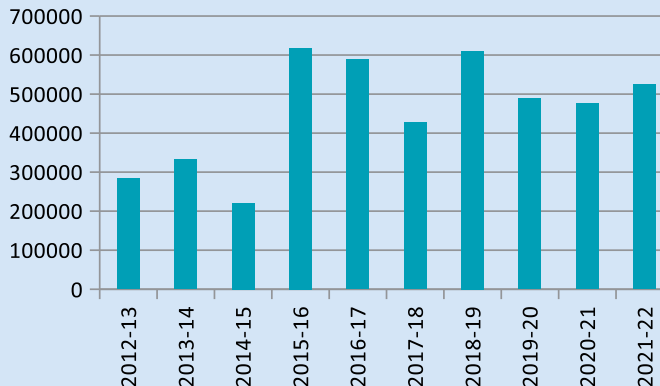
Shareholders' Fund (Rs. in lakhs)



Book Value Per Equity Share (in Rs.)



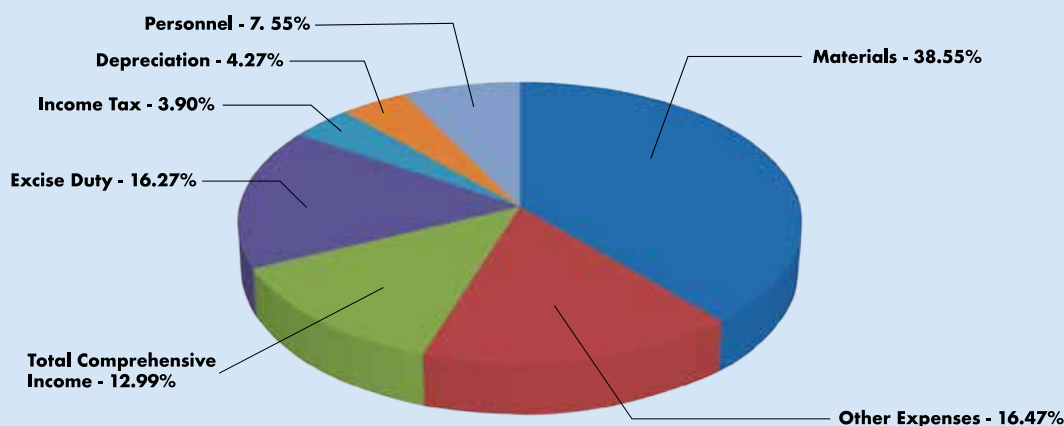
Market Capitalization (Rs. in lakhs)



*Gross Revenue figures for the financial years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 includes all applicable indirect taxes.

Financial Highlights

Revenue Distribution



(Rs. Lakhs)

PARTICULARS	2021-22*	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*	2014-15	2013-14	2012-13
CAPITAL EMPLOYED										
Property, Plant and Equipment (including Capital Work-in-Progress, Intangible Assets, Intangible Assets under development & Investment Property)	71553	72667	68348	67983	65001	68709	72434	71393	71694	71887
Right of use Assets ****	27697	30380	34475	-	-	-	-	-	-	-
Investments	171870	147584	118992	114267	89516	50006	39588	32238	35529	31853
Other Assets (net)	35350	31166	20085	11703	18955	47504	50719	51634	32052	31172
Deferred Tax Assets (net)	-	-	-	-	-	180	1186	1653	973	-
Total	306470	281797	241900	193953	173472	166399	163927	156918	140248	134912
FINANCED BY										
Shareholders' Funds	272369	241643	206085	189627	170728	159183	150964	129262	116370	104172
Borrowings	2978	7490	1114	4118	2672	7216	12963	27656	23878	30356
Lease Liabilities****	30602	31969	34459	-	-	-	-	-	-	-
Deferred Tax Liabilities (net)	521	695	242	208	72	-	-	-	-	384
Total	306470	281797	241900	193953	173472	166399	163927	156918	140248	134912
OPERATING PERFORMANCE										
Gross Revenue	332582	304344	315102	267103	293027	444281	429876	448589	422067	367282
Excise Duty	54104	43609	19144	11499	56509	200923	195922	196897	171653	157777
Depreciation	14216	13845	15238	9592	9565	9413	10220	10226	8655	8800
Profit Before Taxation	56160	46495	51590	36264	23429	19777	24562	27140	25468	23690
Profit After Taxation	43197	35694	38788	24097	16076	13635	17166	18308	17064	16948
Total Comprehensive Income**	43204	35558	37769	23914	16551	13226	16947	-	-	-
Proposed Dividend / Interim Dividend	14558	12479	12479	5199	4159	4159	4159	4159	4159	4159
Corporate Dividend Tax	-	-	2565	1069	855	847	847	847	707	707
INVESTORS' DATA										
Earning Per Equity Share (Rs)***	83.08	68.65	74.60	46.35	30.92	26.22	33.02	35.21	32.82	32.60
Dividend Per Equity Share (%)	1400	1200	1200	500	400	400	400	400	400	400
Number of Shareholders	30821	37921	22371	19079	21707	20000	16825	16169	11137	10839

* 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 85th Annual Report on the business and operations along with the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

ECONOMIC ENVIRONMENT

Global economic activity recovered strongly in 2021 following a sharp contraction in 2020 due to unprecedented Covid-19 crisis which quickly morphed into financial crisis. World GDP output recorded a robust growth of 6.1% in 2021 compared to a decline of 3.1% in 2020. The US economy registered a GDP growth of 5.7% in 2021 compared to de-growth of 3.4% in 2020 and European economy GDP recorded growth of 5.3% in 2021 compared to de-growth of 6.4% in 2020. In Asia, China recorded a GDP growth of 8% in 2021, compared to 2.3% in 2020. Overall, the growth was primarily driven by pick up in the economic activity backed by higher vaccination rates, robust consumer spending and increase in investment which was further supported by government's favourable monetary and fiscal policies. However, high commodity and fuel prices, rising debt level and spiraling inflation across the world continues to add pressure on the economic activity. The growth momentum slowed considerably by the end of 2021, including economies such as China, European Union and United States, due to the dissipation of fiscal and monetary stimulus and major supply-chain disruptions.

The global economy enters 2022 in a weaker position due to Russia and Ukraine crisis and its implications on the world economies. As a result, the global growth is expected to moderate from 5.9% in 2021 to 3.6% in 2022. Furthermore, the ongoing geopolitical tension and increasing trade sanctions continue to add to the series of supply shocks that have hit the global economy over the course of the pandemic, contributing to more shortages beyond the energy and agricultural sectors. Once again, many countries have reimposed select restrictions on mobility due to the rapid spread of Covid-19 variants. A rise in energy prices and supply disruptions has led to higher and wider-based inflation than expected, particularly in the United States and many emerging market and developing economies. Overall, the impact of Russia and Ukraine crisis, the withdrawal of broad-based extraordinary policy support and central banks' initiatives to raise interest rates to curb inflation, are collectively expected to weaken the global economic activity in 2022.

The Indian economy in tandem with global economies, registered a robust recovery of 8.2% in 2021 and was one of the fastest growing economies in the world. The growth momentum was hit by the second wave of Covid-19 in April-June 2021 but its impact on the economic activity was limited due to state-wise restrictions. The broad-based recovery across sector and industries was visible from the second half of the year and the growth was well supported by Reserve Bank of India with favourable monetary policy support and greater push on infrastructure by government of India. India also registered world's largest and successful vaccination program roll-out which allowed it to contain the effects of the Covid-19, while also pursuing its goal of economic recovery. However, the escalation of Russia and Ukraine crisis has once again dampened the economic outlook. Consequently, the sharp jump in the prices of crude oil and energy, food grains and other commodity prices have led to higher inflation globally. In May 2022, the Reserve Bank of India increased the repo rate 40 bps to 4.4% in an attempt to curb the inflation. The combination of these macroeconomic headwinds has led IMF to reduce its GDP growth target to 8.2% in 2022 as compared to 9.0% projected by it in January 2022. Despite ongoing global economic volatility, India is still expected to remain one of the fastest growing economies backed by strong consumer demand and greater push on infrastructural development by government of India.

TOBACCO INDUSTRY

India is the world's second largest tobacco producer with annual production of 800 million kg and major exporter of tobacco after China and Brazil. Indian tobacco accounts for 10% of the area and 9% of the total production in the world. Tobacco farming is drought tolerant, hardy and short duration crop and contributes a major percentage of the total value of commercial crops in India generating huge socio-economic benefits in terms of agricultural employment, incomes, revenues and foreign exchange earnings. Due to its low production costs, average farm and export prices, India has an edge over other leading tobacco producer. Given that tobacco production is highly labour intensive, the tobacco industry provides employment directly and indirectly to more than 45.7 million people working in processing, manufacturing and exports of tobacco and tobacco products.

The Indian government earns foreign exchange of around Rs. 6,500 crores through export of tobacco and tobacco products. Cigarette tobacco (Flue Cured Virginia) contributes around more than 70% of India's leaf tobacco export in value terms. Tobacco products are big contributor to the government tax revenue. On the basis of last three year average, government has collected around ₹53,000 crores of tax revenue from tobacco products and 80% of tobacco tax revenue is from legal cigarettes. In India, the legal cigarettes account for 8% of the total tobacco consumption and this is in complete contrast with rest of the world where 90% of the tobacco is in the form of cigarettes. The remaining 92% contribution is from other traditional products, like chewing tobacco, bidis, Khaini etc. and illegal cigarettes.

DIRECTORS' REPORT



GODFREY PHILLIPS
—INDIA LIMITED—

Over the years, the pace of taxation on cigarettes and the regulatory framework governing the tobacco products in India, such as the 85% pictorial warnings that appear on the packs of tobacco products, have led to a significant decline in the sale of legal cigarettes in the country while illegal cigarette trade has grown significantly as they do not bear mandated warnings and consumer perceives it safer. The share of legal cigarette has declined from 21% in 1981-82 to 8% in 2020-21 despite 50% increase in tobacco consumption in India, this clearly reflects that illegal cigarette trade has increased significantly and now accounts for roughly 1/4th of the total cigarette market in India. Government continues to curb the trade of illegal cigarette through regular raids and seizures. It also focuses on stabilizing the domestic legal cigarette market and moderation in cigarette taxation may help optimize tax collection and reduce shift towards cheaper illicit cigarettes.

The tobacco and cigarette manufacturing industry were also impacted by the Covid-19 pandemic induced lockdown restrictions and was one of the industries to resume its operations at last after upliftment of Covid restrictions. The supply chain constraints, logistics problems, increased freight rates and delays in shipping schedules, all these has attributed to the decline in export of tobacco and tobacco products. Besides this, the tobacco industry is experiencing a slowdown globally due to more restrictions being placed on smoking and tobacco consumption. During the year, the cigarette demand started to recover with the opening of economy, increase in mobility and resumption of work in offices. The market serviceability also improved with the removal of inter-state restrictions and has led to recovery in the sales and demand of cigarettes.

CONSUMER AND RETAIL INDUSTRY

India's FMCG industry is the fourth-largest sector of the economy backed by its demography and growing consumerism. The Indian economy is on the path to recovery after devastating waves of Covid-19 pandemic. Many sectors of the economy are back to their pre-pandemic levels of production. The pandemic had big impact on the FMCG sector especially during lockdown where companies were focused on re-inventing their strategies for customer acquisition, market penetration and maintaining demand-supply balance. In addition, the higher adoption of technology, digitalization, door to door delivery has given fresh impetus to FMCG sector in India. Offline sales also accelerated on the back of improved store footfalls and mobility. However, the recovery is still underway with different parts of the economy improving at varying rates. The Indian FMCG sector remained resilient in 2021 and delivered a nine-year high growth of 16%. The growth was driven by continued consumer demand and higher product prices.

The retail industry in India is witnessing a fast-paced growth, with retail development penetration expanding to tier II and III cities and not restricting to metro cities. Growing awareness, rapid urbanization, increasing working population, higher disposable income and changing lifestyles are the primary growth drivers for the sector. Business activity among micro-retailers is reaching near normal levels, as they are adopting digital business tools to boost efficiency and growth. Indian retail industry remains one of the fastest growing in the world, expected to reach to US\$ 1,407 billion by 2026 compared to US\$ 779 billion in 2019 and more than US\$ 1.8 trillion by 2030. Furthermore, E-commerce is widely considered as a way to reduce penetration costs and drive convenience buying. Increasing affordability and proliferation of smartphones coupled with affordable data prices makes online platforms easier and more convenient to reach target consumers. The Government of India's initiatives such as 'Digital India' programme has contributed significantly to the growth of e-commerce segment and India is now home to more than 800 door to customer (D2C) brands and is expected to reach US\$ 101 billion by 2025.

Government of India has taken several serious initiatives to encourage the FMCG sector in India. It has announced Production Linked Incentive Scheme (PLI) as incentive plans to encourage scaling up and to boost industry. Government has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail. These measures will help the sector to establish a robust supply chain and reduce the risk of disruption.

Further, the decline in unorganized markets in the FMCG sector is expected to augment the growth of organised sector mostly due to the increase in brand awareness, coupled with the growth of modern retail and convenience. Following the Covid-19 pandemic, consumers have rapidly adopted new technologies. The predominant theme in the Union Budget of 2022-23 is its strong focus on the creation and development of physical and digital infrastructure. The internet enabled companies are likely to reach a wider audience using online sales promoted by an improved infrastructure, competitive pricing and reduced marketing and outreach costs associated with a digital platform.

SEGMENTWISE PERFORMANCE IN 2021-22

Cigarettes

The domestic Cigarettes industry showcased resilience and signs of recovery in FY22 but it was hampered by the unprecedented headwinds of 2nd Wave of COVID-19. Illicit and contraband continue to impact the industry, with the lockdown period allowing enhanced penetration of illicit especially in the semi urban and smaller urban sections of India.



In the backdrop of this challenging situation and restrictions which had led to lower customer footfalls across markets, your Company was able to maintain its growth momentum in the Regular Size Filter Tipped (RSFT) segment and register decent growth in other segments that it operates in, backed by performance of flagship brands in core markets and introduction of some new brands/variants to not only address new opportunities but also strengthen presence in new geographies. Our main brands Four Square, Red & White, Cavanders, Stellar & Focus continue to perform strongly, especially in our core markets owing to concentrated efforts in increasing relevance to the evolving consumer needs, improving capabilities for faster product development and innovations and an organization wide effort to increasing efficiencies through cost optimizations.

Your Company is committed to driving enhanced shareholder value by pursuing various plans like portfolio expansion to address new growth opportunities, adding pricing power to flagship brands, improving distribution footprint across various states through expanded infrastructure, accelerated customer acquisition along with higher efficiencies through cost optimization.

Chewing Products

Your Company's Chewing business continues to focus on premium segment of the Industry, with a clear objective to make the business profitable. In view of the same, considerable efforts were made last year to bring Pan Vilas, our flagship brand, back on the growth path which had suffered volume losses on account of the COVID-19 pandemic.

Your Company's Confectionary business has recovered well and the sales have grown over FY21 backed by two significant initiatives, first being to grow Naturalz Imli candy by focussing on distribution and availability across markets and second being introduction of new innovative candy called FUNDA C, which offers unique benefit of taste and Vitamin C, to cash on increasing importance of Vitamin C post pandemic.

Exports

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

	2021-22	2020-21
Commodity/Product	Value (Rs. in crores)	Value (Rs. in crores)
Cigarettes	97.88	139.57
Unmanufactured tobacco/CLB	442.12	421.35
Cut tobacco	21.82	36.53
Total	561.82	597.45

Financial year 2021-22 continued to pose challenges arising from the pandemic. Cigarette and cut tobacco export business suffered as we were faced with major logistic hurdles both on account of low availability of containers as well as rising freight rates throughout the year. Also, restrictions in various markets because of the pandemic took some time for the business to come on track. Despite the turmoil, we have been able to hold on to our key clients and hope to deliver better in times to come with some new product offerings.

Unmanufactured tobacco exports though have done reasonably well despite adverse conditions experienced due to COVID-19, by registering growth of 5% over last financial year. This was made possible by meticulous planning and stakeholder management. Also, the Company has started to make a foothold in the markets of Egypt, Russia and Taiwan.

Retail

24Seven is India's only organized retail chain in the 'round the clock' convenience store format with more than 100 stores spread across Delhi NCR and Chandigarh. Despite the 2nd and 3rd Wave of COVID-19 affecting the operating hours of business, Gross sales during the FY22 increased by 14% to Rs.405 crores from Rs.354 crores in the previous year. Operational performance was also better than FY21 due to sustained cost saving initiatives and improvement in product mix and margins. During the year, we have opened a few low capex modelled stores which are operationally efficient with lower breakeven period.

We continued to follow all safety protocols as mandated and recommended by the authorities to safeguard the health and well-being of our customers and employees.

DIRECTORS' REPORT



GODFREY PHILLIPS
—INDIA LIMITED—

HUMAN RESOURCE DEVELOPMENT

Your Company has yet again been recognised among 'India's Best Companies to Work For'. This recognition is a testimony of your Company's approach towards putting people first, be it pandemic times or business as usual scenario. Best-in-class people practices, desired managerial styles, inclusive culture and assenting employee experiences at work ensures high level of people centricity, teamwork and a passionate workforce focussed on delivery of business results. Alongside, your Company is constantly upgrading and digitizing its people processes to ensure seamless reach, quick access, transparency and ease of usage for employees. Your Company has also been introducing new forms of learning, leadership development and capability building measures to upskill and reskill the workforce on an ongoing basis. Strategic people and performance focus through several employee engagement initiatives and leadership connect ensured that employees remain energised, connected and motivated.

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 are well on our way in the Cloud Transformation journey with the nationwide Sales and Distribution system, already on AWS Cloud and being further enhanced with new capabilities/feature rollouts and Digitization. Our futuristic architecture is truly multi-cloud and will offer greater agility in our future deployments. We have enhanced our overall Infrastructure setup in our Data Centre and across the organization, to fulfil the performance demands of the organization and to enable Digital Transformation in the times to come.

We are in the process of implementing an end-to-end Digital Supply Chain solution that leverages AI and ML. All the core business processes starting from a centralised Demand and Supply Planning till the final Delivery to our Distributors will be fully automated and we will have advanced control tower capabilities built into the platform.

We have an advanced Data Lake Setup to facilitate our BI and Data Analytics needs. This has matured over the last several years and is now a way of working and decision-making for our key functions like Sales and Distribution, Supply Chain and Finance. The Data Lake has feed from all our key systems and we have near real-time updates, thereby facilitating high quality decision-making. Our dashboards and algorithms constantly evolve with time and as per the demands of our ever-changing business.

We have implemented complete Work-from-Home (WFH) solutions which were tested and enhanced during the multiple Covid waves and the entire employee base 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, notably a Mobile App. All our key systems are now accessible remotely with appropriate access controls and in-built cybersecurity measures.

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/short-term schemes of various mutual funds.

FINANCIAL RESULTS

	2021-22	2020-21
	Rs. in Lakhs	Rs. in Lakhs
Profit before Depreciation and Tax	70375.75	60340.45
Less: Depreciation and amortization	14215.76	13845.10
Profit before tax	56159.99	46495.35
Less: Provision for tax		
- current tax	13137.71	10235.44
- deferred tax	(174.71)	565.81
Profit after tax for the year	43196.99	35694.10
Add: Other comprehensive income/(loss)-net of tax	7.12	(135.95)
Total comprehensive income	43204.11	35558.15



DIRECTORS' REPORT

During the year, the gross sales value registered a growth of 14.3% by reaching the level of Rs. 7325 crores from Rs. 6408 crores last year. Similarly, the profit after tax is Rs. 431.97 crores as compared to Rs. 356.94 crores last year.

DIVIDEND

Your Directors are pleased to recommend the dividend of 1400 % i.e. Rs. 28 per equity share of face value of Rs.2/- each. The proposed dividend will absorb Rs. 14558.30 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 31st March 2022, your Company had seven subsidiaries and three associate companies. The basic details of these companies form part of the Annual Return as mentioned above.

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's CSR initiatives are largely focused on tobacco farmers who are core of our business. In short-term goals to ensure farming efficiencies and impact earnings, Good Agriculture Practices has been initiated for the farmers wherein we provide technical advice, establish processes, and minimize hazards to ensure better yield and quality of crop. In long-term goals, we look at environment management – of water, soil, waste etc. The Company has built over 26 check dams, 32 farm ponds and undertaken over 22 de-siltation of ponds and tanks for water management in past 6 years. The Company has also implemented bore well recharge pits to lower impact on ground water and has created bio-diversity parks over approx. 17 acres with over 26 species of trees.

Health has the biggest impact on livelihood. The Company has installed community RO water plants in over 35 villages for access to safe potable water as Vinukonda area is dangerously high on fluoride and TDS. Health Camps are held in over 40-50 villages every year with specialists on board and free medicine distribution. Also, eliminating child labour is an essential element to our commitment to STP (Sustainable Tobacco Production) and our initiatives have led to zero child labour incidences in the past 3 years. The Company run After School Program keeps children back in school until their parents return from farms especially during harvesting time. The program looks after the children in school itself and provides nutritious food, classes in yoga, coaching and help with homework, etc.

DIRECTORS' REPORT



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The Company also invests in marginalised communities in Delhi. The program endeavours to empower vulnerable urban poor communities through better educational approach, health, life skills and leadership development programs. Collaborating with government schools like SDMC, the project works on upgrading and developing school infrastructure to create friendly and safe spaces for children to learn in along with developing modern curricula, teacher training, enabling extra-curricular activities and integration programs for weak students and dropouts. Also, it runs awareness programs on various issues that impact children and youth, from bullying to gender roles, substance abuse and sexual abuse.

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/unspent thereon during the year, reason for unspent CSR thereof and composition of the Committee has been disclosed in 'Annexure - 2'.

DIRECTORS

Mr. R. A. Shah (DIN: 00009851), who retires by rotation but has expressed his unwillingness to seek re-appointment and therefore, would cease to be a Director of the Company on conclusion of the ensuing Annual General Meeting (AGM).

The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), has resolved that the vacancy created by retirement of Mr. R. A. Shah be not filled up for the time being. Accordingly, a resolution for not filling up the vacancy caused by retirement of Mr. R. A. Shah, will form part of the Notice of the ensuing AGM.

Dr. Bina Modi (DIN: 00048606) was appointed as President and Managing Director of the Company for a period of 5 (five) years effective from 14th November, 2019. Presently she is not drawing any remuneration from the Company. However, considering her invaluable contributions to the growth of the Company and based on recommendation of the NRC, the Board has approved payment of remuneration during the unexpired tenure of her appointment i.e. from 1st June, 2022 till 13th November, 2024. Accordingly, a resolution to this effect shall form part of the Notice of the ensuing AGM.

Mr. Sharad Aggarwal (DIN: 07438861) was appointed as Whole-time Director of the Company w.e.f. 1st October, 2017 for a period of five years. Further, he was also appointed as the Functional Chief Executive Officer of the Company with effect from 27th December, 2021. Based on the recommendation of the NRC, the Board has approved the re-appointment of Mr. Sharad Aggarwal as Whole-time Director of the Company for a further period of five years with effect from 1st October, 2022. Accordingly, a resolution to this effect shall form part of the Notice of the ensuing AGM.

Based on the recommendation of the NRC, the Board has approved the appointment of Mr. Subramanian Lakshminarayanan (DIN: 02808698) as Additional Director to serve as Non-Executive Independent Director of the Company. As per provisions of the Companies Act, 2013, Mr. Lakshminarayanan's appointment is subject to the approval of the shareholders in the ensuing AGM. Accordingly, a resolution proposing appointment of Mr. Subramanian Lakshminarayanan as a Non-Executive Independent Director of the Company for a term of five years, will form part of the Notice of the ensuing AGM.

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 and responsibilities, 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 28th May, 2022.

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.

DIRECTORS' REPORT



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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.

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 2021-22 with comparatives for the year 2020-21, 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 31st March, 2022 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.Batliboi & Co. LLP, Chartered Accountants, (FRN 301003E/E300005) have been recommended for re-appointment as Statutory Auditors for another term of five (5) consecutive years by the Board of Directors at its meeting held on 28th May, 2022. Accordingly, a resolution for them to hold office from the date of conclusion of the Eighty Fifth Annual General Meeting until the date of conclusion of the Ninetieth Annual General Meeting, will form part of the Notice of the ensuing Annual General Meeting.

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.



GODFREY PHILLIPS
—INDIA LIMITED—

DIRECTORS' REPORT

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.

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

Your Company has valiantly weathered the ill-effects of the COVID-19 pandemic which adversely impacted the business operating environment and had led to slowdown in the economic activity in past two years. Your Company has taken all possible steps to get back to pre-Covid level of business. Despite prevailing uncertainty on account of this pandemic, your Company is highly optimistic of robust business 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: 28th May, 2022**

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 77.25	US Dollars USD 1 = INR 77.25
Share Capital	300.00	280.46	33.31	231.96	26.50	1,508.49	35.50
Reserves and Surplus	4,994.66	18,496.31	6,847.55	(33.25)	4,706.12	(1,492.77)	400.82
Other Liabilities	995.16	4,352.85	3.27	0.27	220.04	0.62	701.91
Total Liabilities	6,289.82	23,129.62	6,884.13	198.98	4,952.66	16.34	1,138.23
Total Assets	6,289.82	23,129.62	6,884.13	198.98	4,952.66	16.34	1,138.23
Investments (other than in subsidiaries/fellow subsidiaries)	-	22,547.55	25.09	-	-	-	-
Turnover/ Total Income	5,756.23	628.30	8.74	3.69	8.69	3.25	8,141.54
Profit/(loss) before taxation	143.25	622.78	(43.69)	(2.32)	(21.09)	3.03	(44.28)
Provision for taxation	0.93	65.76	(5.48)	-	(2.63)	-	-
Profit/(loss) after taxation	142.32	557.02	(38.21)	(2.32)	(18.46)	3.03	(44.28)
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 in the foreign subsidiaries during the year have been translated to INR at the rates that closely approximate the rate on the date of transaction.



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-22	31-Dec-21	31-Mar-22
Shares of Associate/ Joint Venture held by the Company on the year end			
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	361.65	.**	41.06
Profit / (Loss) for the year	12.04	27,482.11	(22.67)
Considered in consolidation	4.42	.**	(8.16)
Not considered in consolidation	7.62	27,482.11	(14.51)

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

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

Notes on Part A and B.

1. There are no subsidiaries/associates/joint ventures which are yet to commence operations.

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

SUNIL AGRAWAL
Chief Financial Officer

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

MR. R. A. SHAH
(DIN 00009851)
Chairman

SANJAY GUPTA
Company Secretary

SAMIR MODI
(DIN 00029554)
Executive Director

DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)

Directors

Place: New Delhi
Date: May 28, 2022

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

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 sections 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. Nirmala Bagri	Member/ Non-Executive & Independent	1	1

*ceased to be a Director consequent upon his death on 20th December, 2021.

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	https://www.godfreyphillips.com/company/investor-relation/corporate-governance/policies/
CSR Committee Composition	https://www.godfreyphillips.com/company/investor-relation/corporate-governance/board-of-directors-and-committees/
CSR Projects	https://www.godfreyphillips.com/community/#csr

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



DIRECTORS' REPORT

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			

6. Average net profit of the company as per section 135(5): Rs. 38788 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.776 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.776 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
546	0.01	26/04/2022	NA	NA	NA
	229.99	29/04/2022	NA	NA	NA

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

(Amount in Rupees Lakhs)

(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
1	Promoting Education including Special Education and Employment Enhancing Vocational Skills	Promotion of Education	No	Chhattisgarh	Raipur	Multi Year	240.30	10.30	230.00	No	Modi Innovative Education Society	CSR00012517

DIRECTORS' REPORT



GODFREY PHILLIPS
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(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	200.00	No	Modicare Foundation	CSR00009096
2.	Farmers' welfare programme and community development initiatives	Rural Development Initiatives	Yes	Andhra Pradesh	Guntur/ Ongole	175.90	No	Assist	CSR00000031
3.	Biodiversity Projects	Rural Development Initiatives	Yes	Andhra Pradesh	Darsi, Prakasam	103.11	No	Effort	CSR00000628
4.	Expenses on Covid testing, vaccination and related facilities etc.	Disaster Management	Yes	Delhi & Maharashtra	New Delhi & Mumbai	30.70	Yes		
	Total					509.71			

(d) Amount spent in Administrative Overheads: Rs. 25.99 Lakhs

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 546.00 Lakhs

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

Sl. No.	Particular	Amount (Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	776
(ii)	Total amount spent for the Financial Year	546
(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



DIRECTORS' REPORT

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).

The average 2% limit for CSR spending for the year 2021-22 was Rs. 776 lakhs. During the year, it was planned to spend the entire amount but as the request for one of the ongoing project for provision of Infrastructure for promotion of education through the implementing agency namely Modi Innovative Education Society was received during the latter part of the year, it is proposed to carry out infrastructure development work over a period of 3 years. The unspent CSR amount pertaining to this ongoing project has been transferred to a separate bank account and will be released in tranches during the tenure of the project.

Dr. Bina Modi
(Managing Director)

Date: 28th May, 2022

R.A Shah
(Chairman CSR Committee)

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: 28th May, 2022

R.A. Shah
Chairman of the Board



GODFREY PHILLIPS
—INDIA LIMITED—

DIRECTORS' REPORT

Annexure - 4

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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 Philips 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, 2022 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, 2022 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 circulars, guidelines issued thereunder by the Securities and Exchange Board of India;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (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, to the extent applicable;
- (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 ("SAST Regulations");
 - (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 to the extent applicable; Not Applicable
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 prior to its repealment; 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, 2021; Not applicable;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; 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.
 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:

DIRECTORS' REPORT



GODFREY PHILLIPS
—INDIA LIMITED—

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

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of 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/ Committee Meetings. Agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) 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, following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

Mr. Ruchir Modi, former Director of the Company has filed a complaint against Mr. Sanjay Gupta, Company Secretary of the Company for professional or other misconduct under Section 21 of the Company Secretaries Act, 1980 by stating that principles of corporate governance and provisions of Section 188 of the Companies Act, 2013 have not been complied in appointment of Mrs. Bina Modi, President and Managing Director of the Company. The Board of Discipline after considering the materials on record, agreed with the opinion that Mr. Sanjay Gupta is 'Not Guilty' of professional or other misconduct for the allegation made by Mr. Ruchir Modi but also stated that if any non-compliance observed in future of relevant provisions of the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, there could be a case of professional misconduct. Based on similar complaint filed by Mr. Ruchir Modi, the letter seeking various information and documents as issued by the Regional Director Western Region on 22nd March, 2021, consequent to inspection of the books and accounts and other books and papers ordered in terms of Section 206(5) of the Companies Act 2013, was replied by the Company alongwith submission of all the required documents vide its letter dated 9th June, 2021. Thereafter, the Company has not received any further communication in this regard from the concerned authority.

For Chandrasekaran Associates
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021
Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000370436

Date: 23.05.2022

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 the 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, 2022 pertaining to Financial Year 2021-22.

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

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Rupesh Agarwal

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302D000370436

Date: 23.05.2022

Place: Delhi

DIRECTORS' REPORT



GODFREY PHILLIPS
—INDIA LIMITED—

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 2021-22 is as follows:

Dr. Bina Modi	N. A.
Mr. Samir Modi	296.19:1
Mr. R.A. Shah*	1.32:1
Dr. Lalit Bhasin*	1.88:1
Mr. Anup N. Kothari*/**	0.44:1
Mr. Atul Kumar Gupta*	1.55:1
Mrs. Nirmala Bagri*	0.99:1
Mr. Sharad Aggarwal	53.71:1
Mr. Ruchir Kumar Modi**	N.A.
Mr. Sumant Bharadwaj*	0.66:1

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

N.A. means 'Not Applicable'

**Mr. Anup Kothari ceased to be a Director upon his demise on 20th December, 2021 and Mr. Ruchir Kumar Modi ceased to be a Director consequent upon his retirement on 5th August, 2021.

- (ii) Percentage increase/(decrease) in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2021-22 is as follows:

<u>DIRECTORS</u>	<u>DESIGNATION</u>	
Dr. Bina Modi	Managing Director	0.00
Mr. Samir Modi	Executive Director	30.25
Mr. R. A. Shah	Non-Independent and Non-executive Director	(14.29)
Dr. Lalit Bhasin	Independent Director	(10.53)
Mr. Anup N. Kothari**	Independent Director	(76.47)
Mr. Atul Kumar Gupta	Independent Director	(6.67)
Mrs. Nirmala Bagri	Independent Director	(25.00)
Mr. Ruchir Kumar Modi**	Non-Independent and Non-executive Director	(100.00)
Mr. Sharad Aggarwal	Whole-time Director	7.43
Mr. Sumant Bharadwaj*	Independent Director	500.00

*Appointed on 13th February, 2021.

**Mr. Anup Kothari ceased to be a Director upon his demise on 20th December, 2021 and Mr. Ruchir Kumar Modi ceased to be a Director consequent upon his retirement on 5th August, 2021.

KEY MANAGERIAL PERSONNEL (other than Directors)

Mr. Sunil Agrawal	Chief Financial Officer	(2.09)
Mr. Sanjay Gupta	Company Secretary	(22.08)

- (iii) The Percentage decrease in the median remuneration of all employees in the financial year 2021-22 was 4.4%.
- (iv) The Company had 962 permanent employees on its rolls as on 31st March, 2022.
- (v) The average percentile decrease in salaries of employees other than managerial personnel in the financial year 2021-22 was 4.5% in comparison with 26.13% increase in total managerial remuneration.
- (vi) The Company confirms that remuneration paid during the year 2021-22, 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. Installed Harmonic filters on transformer which resulting in saving of over 1 lakh units per annum along with reduced failure of electronic cards.
2. Installed timer on air-conditioning system in canteen and installed LED lights in place of sodium vapor lamps in outer areas resulting in saving of 17.5K units per annum.
3. Installed split air-conditioner in manual room to maintain RH and temperature during non-operating factory days resulting in saving of about Rs. 14 Lakhs on account of HVAC load optimization.
4. Reduced water consumption by 0.5KL per day through adoption of various water saving initiatives & reuse of treated water for domestic purpose.

(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. Digitized demand, production and dispatch planning process for inventory management basis past data trends and algorithm intelligence for improved process efficacy, optimized forecast, better productivity and process control
2. Installed and commissioned cigarette making and packing machine for adding capability in new super slims format.
3. Adopted technology basis past learnings for detection and rejection of non-conventional filters on cigarette making and packing machines.
4. Incorporated advanced mechanism in empty sensor on Topack pan masala pouch packing machine by updating program from 2D to 3D mechanism to improve empty pouch detection system.
5. Installed fume extraction system in-line with Fume Hood to arrest chemical fumes from chemical racks in QA lab.
6. Digitalized training feedback form, VQI system and stationary system through modernized IT applications.

(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. Work continues to create various product elements in-house and to minimize timelines in product development and ensure consistency in product quality as well as be cost competitiveness.

DIRECTORS' REPORT



GODFREY PHILLIPS
—INDIA LIMITED—

5. Updated labelling requirement of all items/SKUs in product categories as per updated FSSAI requirements for regulatory compliances.
6. R&D activities were carried out on developing alternative blends for each of the category to optimize cost with required quality standards through alternative raw materials, process improvements, efficiency improvements and waste minimization efforts.

(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.

(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 harm products.

(iv) Expenditure incurred on Research & Development

(Rs. Lakhs)

	2021-22	2020-21
(a) Revenue Expenditure	1102.24	1021.90
(b) Capital Expenditure	106.75	14.09
Total	<u>1208.99</u>	<u>1035.99</u>

AWARDS AND RECOGNITION

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

- Received "Greentech Environment Winner Award" for outstanding achievement in environment management.
- Received "Greentech Safety Winner Award" for outstanding achievement in energy 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.562 crores (previous year Rs. 597 crores) as against the foreign exchange outgo on imports, dividends and other expenditure aggregating to Rs. 220 crores (previous year Rs. 197 crores).

Annexure - 7

DIVIDEND DISTRIBUTION POLICY

Background

As per Regulation 43A of SEBI (LODR) Regulations, the top 1000 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 1000 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	2021-22	2020-21
(i)	Operating Profit Margin (%)	15.08	12.92
(ii)	Net Profit Margin ² (%)	13.44	12.15
(iii)	Debtors Turnover Ratio ¹ – Based on Gross Value	52.46	67.33
(iv)	Inventory Turnover Ratio	4.47	4.52
(v)	Current Ratio	1.89	1.81
(vi)	Return on net worth ² (%)	16.81	15.88

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 31st March, 2022 is largely attributable to higher quantum of credit sales towards end of the year which debts have been subsequently realized.
- 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: 28th May, 2022

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.

The Corporate Governance initiatives of the Company are dedicated towards achieving 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. The Board of the Company is primarily responsible for protecting and enhancing shareholders’ value besides fulfilling the Company’s obligations towards other stakeholders. The role of the Board of Directors is to provide strategic superintendence 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. We, therefore, ensure that we evolve and follow the Corporate Governance guidelines and best practices.

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 31st March, 2022, the Board comprised four independent directors (including a woman director), three executive directors and one non-executive & non-independent director.

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, 2022.



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, 2022	Membership/ Chairmanship of other Board Committees** as at March 31, 2022
1.	Mr. R.A. Shah DIN 00009851	Non-Executive & Non-Independent	5	Yes	2	1
2.	Dr. Bina Modi@@ DIN 00048606	Executive	5	Yes	5 (includes 1 as Chairman)	Nil
3.	Mr. Sharad Aggarwal DIN 07438861	Executive	5	Yes	1	Nil
4.	Dr. Lalit Bhasin DIN 00001607	Non-Executive & Independent	5	Yes	Nil	Nil
5.	Mr. Anup N. Kothari# DIN 00294737	Non-Executive & Independent	1	No	N.A.	N.A.
6.	Mr. Samir Modi@ DIN 00029554	Executive	5	Yes	5	1 (as Chairman)
7.	Mr. Atul Kumar Gupta DIN 01734070	Non-Executive & Independent	5	Yes	1	1 (as Chairman)
8.	Mr. Ruchir Kumar Modi# DIN 07174133	Non-Executive & Non-Independent	1	Yes	N.A.	N.A.
9.	Mrs. Nirmala Bagri DIN 01081867	Non-Executive & Independent	5	Yes	1	Nil
10.	Mr. Sumant Bharadwaj DIN 08970744	Non-Executive & Independent	5	Yes	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 Stakeholders Relationship Committees (excluding private companies and other non-corporate entities).

@ Son of Dr. Bina Modi.

@@ Mother of Mr. Samir Modi.

During the year, Mr. Anup Kothari ceased to be a Director consequent upon his death on 20th December, 2021 and Mr. Ruchir Kumar Modi ceased to be a Director consequent upon his retirement on 5th August, 2021.



(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 BASF India Limited Atul Limited	Non - Executive & Non – 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	Non – Executive & Independent
5.	Mr. Samir Modi	Godfrey Phillips India Limited	Executive & Non - Independent
6.	Mr. Atul Kumar Gupta	Godfrey Phillips India Limited Yash Pakka Limited	Non – Executive & Independent Non – Executive & Independent
7.	Mrs. Nirmla Bagri	Godfrey Phillips India Limited	Non - Executive & Independent
8.	Mr. Sumant Bharadwaj	Godfrey Phillips India Limited	Non – Executive & Independent

(iv) Board Meetings held during the year

5 (Five) Board Meetings were held during the financial year 2021-22. They were held on 25th June, 2021, 13th August, 2021, 23rd September, 2021, 30th October, 2021 and 29th January, 2022. 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.)	34.53	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. Rajendra Ambalal Shah (DIN 00009851), being the non-independent director, shall retire by rotation at the ensuing AGM but he has expressed his unwillingness to be re-elected.

Dr. Bina Modi (DIN 00048606) was appointed as President & Managing Director of the Company effective from 14th November, 2019 for a period of five years by way of postal ballot whose results were declared on 6th January, 2020. The Board of Directors have decided to pay her remuneration effective from 1st June, 2022 and the same is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Mr. Sharad Aggarwal (DIN 07438861) has been recommended for re-appointment as a Whole-time Director of the Company with effect from 1st October, 2022 and the same is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Mr. Subramanian Lakshminarayanan (DIN 02808698) has been appointed as an Additional Director w.e.f. 28th May, 2022 in terms of Section 161 of the Companies Act, 2013 and holds office up to the date of the ensuing Annual General Meeting. The Board of Directors has recommended his appointment as an Independent Director of the Company for a term of 5 (five) consecutive years i.e. up to 27th May, 2027. His appointment is in line with the provisions of Section 149 of the Companies Act, 2013.



Brief profile of the aforesaid Directors is given as under:

Name of the Director	Dr. Bina Modi
Director Identification Number	00048606
Date of joining the Board	14/11/2019
Qualification	Ph. D. Honoris Causa Degree by Dr. K.N. Modi University, Newai, Rajasthan
Profile of the Director	<p>Dr. Bina Modi is President & Managing Director of the Company and is credited with stellar performance of the Company during her current tenure. A businesswoman with interests in the multiple areas, she has founded and built several successful businesses. With her deep understanding of the K.K. Modi Group's intrinsic strengths and potentials, she plays a key role in aligning the core leadership team towards achieving the Company's goals. She has been conferred with Ph. D. Honoris Causa Degree by Dr. K.N. Modi University, Newai, Rajasthan in recognition of her exemplary contribution in the field of Design, Arts, Technology Management, Commerce, Agriculture, Fashion and the Hospitality Industry.</p>
Directorships and Committee memberships in other companies*	<ol style="list-style-type: none">1. Premium Merchants Limited2. Indofil Industries Limited3. Quick Investment (India) Limited4. Good Investment (India) Ltd5. Modicare Limited
Number of Shares held in the Company	3,000
Name of the Director	Mr. Sharad Aggarwal
Director Identification Number	07438861
Date of joining the Board	01/10/2017
Qualification	B.E. (Electronics) PGDBM, IMT Ghaziabad (Gold Medalist) Advanced Management Program, Harvard University
Profile of the Director	<p>Mr. Sharad Aggarwal started his carrier in 1993 with BILT, then from 1994-1999 worked as an Engineer in International Tobacco Company and worked for Honeywell and Coke between 1999-2002. He joined back the Company in 2002. And now he has been appointed as Functional Chief Executive Officer of the Company w.e.f. 27.12.2021 leading the senior management team of the Company. At the Company, he is at the helm of managing and supervising all businesses and support functions for all Domestic & International businesses, namely Cigarettes, Pan Masala, Mouth Fresheners and Confectionary. He is also on the Board of the Company as a Whole-time Director.</p>
Directorships and Committee memberships in other companies*	International Tobacco Company Limited
Number of Shares held in the Company	Nil



Name of the Director	Mr. Subramanian Lakshminarayanan
Director Identification Number	02808698
Date of joining the Board	28/05/2022
Qualification	Master's degree in science and post-graduate diploma from University of Manchester (UK) in Advanced Social and Economic Studies
Profile of the Director	Mr. Subramanian Lakshminarayanan, a retired IAS officer, has served for more than 36 years in the Indian Government in senior positions with the Ministry of Home Affairs, Ministry of Communications and Information Technology and Ministry of Information and Broadcasting and in the Department of Tourism, Culture and Public Relations; Department of Mines, Mineral Resources, Revenue and Relief; and Rehabilitation of the Government of Madhya Pradesh. His last assignment with the central government was that of Secretary in the Ministry of Home Affairs. During his tenure with the Government of India, he travelled extensively all over the world. He has served as the Vice Chairman in UNESCO's Communication Development Program in Paris for five years. He was also awarded the Honorary Doctorate Degree by Foro De Federaciones, Mexico in March 2008.
Directorships and Committee memberships in other companies*	<ol style="list-style-type: none"> 1. ELCOM Systems Pvt. Ltd. 2. Shriram Transport Finance Company Ltd. 3. ELCOM Innovations Pvt. Ltd. 4. Shriram Life Insurance Company Ltd. 5. Shriram Automall India Ltd. 6. CarTrade Tech Ltd. 7. Indofil Industries Ltd.
Number of Shares held in the Company	Nil

* 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.

(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 detail 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.

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 31st March, 2022. 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. Atul Kumar Gupta	Public Relations skills
5.	Mr. Sharad Aggarwal	Expertise in Manufacturing, Research & Development, Innovation, Technology and Supply Chain functions
6.	Mr. Samir Modi	Innovation, Leadership and Marketing skills and expertise in Retail
7.	Mrs. Nirmala Bagri	Financial and Administrative skills
8.	Mr. Sumant Bharadwaj	Legal Acumen
9.	Mr. Subramanian Lakshminarayanan*	Public Relations skills

* Mr. Subramanian Lakshminarayanan's appointment has been approved by the Board in its meeting held on 28th May, 2022 and the same is subject to the approval of the members of the Company to be obtained at the ensuing Annual General Meeting of the Company.

(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 5th August, 2021 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 4 (Four) times during the financial year 2021-22 i.e. on 25th June, 2021, 13th August, 2021, 30th October, 2021 and 29th January, 2022.

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

*ceased to be member of the Committee upon his demise on 20th December, 2021

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 28th May, 2022.
- iv) Copies of the minutes of the board meetings of all the unlisted subsidiaries held during the year 2021-22 were placed at the board meeting of the Company held on 28th May, 2022.
- 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 31st March, 2022 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 31st March, 2022 are in the ordinary course of business. Details of these transactions were placed at the Audit Committee meetings held on 25th June, 2021, 13th August, 2021, 30th October, 2021 and 29th January, 2022. 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 31st March, 2022, 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 31st March, 2022, 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 Committee

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/2018/0000000141 dt. 15th 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.

There is a Risk Management Committee comprising of Dr. Lalit Bhasin as its Chairman and Mr. Atul Kumar Gupta, Mr. Sharad Aggarwal and Mr. Bhisham Wadhera as its members.

Details of meetings held and attendance:

The meetings of Risk Management Committee were held on 30th October, 2021 and 29th March, 2022 and were attended by Dr. Lalit Bhasin, Mr. Atul Kumar Gupta, Mr. Bhisham Wadhera and Mr. Sharad Aggarwal.

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, Practicing 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 2021-22 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)	235.73
Tax Audit Fees	23.64
Non-Audit Fees	34.71
Reimbursement of Out-of-Pocket Expenses	2.04
Total	296.12

(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) Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

During the year under report, there was no instance of Loans and advances in the nature of loans to firms/companies in which directors are interested.

(L) 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.

(M) Annual Secretarial Compliance Report

The Company has undergone an audit for the financial year 2021-22 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 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.

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	12,00,000	12,00,000
Mr. Sharad Aggarwal ¹	4,37,19,200	49,36,649	Nil	Nil	4,86,55,849
Dr. Lalit Bhasin	Nil	Nil	Nil	17,00,000	17,00,000
Mr. Anup N. Kothari**	Nil	Nil	Nil	4,00,000	4,00,000
Mr. Atul Kumar Gupta	Nil	Nil	Nil	14,00,000	14,00,000
Mr. Samir Modi ²	2,40,00,000	4,12,00,079	20,31,35,742	Nil	26,83,35,821
Dr. Bina Modi ³	Nil	Nil	Nil	Nil	Nil
Mr. Ruchir Kumar Modi**	Nil	Nil	Nil	Nil	Nil
Mrs. Nirmala Bagri	Nil	Nil	Nil	9,00,000	9,00,000
Mr. Sumant Bharadwaj	Nil	Nil	Nil	6,00,000	6,00,000
Total	6,77,19,200	4,61,36,728	20,31,35,742	62,00,000	32,31,91,670

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

\$ Excluding GST paid under reverse charge.

** During the year, Mr. Anup Kothari ceased to be a Director upon his demise on 20th December, 2021 and Mr. Ruchir Kumar Modi ceased to be a Director consequent upon his retirement on 5th August, 2021

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

¹The Company has service contract with Mr. Sharad Aggarwal, Whole-time Director for a period of five years with effect from 1st October, 2017. The notice period is three calendar months by either party. No severance fee is payable to him. The Board of Directors has recommended his re-appointment for a further period of five years w.e.f. 1st October, 2022 and the same is subject to approval of the Shareholders at the ensuing AGM.

²The Company has service contract with Mr. Samir Modi, Executive Director for a period of five years with effect from 1st October, 2021. The notice period is three calendar months by either party. No severance fee is payable to him. Mr. Samir Modi is the son of Dr. Bina Modi.

³The Company has service contract with Dr. Bina Modi, Managing Director for a period of five years with effect from 14th November, 2019. The notice period is six calendar months by either party. No severance fee is payable to her. However, the Board has recommended payment of remuneration to her effective from 1st June, 2022 and the same is subject to approval of the Shareholders at the ensuing AGM. Dr. Bina Modi is mother of Mr. Samir Modi.

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, 2022
1.	Mr. R. A. Shah	20000
2.	Dr. Lalit Bhasin	2000
3.	Mr. Atul Kumar Gupta	Nil
4.	Mrs. Nirmala Bagri	Nil
5.	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 29th March, 2022 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 31st March, 2022 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 28th May, 2022.

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 two times during the financial year 2021-22 i.e. on 25th June, 2021 and 16th September, 2021.

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

*ceased to be member of the Committee upon his demise on 20th December, 2021

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 meetings of Committee were held on 13th August, 2021 and 29th January, 2022.

S.No.	Name	Category of directors	No. of meetings attended
1.	Dr. Lalit Bhasin	Non-Executive & Independent	2
2.	Dr. Bina Modi	Executive & Non-Independent	1
3.	Mr. Atul Kumar Gupta	Non-Executive & Independent	2

7 (Seven) 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 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 25th June, 2021 and the meeting was attended by Mr. R.A. Shah, Mr. Anup N. Kothari, Dr. Bina Modi, Dr. Lalit Bhasin and Mrs. Nirmala Bagri. Mr. Kothari has ceased to be a member of the Committee upon his demise on 20th December, 2021.

11. INDEPENDENT DIRECTORS' MEETING

All the Independent Directors met on 29th March, 2022 to deliberate on some important matters concerning the Company, 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
2018-19	23 rd September, 2019	3:15 PM	Y.B. Chavan Auditorium, General Jagannath Bhosle Marg (Next to Sachivalaya Gymkhana), Mumbai - 400 021	<ul style="list-style-type: none"> (1) Appointment of Mrs. Nirmala Bagri (DIN 01081867) as a Woman Independent Director for a term of 5 (five) consecutive years upto 31st March, 2024. (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 87th Annual General Meeting of the Company in the calendar year 2024. (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 87th Annual General Meeting of the Company in the calendar year 2024. (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 1st July 2019 till 30th June, 2022.
2019-20	29 th September, 2020	12:30 PM	Video Conferencing (VC)/ Other Audio Video Means (OAVM)	<ul style="list-style-type: none"> (1) Re-appointment of Mr. Atul Kumar Gupta (DIN 01734070) as an Independent Director for a term of 5 (five) consecutive years from 20th June, 2020 till 19th June, 2025. (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.
2020-21	5 th August, 2021	11:30 AM	Video Conferencing (VC)/ Other Audio Video Means (OAVM)	<ul style="list-style-type: none"> (1) Re-appointment of Mr. Samir Modi (DIN 00029554) as an Executive Director for a term of 5 (five) consecutive years w.e.f. 1st October, 2021 till 30th September, 2026.

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

Currently, there is no special resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.



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 as well as on Bombay Stock Exchange and National Stock Exchange websites : www.bseindia.com & www.nseindia.com. The half-yearly results are not sent to household of the shareholders.

Earnings Presentations relating to the Quarters ended on 31st March, 2021, 30th June, 2021, 30th September, 2021 and 31st December, 2021 were submitted to the Stock Exchange(s) and are also available on the Company's website. The Earnings presentation for the Quarter ended 31st March, 2022 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 : To be separately intimated in due course of time
Venue : To be separately intimated in due course of time

ii) Financial Calendar for 2022-23

First Quarter Results : Latest by 14th August, 2022
Second Quarter Results : Latest by 14th November, 2022
Third Quarter Results : Latest by 14th February, 2023
Annual Results : Latest by 30th May, 2023

iii) Date of Book Closure : To be separately intimated in due course of time

iv) Dividend Payment Date : To be separately intimated in due course of time

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 2021-22.

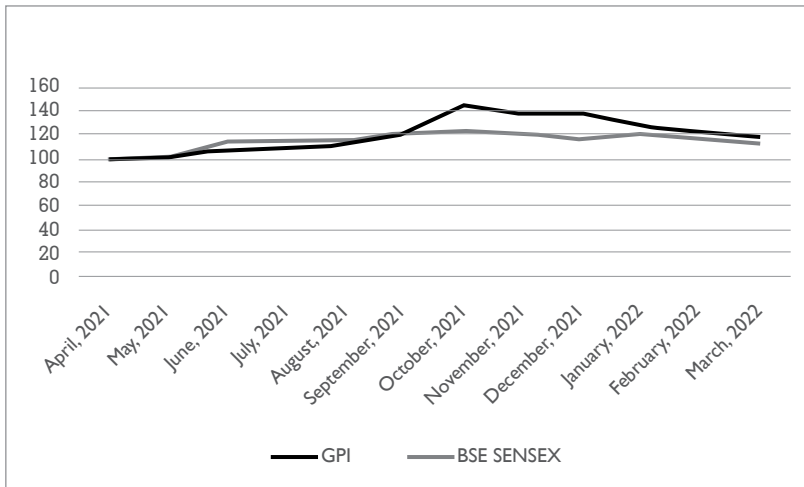
vi) Market Price Data of equity shares of the Company

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 31st March, 2022 are as under:

Month	Share Prices (Rs.) at BSE		Share Prices (Rs.) at NSE	
	High	Low	High	Low
Apr-21	934.55	831.85	935.00	841.50
May-21	925.45	857.00	928.00	855.10
Jun-21	1110.00	899.70	1110.00	897.85
Jul-21	1084.95	972.50	1085.00	972.00
Aug-21	1073.15	966.30	1075.00	968.60
Sep-21	1224.00	970.20	1224.90	970.15
Oct-21	1409.85	1170.75	1408.75	1166.35
Nov-21	1338.00	1122.25	1339.00	1119.45
Dec-21	1340.05	1110.00	1365.00	1108.85
Jan-22	1193.25	1070.00	1193.60	1051.65
Feb-22	1200.00	937.30	1195.00	933.00
Mar-22	1115.30	977.75	1116.70	977.00



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 2021-22.

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

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, 2022

Range of Shareholdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-5000	30,651	99.45	48,93,887	9.41
5001-10000	81	0.26	5,65,796	1.09
10001-20000	27	0.09	3,86,605	0.74
20001-30000	11	0.03	2,59,544	0.50
30001-40000	5	0.02	1,73,006	0.33
40001-50000	5	0.02	2,25,761	0.43
50001-100000	14	0.04	10,62,831	2.04
100001 and above	27	0.09	4,44,26,490	85.45
TOTAL	30,821	100.00	5,19,93,920	100.00



xi) Categories of shareholding as on March 31, 2022

Category of Shareholder	Number of Shares	Percentage of Shares
A. Promoter and Promoter Group	3,78,66,270	72.83
B. Public Shareholding		
Foreign Institutional Investors	0	0.00
Foreign Banks	1,500	0.00
Foreign Portfolio Investors – Corp.	52,80,757	10.15
Mutual Funds/UTI	8,01,199	1.54
Financial Institutions/Banks	41,260	0.08
Bodies Corporate	5,34,133	1.03
Individuals	65,38,703	12.57
Central Government/ State Government(s)	24,000	0.05
NRIs and OCBs	2,11,716	0.41
Other Directors & Relatives	22,000	0.04
Unclaimed Suspense Account	1,53,800	0.30
Others	5,18,582	1.00
Total Public Shareholding	1,41,27,650	27.17
Total Shareholding (A+B)	5,19,93,920	100.00

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, 2022, a total of 5,13,26,613 equity shares of the Company, which forms 98.72% 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.

Guldhar (Cigarette)	: International Tobacco Company Limited, Delhi-Meerut Road, Guldhar, Ghaziabad - 201 001.
Rabale (Cigarette)	: Plot No. 19, MIDC, TTC Industrial Area, Rabale, Navi Mumbai - 400 701.
Ghaziabad (Chewing Products)	: B-19, Meerut Road, Site No. 3, Ghaziabad.
Faridabad (Chewing Products)	: Industrial Plot No. 120, Sector-59, Industrial Estate, Tehsil Ballabgarh, District Faridabad, Haryana.
Ongole (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 31st March, 2022 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 st April, 2021	176	166885
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	8	8560
Shareholders to whom shares were transferred from the suspense account during the year	8	8560
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	10	4525
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2022	158	153800



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 : 28th May, 2022

R.A. SHAH
Chairman



GODFREY PHILLIPS
—INDIA LIMITED—

CERTIFICATE

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, 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, 2022.

Place : New Delhi
Date : May 28, 2022

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, 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, 2022 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, 2022 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, 2022, 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 : May 28, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
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' 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 and 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) 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, 2022 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	Mrs. Nirmala Bagri	01081867	01/04/2019
6	Mr. Atul Kumar Gupta	01734070	20/06/2015
7	Mr. Sharad Aggarwal	07438861	01/10/2017
8	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
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302D000397738

Date: 26.05.2022
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, 2022 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, 2022 and verified that atleast 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 01, 2021 to March 31, 2022:
 - (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, 2022, 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 Number: 086370
UDIN: 22086370AJTXWC4936

Place: New Delhi
Date: May 28, 2022



{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	www.godfreyphillips.com
5.	E-mail id	isc-gpi@modi-ent.com
6.	Financial Year reported	2021-22
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. 321533.26 Lakhs
3.	Total profit after taxes	Rs. 43196.99 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)	07438861
2	Name	Mr. Sharad Aggarwal
3	Designation	Whole-time Director & Functional Chief Executive Officer
4	Telephone number	011-26832155
5	e-mail id	shaggarwal-gpi@modi-ent.com

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"> Principle 1: Ethics, Transparency and Accountability (P1) Principle 2: Products Lifecycle Sustainability (P2) Principle 3: Employees Well-being (P3) Principle 4: Stakeholders Engagement (P4) Principle 5: Human Rights (P5) Principle 6: Environment (P6) Principle 7: Policy Advocacy (P7) Principle 8: Inclusive Growth (P8) Principle 9: Customer Value (P9)
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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 (www.godfreyphillips.com) 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 www.godfreyphillips.com . 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 the 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 100% of logical complaints are addressed in the same financial year. All statutory and local body compliances are done within the statutory timelines.

7 (Seven) complaints were received during the year from the shareholders/investors and none was pending redressal as on 31st March, 2022.

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. Environmentally friendly practices are adopted and product integrity and quality are of prime importance. Due to the adoption of various water saving technologies/initiatives & reuse of treated water for domestic purposes, the Company was able to reduce water consumption by average 0.5KL per day. Tobacco contained in rejected cigarettes is retrieved and reused and plastic core bobbins, shipper cases, wooden pallets, C-48 boxes, filter rod boxes and filter rod 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. Various measures are taken to save energy at all factory locations. The Company has taken various initiatives to optimize inventory duration which has led to reduction in working capital requirements, optimization of storage space and lowering of risk of obsolescence.

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 materials/services, manufacturing of product or delivery of services, 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.

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 major suppliers of raw materials are ISO Certified. The Company undertakes vendor development activities for raw material and packaging material suppliers. Your Company has provided technical assistance and financial support by improving payment terms from small credit period to advance/instant payment terms in certain cases to strengthen their financial capability. The Company also do periodic vendor audits and guide our vendors on different improvement areas on a regular basis.

Fertilizer bags are collected and disposed into CPA bins for further re-cycling. Empty CPA containers are disposed in CPA bins for re-cycling. The Company ensures safe disposal of material like e-waste, plastics & hazardous waste for which an agreement is entered with CPCB approved recyclers and waste disposal vendors. Further, certain waste is disposed off through approved incinerator.



The Company have energy management system (EnMS) and has chalked out activities required to be carried out for running/ maintenance of equipment and improvements to be made in these areas for Identified Significant Aspects and Hazards with regard to a) Air Aspects, b) Water Aspects, and c) Resource Depletion Aspects.

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 months 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: 962
2. Total number of employees hired on temporary/contractual/casual basis: 668
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: 8.42%
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 : 74%
 - (b) Permanent women employees : 67%
 - (c) Casual/Temporary/Contractual employees : 67%
 - (d) Employees with disabilities : Not applicable

There are established procedures aimed at accidents and injuries at workplaces. Management through classroom training sessions ensures limiting incidents as well as accidents inside the premises. It also helps ensure that workers are provided a safe working environment that does not force individuals to expose themselves to unnecessary risk. 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, safe drinking water, 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. Safe work environment including proper lighting, ventilation, installation of fire-fighting equipment, sanitization of workplace, installation of guards on machines with rotating parts, is provided to all employees.

Your Company has been adjudged among the 'Best Places to Work' in India, consecutively for the fourth 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 implementation 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 9001, ISO 14001, ISO 45001, 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 initiatives taken in recent past include optimization of fluidized bed dryer radiation resulting in reducing specific fuel consumption by 2 SCM per MT on account of Supari drying, Installation of Fume extraction system in-line with Fume Hood to arrest chemical fumes from chemical racks of QA lab, etc. 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.

All the Air emission stacks are treated before the release to the environment and are well within limits prescribed by the MPCB. All the water discharges are treated in WWTP and are reused in factory itself for gardening and toilets, enabling zero discharge except monsoon.

The Company has switched to cleaner fuel PNG for all process operations in factory i.e. boiler converted to PNG based fuel and LPG has been replaced with PNG in canteen operations. Further, we consume about 35% power from renewable sources.

The Company has a strategy to execute projects in an environmentally 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.

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, 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.

The Company constantly assesses the impact of various initiatives taken and strives towards maximizing the benefit accruing out of such initiatives.

Basis the need assessment, the CSR program of the Company was designed to focus on creating sustainable development and livelihood for communities linked to tobacco industry. The Company's short term goals are to ensure farming efficiencies to ensure sustainable livelihood from tobacco farming and long term plans are to look at water and environment conservation to manage climate change.

The Company also works for marginalised communities in Delhi. The program endeavors to empower vulnerable urban poor communities through better educational approach, health, life skills and leadership development programs. Collaborating with government schools like SDMC, the project works on upgrading and developing school infrastructure to create friendly and safe spaces for children to learn in along with developing modern curricula, teacher training, enabling extra-curricular activities and integration programs for weak students and dropouts. The project also runs awareness programs on various issues that impact children and youth, from bullying to gender roles, substance abuse and sexual abuse.

All activities under the CSR program for economically poor farmers and laborers have extensive community communication and engagement to ensure sustainability of the project. The identification of the villages itself and the activities is done on the basis of community willingness to participate, contribute (monetary, labour, in kind) and their needs. Stakeholder meetings are held regularly (Panchayat meetings, community meetings, farmers meetings, women meetings) to understand need, gauge requirement, initiative and involvement.

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 2022, 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, 2022, its profit including other comprehensive income, 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, 2022. 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
Recoverability of carrying value of net assets relating to retail business (as described in notes 5 (c) (i) of the standalone Ind AS financial statements)	
<p>As at March 31, 2022, the carrying value of net assets relating to retail business was Rs. 5,143 lakhs.</p> <p>Recoverability of carrying value of assets relating to retail business have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> - The significance of the carrying value of the underlying assets being assessed. - Continuing losses being incurred in the retail business. - The assessment of the recoverable amount of the Company's Cash Generating Unit (CGU) involves significant judgements and estimates. <p>The key judgements and estimates include future projections relating to the aforesaid CGU.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> - Obtained and assessed management analysis of internal and external factors impacting the Company's CGUs relating to retail business as per Ind AS 36. - 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 engaged by us. - Assessed the independence, competence and objectivity of the management appointed experts used for determining the recoverable amount. - Compared the recoverable amount of the assets relating to retail business to the carrying value in books. - Assessed the adequacy of disclosures made in the financial statements by the Company in this regard.
Revenue recognition (as described in notes 4.1.1 and 26 of the standalone Ind AS financial statements)	
<p>For the year ended March 31, 2022 the Company has recognized revenue from operations of Rs. 321,533.26 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"> - Read and assessed the appropriateness of the Company's revenue recognition policies. - Performed walkthroughs and test of controls, assisted by IT specialists engaged by us, of the revenue recognition processes and assessed the design and operating effectiveness of key controls. - 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.
Related party transactions (as described in note 45 of the standalone Ind AS financial statements)	
<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"> - 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. - 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. - Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents. - Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.

We have determined that there are no other key audit matters to communicate in our report.



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

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

Our opinion on the standalone 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 standalone 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 income, 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy 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, 2022 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.
- iv
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 22086370AJTXU02756

Place: New Delhi

Date: May 28, 2022

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Godfrey Phillips India Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
 - (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
 - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verifications. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
 - (b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has stood guarantee to companies as follows:

	Guarantees Amount (In Rs. Lakhs)
Aggregate amount granted/ provided during the year - Subsidiaries	758.14
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	758.14

The Company has not provided loans, advances in the nature of loans or provided security to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year, guarantees provided and the terms and conditions of the guarantees to companies are not prejudicial to the Company's interest.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions 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 information and explanations given to us, there are no loans and securities granted in respect of which provisions of section 185 and 186 of Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules



made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) 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. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax have not been deposited on account of any dispute, are as follows:

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
Central Sales Tax 1956	Sales Tax	37.72	18.86	2006-07	Sales Tax Tribunal
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
CGST ACT 2017	GST	1,277.58	-	2017-18	Upto Commissioner (Appeals) level
Uttar Pradesh (UP) VAT Act, 2008	VAT	68.65	68.65	2007-08	High Court
	VAT	542.55	253.85	2012-13, 2014-15 and 2015-16	Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	918.08	244.09	2007-08 to 2011-12	High Court
	Excise Duty	1,243.73	123.63	2008-09 to 2016-17	Customs, Excise and Service tax Appellate Tribunal
	Excise Duty	71.42	71.42	2010-11	Upto Commissioner (Appeals) level
Finance Act, 1994	Service Tax	960.13	-	2013-14 to 2017-18	Upto Commissioner (Appeals) level
Income Tax Act, 1961	Income Tax	186.55	186.55	1979 - 80 to 1982 - 83,	High Court
		14.55	14.55	2009-10	Income tax Appellate Tribunal
		930.49	555.00	2012-13 to 2017-18	Commissioner of Income Tax (Appeals)
		169.22	153.50	1999-2000, 2005-06 to 2008-09	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	13,998.31	2002-03 to 2007-08, 2009-10, 2010-11, & 2015-16	Commissioner by 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 to the financial statements.
(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 34 to the financial statements.

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner

Membership Number: 086370
UDIN: 22086370AJTXUO2756

Place: New Delhi

Date: May 28, 2022

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 with reference to standalone Ind AS financial statements of Godfrey Phillips India Limited (“the Company”) as of March 31, 2022 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these standalone 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to these Standalone Ind AS Financial Statements

A company’s internal financial controls with reference to standalone 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 controls with reference to standalone 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 with reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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: 22086370AJTXUO2756

Place: New Delhi

Date: May 28, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

STANDALONE BALANCE SHEET

as at March 31, 2022

Rupees in Lakhs

Particulars	Note No.	As at 31.3.2022	As at 31.3.2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	62337.30	67739.38
Capital work-in-progress	6	3643.57	2616.43
Investment property	7	3399.77	794.74
Right of use assets	42	27697.17	30380.39
Intangible assets	8	1350.25	949.84
Intangible assets under development	8	506.63	-
Financial assets			
- Investments	9	125035.64	101552.50
- Loans	10	317.74	452.98
- Other financial assets	15	1291.71	1471.33
Income tax assets (Net)	24	2805.34	2490.96
Other non-current assets	16	344.92	592.74
Total non-current assets		228730.04	209041.29
Current assets			
Inventories	12	75641.20	67058.20
Financial assets			
- Investments	9	46834.09	46031.05
- Trade receivables	13	15559.90	12368.56
- Cash and cash equivalents	14	1908.99	845.87
- Other bank balances	14	1711.50	1791.85
- Loans	10	172.82	153.76
- Other financial assets	15	1358.01	1461.58
Other current assets	16	12712.30	13084.32
Total current assets		155898.81	142795.19
Total assets		384628.85	351836.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1039.88	1039.88
Other equity	18	271328.72	240603.15
Total equity		272368.60	241643.03
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	19	26645.62	28179.43
- Other financial liabilities	20	181.45	97.55
Provisions	21	2355.32	2506.06
Deferred tax liabilities (Net)	11	520.71	695.42
Total non-current liabilities		29703.10	31478.46
Current liabilities			
Financial liabilities			
- Borrowings	22	2978.30	7490.15
- Lease liabilities	19	3956.61	3789.23
- Trade payables	23		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		943.78	565.73
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		24971.69	23361.56
- Other financial liabilities	20	2109.62	1829.71
Other current liabilities	25	45787.52	38821.18
Provisions	21	1483.22	1967.27
Income tax liabilities (Net)	24	326.41	890.16
Total current liabilities		82557.15	78714.99
Total liabilities		112260.25	110193.45
Total equity and liabilities		384628.85	351836.48
Notes forming part of the financial statements	1-50		

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

SUNIL AGRAWAL
Chief Financial Officer

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

MR. R.A. SHAH
Chairman
(DIN 00009851)
DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)
NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

SANJAY GUPTA
Company Secretary

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

Rupees in Lakhs

			Year ended 31.3.2022	Year ended 31.3.2021
I	Revenue from operations	26	321533.26	292574.19
II	Other income	27	11049.22	11770.04
III	Total income (I+II)		332582.48	304344.23
IV	Expenses			
	Cost of materials consumed	28	60716.88	51189.44
	Purchases of stock-in-trade	29	61015.08	72498.36
	Changes in inventories of finished goods, stock-in-trade and work-in-process	30	772.71	(1847.99)
	Excise duty		54104.14	43608.67
	Employee benefits expenses	31	25097.34	23547.17
	Finance costs	32	3378.51	3070.29
	Depreciation and amortisation expenses	6	14215.76	13845.10
	Other expenses	33	57122.07	51937.84
	Total expenses		276422.49	257848.88
V	Profit before tax (III-IV)		56159.99	46495.35
VI	Tax expense:	11		
	- Current tax		13137.71	10235.44
	- Deferred tax (credit)/charge		(174.71)	565.81
			12963.00	10801.25
VII	Profit for the year (V-VI)		43196.99	35694.10
VIII	Other comprehensive income			
	Items that will not to be reclassified to profit or loss			
	(i) Gain/(Loss) on remeasurements of the defined benefit/contribution plans	41	9.52	(181.67)
	(ii) Tax relating to items that will not be reclassified to profit or loss	11	(2.40)	45.72
	Total other comprehensive income, net of tax (i+ii)		7.12	(135.95)
IX	Total comprehensive income for the year (VII+VIII)		43204.11	35558.15
	Basic and Diluted Earnings per share after tax	35	Rs.83.08	Rs.68.65
	(Face value of share - Rs. 2 each)			
	Notes forming part of the financial statements	1-50		

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

SUNIL AGRAWAL
Chief Financial Officer

SANJAY GUPTA
Company Secretary

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

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

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

MR. R.A. SHAH
Chairman
(DIN 00009851)
DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)
NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

Rupees in Lakhs

(a) Equity share capital	Amount
Balance at April 1, 2020	1039.88
Changes in equity share capital during the year	-
Balance at March 31, 2021	1039.88
Changes in equity share capital during the year	-
Balance at March 31, 2022	1039.88

(b) Other equity

	Reserves and surplus			
	General reserves	Capital redemption reserve	Retained earnings	Total
Balance at April 1, 2020	37430.72	30.00	167584.28	205045.00
Profit for the year	-	-	35694.10	35694.10
Other comprehensive income for the year, net of income-tax	-	-	(135.95)	(135.95)
Total comprehensive income	-	-	35558.15	35558.15
Balance at March 31, 2021	37430.72	30.00	203142.43	240603.15
Profit for the year	-	-	43196.99	43196.99
Other comprehensive income for the year, net of income-tax	-	-	7.12	7.12
Total comprehensive income	-	-	43204.11	43204.11
Payment of dividends (Rs. 24 per equity share)	-	-	(12478.54)	(12478.54)
Balance at March 31, 2022	37430.72	30.00	233868.00	271328.72

Notes forming part of the financial statements 1-50

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

SUNIL AGRAWAL
Chief Financial Officer

SANJAY GUPTA
Company Secretary

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

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

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

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(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2022



GODFREY PHILLIPS
INDIA LIMITED

Rupees in Lakhs

Particulars	For the year ended 31.3.2022	For the year ended 31.3.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	56159.99	46495.35
Adjustments for:		
Depreciation and amortisation expenses	14215.76	13845.10
Interest income from:		
- Debts, deposits, loans and advances, etc.	(416.39)	(323.97)
- Non-current investments	(348.79)	(74.67)
Net gain on sale/redemption/fair value of long term investments	(5713.64)	(7996.54)
Net gain on sale/redemption/fair value of short term investments	(1688.83)	(1163.30)
Exchange (gain)/loss on foreign currency bank balance	0.06	(0.20)
Interest expenses		
- On borrowings	275.44	131.22
- On lease liabilities	2554.06	2727.66
- Others	526.51	185.10
Bad debts and advances written off	71.30	89.91
Provision for doubtful debts and advances (net)	49.00	262.42
Liabilities and provisions no longer required, written back	(463.11)	(106.51)
Property, plant and equipment written off	123.73	254.56
Gain on sale of property, plant and equipment (net)	(797.55)	(8.95)
Gain on modification/concession in leases	(745.12)	(1039.61)
	7642.43	6782.22
Operating profit before working capital changes	63802.42	53277.57
Adjustments for:		
Increase in Trade receivables, loans, other financial assets and other assets	(2512.59)	(9078.52)
Increase in Inventories	(8583.00)	(5656.99)
Increase in Trade payables, other financial liabilities, other liabilities and provisions	9357.21	1330.05
	(1738.38)	(13405.46)
Cash generated from operating activities	62064.04	39872.11
Income taxes paid (net)	(13863.93)	(9908.15)
Net cash generated by operating activities	48200.11	29963.96
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	(8020.55)	(12792.96)
Proceeds from sale of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	947.74	128.00
Investment made in subsidiaries	-	(2419.83)
Purchase of other current and non-current investments	(575961.87)	(390816.16)
Proceeds from sale/redemption of other current and non-current investments	559078.16	373804.36
Interest received	537.84	376.55
Short term fixed deposits released/(made) (net)	173.02	(84.41)
Net cash used in investing activities	(23245.66)	(31804.45)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment of)/proceeds from current borrowings (Net)	(4511.85)	375.93
Proceeds from non-current borrowings	-	6000.00
Interest paid	(3799.15)	(2873.91)
Dividend paid	(12385.87)	(253.07)
Repayment of lease liabilities	(3101.73)	(2533.03)
Net cash from/(used in) financing activities	(23798.60)	715.92
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1155.85	(1124.57)
Cash and cash equivalents at the beginning of the year (Refer Note 1 below)	1282.74	2407.11
	2438.59	1282.54
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.06)	0.20
Cash and cash equivalents at the end of the year (Refer Note 1 below)	2438.53	1282.74
Note 1:		
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
	As at 31.3.2022	As at 31.3.2021
Cash and cash equivalents (Refer Note No.14)	1908.99	845.87
Earmarked unpaid dividend accounts* (Refer Note No.14)	529.54	436.87
Total	2438.53	1282.74
* 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 1-50		

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

SUNIL AGRAWAL
Chief Financial Officer

SANJAY GUPTA
Company Secretary

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

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

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

SAMIR MODI
(DIN 00029554)
Executive Director
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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 May 28, 2022.

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. Impairment of non-financial assets.

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	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.

The useful lives of plant and machinery stated above is based on single shift working. Except for assets in respect of which no extra shift depreciation is permitted, if an item of plant and machinery is used any time during the year on double shift, the rate of depreciation shall be increased by 50% for that period and in case of triple shift the rate shall be increased by 100%.

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 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.

4.10.3. 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, 2021, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendment to Ind AS 103 - Business Combination, regarding definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107 - Financial Instruments: Disclosures, 109 - Financial Instruments, 104 - Insurance Contracts and 116 - Leases, regarding Interest Rate Benchmark Reform - Phase - 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendment to Ind AS 116 - Leases, regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105 - Non Current Assets Held For Sale and Discontinued Operations, 16 - Property, Plant and Equipment and 28 - Investments in Associates and Joint Ventures, regarding definition of recoverable amount.

4.24. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, effective from 01 April 2022, resulting in amendments such as :-

1. Amendment to Ind As 37 - Provisions, Contingent Liabilities and Contingent Assets, regarding onerous contracts- costs of fulfilling a contract
 2. Amendment to Ind AS 16 - Property, Plant and Equipment, regarding proceeds before intended use
 3. Amendment to Ind AS 101 - First-time Adoption of Indian Accounting Standards, regarding subsidiary as a first-time adopter
 4. Amendment to Ind AS 109 - Financial Instruments, regarding fees in the '10 per cent' test for derecognition of financial liabilities
 5. Amendment to Ind AS 41 - Agriculture, regarding taxation in fair value measurements.
- These amendments are not expected to have any impact on the Company. The Company has not early adopted any amendments that have been notified but are not yet effective.

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) 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.

b) 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.

c) 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 2022 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. 12431.00 lakhs (previous year Rs. 8859.00 lakhs) as against the carrying value of the net assets of the business which is Rs. 5143.00 lakhs (previous year Rs. 6804.39 lakhs) as at March 31, 2022.

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 2022 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. 5622.00 lakhs (previous year Rs. 6193.00 lakhs (determined as per value in use basis)) as against the carrying value of the net assets of the business which is Rs. 4707.00 lakhs (previous year Rs. 5429.76 lakhs) as at March 31, 2022.



6. Property, plant and equipment and capital work in progress

	As at 31.3.2022	As at 31.3.2021							
Carrying amount of:									
Property, plant and equipment	62337.30	67739.38							
Capital work-in-progress	3643.57	2616.43							
	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
Cost									
Balance at April 1, 2020	959.11	26037.47	6249.05	63415.38	1146.92	3211.76	4594.91	3298.68	108913.28
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)
Balance at March 31, 2021	959.11	26098.07	7602.00	74536.03	1162.00	3374.20	5418.95	2939.49	122089.85
Additions	-	23.31	172.51	4390.93	31.89	611.84	252.25	595.70	6078.43
Disposals	-	-	(79.74)	(206.52)	(20.96)	(111.34)	(130.11)	(582.71)	(1131.38)
Reclassification***	-	(2811.11)	-	-	-	1.79	-	-	(2809.32)
Balance at March 31, 2022	959.11	23310.27	7694.77	78720.44	1172.93	3876.49	5541.09	2952.48	124227.58
Accumulated depreciation									
Balance at April 1, 2020	-	4075.77	1774.46	34432.97	403.22	2098.18	2106.39	1522.46	46413.45
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)
Balance at March 31, 2021	-	4860.75	2513.65	39752.46	507.86	2501.71	2589.64	1624.40	54350.47
Depreciation expense	-	772.01	943.87	5613.05	101.93	338.44	495.44	299.15	8563.89
Eliminated on disposals of assets	-	-	(57.22)	(163.02)	(12.53)	(95.60)	(106.53)	(465.04)	(899.94)
Reclassification***	-	(125.84)	-	-	-	1.70	-	-	(124.14)
Balance at March 31, 2022	-	5506.92	3400.30	45202.49	597.26	2746.25	2978.55	1458.51	61890.28
Net book value									
Balance at March 31, 2022	959.11	17803.35	4294.47	33517.95	575.67	1130.24	2562.54	1493.97	62337.30
Balance at March 31, 2021	959.11	21237.32	5088.35	34783.57	654.14	872.49	2829.31	1315.09	67739.38

Notes:

* Includes Rs. 0.02 lakhs (Previous year Rs. 0.02 lakhs) being the cost of shares in co-operative societies.

** Freehold land as on March 31, 2022 includes Rs. 79.08 lakhs in respect of agricultural land admeasuring 28 Bigha and 8 Biswa situated in village Sahurpur, Tehsil Mehrauli, New Delhi. Further, Buildings include constructions made on the above land having a net book value of Rs. 644.96 lakhs as on March 31, 2022. The said land was purchased by the Company in the year 1991 and it continues to be in peaceful possession of the same along with buildings constructed thereupon. In a recent judgement delivered by the Honourable Supreme Court on May 6, 2022 in response to an appeal filed by the Delhi Development Authority, it has been held that the above referred land was acquired by the Delhi Administration under the proceedings initiated in November 1980 under the Land Acquisition Act, 1894 and has directed the authority to pay a sum of Rs. 16.62 lakhs to the Company. Basis the legal analysis of the judgment, the Company is contemplating filing a review petition before the Honourable Supreme Court as it believes that there are certain inconsistencies in the judgement. Pending the filing and disposal of the review petition, no adjustment in carrying value of land and buildings has been recorded in these financial statements.

*** Building of gross value of Rs. 2811.11 lakhs (WDV Rs. 2685.27 lakhs) has been transferred to investment property as the company is no longer proposes to use the same for business purposes

Depreciation and amortisation expenses

	Note no.	Year ended 31.3.2022	Year ended 31.3.2021
Property, plant and equipment	6	8563.89	8428.34
Investment property	7	37.76	27.36
Intangible assets	8	409.17	153.94
Right of use assets	42	5204.94	5235.46
Total		14215.76	13845.10

Capital work-in-progress (CWIP) ageing schedule

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2093.01	0.49	-	522.93	2616.43
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2021	2093.01	0.49	-	522.93	2616.43
Projects in progress	2412.61	1230.96	-	-	3643.57
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2022	2412.61	1230.96	-	-	3643.57

Note : There is no CWIP whose completion is overdue or which has materially exceeded the budgeted costs.



Rupees in Lakhs

7. Investment Property

	Freehold Land	Building	Total
Cost			
Balance as at April 1, 2020	1.60	951.56	953.16
Balance as at March 31, 2021	1.60	951.56	953.16
Disposals	-	(65.72)	(65.72)
Reclassification (Refer Note 6)	-	2811.11	2811.11
Balance as at March 31, 2022	1.60	3696.95	3698.55
Accumulated depreciation and impairment			
Balance as at April 1, 2020	-	131.06	131.06
Depreciation expense	-	27.36	27.36
Balance as at March 31, 2021	-	158.42	158.42
Depreciation expense	-	37.76	37.76
Eliminated on disposals of assets	-	(23.24)	(23.24)
Reclassification (Refer Note 6)	-	125.84	125.84
Balance as at March 31, 2022	-	298.78	298.78
Carrying amount			
Balance at March 31, 2022	1.60	3398.17	3399.77
Balance at March 31, 2021	1.60	793.14	794.74

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. 47.98 lakhs (previous year Rs.65.46 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 31.3.2022	As at 31.3.2021
Located in Maharashtra	37293.65	34162.00
Located in Uttarakhand	998.57	890.80
	38292.22	35052.80

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, 2022	As on March 31, 2021
Located in Maharashtra				
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 to 75000	16000
Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	30000	30000
Located in Uttarakhand				
Factory Land and Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	1600 to 8900	1450 to 8900

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 31.3.2022	As at 31.3.2021
8. Intangible assets and Intangible assets under development		
Carrying amount of:		
Intangible assets	1350.25	949.84
Intangible assets under development	506.63	-
	1856.88	949.84
	Computer Software	
Cost		
Balance at April 1, 2020	1182.49	
Additions	708.58	
Balance at March 31, 2021	1891.07	
Additions	809.67	
Reclassification	(1.79)	
Balance at March 31, 2022	2698.95	
Accumulated amortisation		
Balance at April 1, 2020	787.29	
Amortisation expense	153.94	
Balance at March 31, 2021	941.23	
Amortisation expense	409.17	
Reclassification	(1.70)	
Balance at March 31, 2022	1348.70	
Net book value		
Balance at March 31, 2022	1350.25	
Balance at March 31, 2021	949.84	

Intangible assets under development ageing schedule

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	-
Projects in progress	506.63	-	-	-	506.63
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2022	506.63	-	-	-	506.63

Note : There is no intangible asset under development whose completion is overdue or which has materially exceeded the budgeted costs.

9. Financial assets - Investments		
Non-current		
Investment in equity instruments (carried at cost)		
- Subsidiary Companies	10359.50	10359.50
- Associate Companies	110.25	110.25
Investment in mutual funds	107088.36	87362.00
Investment-others	7477.53	3720.75
	125035.64	101552.50
Current		
Investment in mutual funds	44974.12	44358.18
Investment-others	1859.97	1672.87
	46834.09	46031.05
Aggregate value of unquoted investments non-current	12474.25	12474.25
Aggregate value of quoted investments non-current	114565.89	91082.75
Aggregate value of quoted investments current	46834.09	46031.05
Market value of quoted investments non-current	114547.05	91025.02
Market value of quoted investments current	46834.09	46060.60
Aggregate value of diminution other than temporary in value of investments non-current	2004.50	2004.50
Classification of investments as per Ind AS 109		
Investments carried at fair value through profit or loss (FVTPL)	156326.98	134618.65
Investments carried at amortised cost	5073.00	2495.15
	161399.98	137113.80



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
9.1 Investment in subsidiaries		
Break-up of investment in subsidiaries (carried at cost)		
Unquoted investment		
International Tobacco Company Limited 3,00,000 Equity shares of Rs.100 each fully paid up	3250.00	3250.00
Godfrey Phillips Middle East DMCC 200 Equity shares of AED 1000 each fully paid up	35.50	35.50
Flavors And More, Inc. 1,130 Ordinary shares with no par value	1508.50	1508.50
Less: Provision made for decline in the value	1508.50	1508.50
	-	-
Chase Investments Limited 2,01,210 Equity shares of Rs.100 each fully paid up	360.26	360.26
1,58,490 Equity shares of Rs.100 each Rs.50 paid up	79.24	79.24
Friendly Reality Projects Limited 25,605 Equity shares of Rs. 100 each fully paid up	6634.50	6634.50
	10359.50	10359.50
9.2 Investment in associates		
Break-up of investment in associates (carrying amount at cost)		
Unquoted investment		
IPM India Wholesale Trading Private Limited 49,60,000 Equity shares of Rs. 10 each fully paid up	496.00	496.00
Less: Provision made for decline in the value	496.00	496.00
	-	-
KKM Management Centre Private Limited 11,02,500 Equity shares of Rs.10 each fully paid up	110.25	110.25
	110.25	110.25
	10469.75	10469.75
9.3 Investment in mutual funds		
Non-current investment in mutual funds (valued at fair value through profit or loss)	107088.36	87362.00
Current investment in mutual funds (valued at fair value through profit or loss)	44974.12	44358.18
Break-up of non-current investment in mutual funds		
Franklin Templeton Mutual Fund		
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each	-*	617.32
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each	-*	611.72
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each	-*	604.84
ICICI Prudential Mutual Fund		
41,57,762 Units of ICICI Prudential Short Term Fund-Direct Plan-Growth Option of Rs.10 each	2122.34	2021.47
1,46,62,444 Units of ICICI Prudential Banking and PSU Debt Fund-Direct Plan-Growth of Rs.10 each	3947.17	3755.99
82,11,648 (Previous year 27,82,985) Units of ICICI Prudential Medium Term Bond Fund Direct Plan-Growth of Rs. 10 each	3157.50	1008.48
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K-Direct Plan of Rs.10 each	-*	633.28
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each	-*	633.73
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N-Direct Plan of Rs.10 each	-*	629.62



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of non-current investment in mutual funds (continued)		
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U-Direct Plan of Rs. 10 each	-*	615.93
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z-Direct Plan of Rs. 10 each	-*	1234.02
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B-Direct Plan of Rs. 10 each	-*	613.36
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D-Direct Plan of Rs. 10 each	-*	609.09
1,21,31,499 Units of ICICI Prudential Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	2982.69	2851.71
2,48,96,644 Units of ICICI Prudential PSU Bond Plus SDL 40:60 Index Fund- Sep 2027 Direct Plan Growth of Rs. 10 each (Purchased during the year)	2533.06	-
49,99,750 Units of ICICI Prudential Nifty SDL Sep 2027 Index Fund- Direct Growth of Rs. 10 each (Purchased during the year)	501.99	-
Aditya Birla Sunlife Mutual Fund		
12,09,715 Units of Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan of Rs. 10 each	1103.33	1049.22
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) -Direct -Growth of Rs. 10 each	-*	623.58
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) -Direct Growth of Rs. 10 each	-*	622.11
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RW (1202 Days) -Direct Growth of Rs. 10 each	-*	618.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS)-Direct Growth of Rs. 10 each	-*	607.74
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ (1135 DAYS)-Direct Growth of Rs. 10 each	-*	603.64
2,48,52,810 Units of Aditya Birla Sun Life Nifty SDL Plus PSU Bond SEP 2026 60:40 Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	2529.10	-
1,49,07,308 Units of Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund Direct Growth of Rs. 10 each (purchased during the year)	1509.06	-
49,99,750 Units of Aditya Birla Sun Life Crisil SDL Plus AAA PSU APR 2027 60:40 Index Fund- Direct Growth of Rs 10 each (purchased during the year)	500.34	-
49,99,750 Units of Aditya Birla Sun Life Fixed Term Plan - Series TQ (1879 days)- Direct Growth of Rs. 10 each (purchased during the year)	501.66	-
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN (1099 Days) Direct Growth of Rs. 10 each	-*	598.51
20,91,866 Units of Aditya Birla Sun Life Income Fund-Growth-Direct Plan of Rs.10 each	2290.23	2161.52
15,00,657 Units of Aditya Birla Sun Life Government Securities Fund-Direct Growth of Rs.10 each (purchased during the year)	1047.70	-
IDFC Mutual Fund		
12,82,926 Units of IDFC Bond Fund-Short Term Plan-Growth-Direct Plan of Rs. 10 each	628.59	601.21
78,77,427 Units of IDFC Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	1263.56	1202.70
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan - Growth (1170 Days) of Rs. 10 each	-*	612.42
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan - Growth (1160 Days) of Rs. 10 each	-*	608.07
31,47,921 Units of IDFC Banking & PSU Debt Fund-Direct Plan-Growth of Rs. 10 each	642.15	615.12
1,90,89,508 Units of IDFC Gilt 2027 Index Fund Direct Plan- Growth of Rs. 10 each (purchased during the year)	2016.62	-



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of non-current investment in mutual funds (continued)		
HDFC Mutual Fund		
2,60,51,855 Units of HDFC Banking and PSU Debt Fund Direct Growth Option of Rs. 10 each	4991.32	4754.30
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	-*	1272.13
50,00,000 Units of HDFC FMP 1274D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	-*	634.14
50,00,000 Units of HDFC FMP 1154D February 2019 (1)-Direct-Growth Series 43 of Rs.10 each	-*	607.99
50,00,000 Units of HDFC FMP 1126D March 2019 (1)-Direct-Growth Series 44 of Rs.10 each	-*	604.28
1,09,30,550 Units of HDFC Corporate Bond Fund-Direct Plan-Growth Option of Rs. 10 each	2894.56	2752.69
54,62,331 (Previous year 33,02,012) Units of HDFC Medium Term Debt Fund-Direct Plan-Growth Option of Rs.10 each	2652.47	1507.85
89,83,476 Units of HDFC Short Term Debt Fund-Direct Plan-Growth Option of Rs.10 each	2355.39	2241.10
SBI Mutual Fund		
1,26,95,752 Units of SBI Short Term Debt Fund-Direct Plan-Growth of Rs. 10 each	3456.97	3304.55
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) -Direct-Growth of Rs. 10 each	-*	632.45
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) -Direct-Growth of Rs. 10 each	-*	625.63
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days) -Direct-Growth of Rs. 10 each	-*	618.15
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)-Direct Growth of Rs. 10 each	-*	610.89
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)-Direct Growth of Rs. 10 each	-*	609.50
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)-Direct Growth of Rs. 10 each	-*	609.86
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)-Direct Growth of Rs. 10 each	-*	603.27
43,174 Units of SBI Banking & PSU Debt Fund- Direct Growth of Rs. 1000 each	1151.89	1102.66
90,59,366 Units of SBI Corporate Bond Fund- Direct Plan-Growth of Rs.10 each	1157.34	1106.53
1,99,05,488 Units of SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund -Direct Growth of Rs. 10 each (purchased during the year)	2015.51	-
AXIS Mutual Fund		
83,523 units of Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) of Rs. 1000 each	1826.70	1752.14
22,47,787 Units of Axis Short Term Fund - Direct Plan - Growth(ST-DG) of Rs. 10 each	599.77	570.98
60,24,637 (Previous year 40,58,268) Units of Axis Dynamic Bond Fund - Direct Plan - Growth (DBDGG) of Rs. 10 each	1571.19	1006.89
66,41,858 (Previous year 44,64,883) Units of Axis Strategic Bond Fund - Direct Plan - Growth (IF-DG) of Rs. 10 each	1593.55	1006.96
99,99,500 Units of Axis Crisil SDL 2027 Debt Index Fund- Direct Growth (CR-DG) of Rs. 10 each (purchased during the year)	1000.86	-
99,20,237 Units of Axis AAA Bond Plus SDL ETF 2026 Maturity Regular Growth of Rs. 10 each (purchased during the year)	1046.10	-
DSP Mutual Fund		
49,99,750 Units of DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund-Direct-Growth of Rs. 10 each (purchased during the year)	501.39	-



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of non-current investment in mutual funds (continued)		
Nippon India Mutual Fund		
81,97,863 (Previous year 65,82,430) Units of Nippon India Dynamic Bond Fund Direct Growth Plan of Rs.10 each	2601.82	1997.94
29,17,578 Units of Nippon India Floating Rate Fund Direct Growth Plan of Rs.10 each	1101.22	1049.98
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04- Direct- Growth Plan of Rs.10 each	-*	649.31
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX-Series 9- Direct -Growth Plan of Rs.10 each	-*	637.44
49,99,750 Units of Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund -Direct -Growth of Rs. 10 each (purchased during the year)	501.78	-
10,00,000 Units of Nippon India ETF- Nifty SDL -2026 Maturity of Rs. 100 each (purchased during the year)	1080.70	-
UTI Mutual Fund		
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-I-1209 Days -Direct-Growth Plan of Rs. 10 each	-*	616.51
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-III-1174 Days-Direct Growth Plan of Rs. 10 each	-*	612.06
1,76,45,229 Units of UTI Corporate Bond Fund-Direct Growth Plan of Rs. 10 each	2364.97	2259.68
TATA Mutual Fund		
49,99,750 Units of Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund- Direct Growth of Rs 10 each (Purchased during the year)	499.98	-
Kotak Mutual Fund		
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	-*	634.28
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	-*	625.76
19,858 Units of Kotak Corporate Bond Fund Direct Growth of Rs. 1000 each	622.13	592.69
54,72,469 Units of Kotak Banking and PSU Debt Fund Direct-Growth of Rs. 10 each	2970.52	2819.61
65,14,905 Units of Kotak Dynamic Bond Fund Direct-Growth of Rs. 10 each	2097.55	1988.37
1,05,82,394 (Previous year 54,07,152) Units of Kotak Medium Term Fund Direct-Growth of Rs. 10 each	2094.03	998.63
60,86,604 Units of Kotak Bond (Short Term) -Direct Plan-Growth of Rs. 10 each	2781.32	2646.34
99,99,500 Units of Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	1004.12	-
85,085 Units of Kotak Floating Rate Fund- Direct Growth of Rs. 1000 each (purchased during the year)	1044.27	-
Edelweiss Mutual Fund		
1,00,000 Units of Edelweiss Mutual Fund Bharat Bond ETF-April 2030 of Rs.1000 each	1203.08	1134.37
45,52,180 Units of Bharat Bond FOF April 2030 - Direct Plan Growth of Rs.100 each	546.55	515.73
3,00,80,623 (Previous year 88,88,991) Units of Bharat Bond FOF April 2030 - Regular Plan Growth of Rs.10 each	3611.60	1007.07
1,93,69,004 (Previous year 98,66,305) Units of Bharat Bond FOF - April 2031 - Regular Plan Growth of Rs.10 each	2083.84	1004.58
2,90,10,935 (Previous year 49,99,750) Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth of Rs.10 each	3115.93	505.41
1,01,43,531 Units of Bharat Bond FOF-April 2023-Regular Plan-Growth of Rs.10 each	1184.37	1131.18
46,76,553 Units of Bharat Bond FOF-April 2025- Regular Plan Growth of Rs. 10 each (purchased during the year)	506.14	-
99,995 Units of Bharat Bond ETF- April 2032 of Rs. 1000 each (purchased during the year)	1010.08	-



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of non-current investment in mutual funds (continued)		
48,13,469 Units of Bharat Bond FOF-April 2031 Direct Growth of Rs. 10 each (purchased during the year)	517.86	-
99,99,500 Units of Edelweiss CRISIL PSU Plus SDL 50:50 Oct 2025 Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	1004.50	-
1,99,24,070 Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund – 2027- Direct Growth of Rs. 10 each (Purchased during the year)	2033.57	-
HSBC Mutual Fund		
49,99,750 Units of HSBC CRISIL IBX 50:50 GILT PLUS SDL APR 2028 INDEX FUND- DIRECT GROWTH of Rs. 10 each (Purchased during the year)	499.98	-
L&T Mutual Fund		
27,52,410 Units of L&T Short Term Bond Fund-Direct Plan- Growth of Rs. 10 each	622.34	595.90
54,59,152 Units of L&T Banking and PSU Debt Fund-Direct Plan- Growth of Rs 10 each	1147.32	1097.95
98,78,565 (Previous year 65,92,441) Units of L& T Triple Ace Bond Fund Direct Plan Growth of Rs. 10 each	6,209.63	3931.67
10,02,536 Units of L&T Triple Ace Bond Fund Growth of Rs. 10 each	598.18	569.46
58,18,859 Units of L&T Banking and PSU Debt Fund-Growth of Rs. 10 each	1175.42	1129.11
Sundaram Mutual Fund		
34,70,150 Units of Sundaram Corporate Bond Fund Direct- Growth of Rs. 10 each	1161.46	1111.23
Total aggregate non-current investment in mutual funds	107088.36	87362.00
Break-up of current investment in mutual funds		
Franklin Templeton Mutual Fund		
50,00,000 Units of Franklin India Fixed Maturity Plans- Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each	645.33**	-
50,00,000 Units of Franklin India Fixed Maturity Plans- Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each	638.42**	-
50,00,000 Units of Franklin India Fixed Maturity Plans- Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each	631.67**	-
Nil (Previous year 1,00,00,000) Units of Franklin India Fixed Maturity Plans- Series 2- Plan C (1205 Days)- Direct- Growth of Rs. 10 each	-	1263.40
Nil (Previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each	-	627.88
Nil (Previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 4- Plan C (1098 Days)- Direct-Growth of Rs. 10 each	-	625.36
Nil (Previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 4- Plan D (1098 Days)- Direct-Growth of Rs. 10 each	-	597.34
Aditya Birla Sunlife Mutual Fund		
Nil (previous year 1,00,00,000) Units of Aditya Birla Sunlife Fixed Term Plan -Series PG (1148 Days) - Direct-Growth of Rs.10 each	-	1260.68
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days) -Direct Growth of Rs. 10 each	-	565.26
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) -Direct Growth of Rs. 10 each	-	619.65
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) -Direct Growth of Rs. 10 each	-	611.29
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) -Direct Growth of Rs. 10 each	-	615.31
Nil (previous year 18,33,542) Units of Aditya Birla Sun Life Floating Rate Fund- Growth Direct Plan of Rs.100 each	-	4963.09
Nil (Previous year 38,94,301) Units of Aditya Birla Sunlife Savings Fund - Growth Direct Plan of Rs.100 each	-	16622.29
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) -Direct -Growth of Rs. 10 each	649.56**	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) -Direct Growth of Rs. 10 each	647.70**	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RW (1202 Days) -Direct Growth of Rs. 10 each	644.62**	-



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of current investment in mutual funds (continued)		
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS)-Direct Growth of Rs. 10 each	633.77**	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ (1135 DAYS)-Direct Growth of Rs. 10 each	629.13**	-
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN (1099 Days) Direct Growth of Rs. 10 each	623.54**	-
70,50,988 Units of Aditya Birla Sun Life Money Manager Fund Direct Plan Growth of Rs. 10 each (Purchase during the year)	21076.14	-
HDFC Mutual Fund		
Nil (previous year 50,00,000) Units of HDFC FMP 1177D March, 2018(1) - Direct-Growth-Series 39 of Rs.10 each	-	639.40
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) - Direct-Growth-Series 43 of Rs.10 each	1337.63**	-
50,00,000 Units of HDFC FMP 1274D October 2018(1) - Direct-Growth-Series 43 of Rs.10 each	660.43**	-
50,00,000 Units of HDFC FMP 1154D February 2019(1)-Direct-Growth-Series 43 of Rs.10 each	633.10**	-
50,00,000 Units of HDFC FMP 1126D March 2019 (1)- Direct-Growth-Series 44 of Rs.10 each	629.43**	-
Nil (previous year 1,00,00,000) Units of HDFC FMP 1141D August 2018(1) -Direct-Growth-Series 42 of Rs.10 each	-	1263.72
SBI Mutual Fund		
Nil (previous year 50,00,000) Units of SBI Debt Fund Series -C-12-(1122 Days) -Direct-Growth of Rs. 10 each	-	614.51
Nil (previous year 1,00,00,000) Units of SBI Debt Fund Series -C-22-(1100 Days) -Direct-Growth of Rs. 10 each	-	1246.77
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) - Direct-Growth of Rs. 10 each	659.58**	-
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) - Direct-Growth of Rs. 10 each	651.14**	-
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days) - Direct-Growth of Rs. 10 each	645.38**	-
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)- Direct Growth of Rs. 10 each	636.13**	-
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)- Direct Growth of Rs. 10 each	635.77**	-
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)- Direct Growth of Rs. 10 each	635.58**	-
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)- Direct Growth of Rs. 10 each	630.41**	-
Nil (previous year 50,00,000) Units of SBI Debt Fund Series -C-25-(1100 Days) -Direct-Growth of Rs. 10 each	-	629.31
AXIS Mutual Fund		
Nil (previous year 50,00,000) Units of Axis Fixed Term Plan Series-96 (1124 Days) -Direct-Growth (WH-DG) of Rs.10 each	-	575.85
DSP Mutual Fund		
Nil (previous year 1,00,00,000) Units of DSP FMP- Series 221-40M -Direct-Growth of Rs 10 each	-	1258.11
Nil (previous year 50,00,000) Units of DSP FMP -S241-36M -Direct-Growth of Rs. 10 each	-	626.25
PGIM India Mutual Fund		
Nil (Previous year 50,000) Units of PGIM India Fixed Duration Fund -Series AR -Direct Plan-Growth of Rs. 1000 each	-	614.77
Nil (previous year 50,000) Units of PGIM India Fixed Duration Fund Series BE-Direct Plan-Growth of Rs. 1000 each	-	547.12
UTI Mutual Fund		
Nil (previous year 1,00,00,000) Units of UTI Fixed Term Income Fund Series XXX-III-1106 Days -Direct-Growth Plan of Rs. 10 each	-	1152.73



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of current investment in mutual funds (continued)		
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-I-1209 Days -Direct-Growth Plan of Rs. 10 each	643.29**	-
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-III-1174 Days -Direct Growth Plan of Rs. 10 each	637.77**	-
TATA Mutual Fund		
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 53 Scheme A-Direct Plan-Growth of Rs. 10 each	-	627.77
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 55 Scheme E-Direct Plan-Growth of Rs. 10 each	-	574.16
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 55 Scheme F-Direct Plan-Growth of Rs. 10 each	-	565.62
Kotak Mutual Fund		
Nil (previous year 50,00,000) Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	-	637.43
Nil (previous year 50,00,000) Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	-	635.64
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	663.06**	-
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	652.77**	-
HSBC Mutual Fund		
Nil (previous year 1,00,00,000) Units of HSBC FTS 133-Growth -Direct -1134 days of Rs.10 each	-	1233.36
Sundaram Mutual Fund		
Nil (previous year 1,50,00,000) Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	-	1918.47
Nil (previous year 50,00,000) Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	-	625.64
ICICI Mutual Fund		
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K-Direct Plan of Rs.10 each	659.99**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each	665.12**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N-Direct Plan of Rs.10 each	656.01**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U-Direct Plan of Rs.10 each	642.61**	-
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z-Direct Plan of Rs. 10 each	1288.35**	-
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B-Direct Plan of Rs. 10 each	639.93**	-
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D-Direct Plan of Rs. 10 each	635.52**	-
IDFC Mutual Fund		
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan -Growth (1170 Days) of Rs. 10 each	638.86**	-
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan -Growth (1160 Days) of Rs. 10 each	634.40**	-
Nippon India Mutual Fund		
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04 - Direct- Growth Plan of Rs.10 each	677.54**	-
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX -Series 9- Direct -Growth Plan of Rs.10 each	664.44**	-
Total aggregate current investment in mutual funds	44974.12	44358.18
9.4 Investment-others-non-current		
State Bank of India Bond (valued at amortized cost)		
100 Units of State Bank of India SR I 7.74 BD Perpetual FVRS10LAC of Rs. 10,00,000 each	1031.65	1031.65
100 (Previous year 50) Units of State Bank of India SR II 7.73 BD Perpetual FVRS10LAC of Rs. 10,00,000 each	1014.03	513.97
10 Units of State Bank of India SR I 7.72 BD Perpetual FVRS1CR of Rs. 1,00,00,000 each (purchased during the year)	1000.50	-



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
Break-up of investment others-non-current (continued)		
Bank of Baroda Bond (valued at amortized cost)		
30 Units of Bank of Baroda SR XIV 8.50 BD Perpetual FVRS10LAC of Rs 10,00,000 each	302.45	302.45
20 Units of Bank of Baroda SR XIII 8.50 BD Perpetual FVRS10LAC of Rs 10,00,000 each	212.07	212.07
100 Units of Bank of Baroda SR XV 8.15 BD Perpetual FVRS10LAC of Rs 10,00,000 each (purchased during the year)	1012.30	-
5 Units of Bank of Baroda SR XVII 7.95 BD Perpetual FVRS1CR of Rs 1,00,00,000 each (purchased during the year)	500.00	-
Investment in Alternative Investment Funds (valued at fair value through profit or loss)		
19,96,885 units of IIFL India Housing Fund of Rs. 10 each	198.11	234.76
50,00,000 Units of IIFL Select Series II of Rs. 10 each	764.64	681.67
30 Units of IIFL WEALTH PRIME LIMITED BR NCD 28FB24 FVRS10LAC of Rs 10,00,000 each (purchased during the year)	297.06	-
Investment in Market Linked Debentures (MLD) (valued at fair value through profit or loss)		
100 Units of JM Financial Asset Reconstruction Company Limited - TR XXXI BR NCD 25NV22 FVRS2LAC of Rs. 200,000 each	-*	207.18
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs. 200,000 each	-*	537.00
30 Units of JM Financial Asset Reconstruction Company Limited - TR XXXV BR NCD 11JU24 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	305.55	-
50 Units JM Financial Asset Reconstruction Company Limited - TR XXXII BR NCD 05OT23 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	525.55	-
30 Units of Arka Fincap Limited SR I BR LOA 04AG23 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	313.62	-
	7477.53	<u>3720.75</u>
9.5 Investment-others-current		
Indian Railway Finance Corporation Limited (valued at amortized cost)		
Nil (previous year 43,501) Units of Tax Free Secured Redeemable Non-convertible Bonds of Rs.1000 each fully paid up	-	435.01
Investment in Market Linked Debentures (MLD) (valued at fair value through profit or loss)		
Nil (previous year 150) Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	-	345.42
Nil (previous year 187) Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	-	244.54
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs. 2,00,000 each	577.45**	-
100 Units of JM Financial Asset Reconstruction Company Limited - TR XXXI BR NCD 25NV22 FVRS2LAC of Rs. 2,00,000 each	226.02**	-
50 Units of Piramal Capital & Housing Finance Limited - BR LOA 07OT22 FVRS10LAC of Rs. 10,00,000 each (Purchased during the year)	544.10	-
50 Units of IIFL Samasta Finance Limited BR NCD 26DC22 FVRS10LAC of Rs. 10,00,000 each (Purchased during the year)	512.40	-
Nil (previous year 500) units of Samasta Micro Finance Limited Rs. 100,000 each	-	647.90
	1859.97	<u>1672.87</u>
9.6 Other equity instruments		
Investments in equity investments (valued at fair value)		
Unquoted investment		
Molind Engineering Limited		
3,500 Equity shares of Rs.10 each fully paid up	0.25	0.25
Less: Written-off	(0.25)	(0.25)
Investment in other equity instruments	-	-
* Transferred to current investments		
** Transferred from non-current investments		



Rupees in Lakhs

**10. Financial assets - Loans (carried at amortised cost)
(unsecured considered good unless otherwise stated)**

	As at 31.3.2022	As at 31.3.2021
Non-current		
Loans to related parties (Refer Note No.45)		
- Loan to officers	3.67	7.01
Loans to employees	314.07	445.97
	<u>317.74</u>	<u>452.98</u>
Current		
Loans to related parties (Refer Note No.45)		
- Loan to officers	3.34	4.70
Loans to employees	169.48	149.06
	<u>172.82</u>	<u>153.76</u>
Total	<u>490.56</u>	<u>606.74</u>

11. Income taxes

	Year ended 31.3.2022	Year ended 31.3.2021
The major components of Income tax expenses are:		
Statement of profit and loss:		
Current income tax		
In respect of the current year	13141.95	10422.92
In respect of the prior years	(4.24)	(187.48)
Deferred tax		
In respect of the current year	(179.82)	565.14
In respect of the prior years	5.11	0.67
Total income tax expense recognised in the statement of profit and loss	<u>12963.00</u>	<u>10801.25</u>
Statement of Other Comprehensive Income:		
Current income tax		
In respect of the current year	(2.40)	(67.03)
Deferred tax		
In respect of the current year	-	112.75
Income tax credit to OCI	<u>(2.40)</u>	<u>45.72</u>
The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:		
Profit before tax	56159.99	46495.35
Income tax expense calculated at corporate tax rate of 25.168%	14134.35	11701.95
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	(1392.92)	(901.98)
Effect of reversal of excess tax provision for prior years	0.87	(186.81)
Effect of expenses that are not deductible in determining taxable profit	204.24	171.52
Effect of additions made as per probable income-tax assessments	26.35	22.95
Effect of exempt non-operating income	(7.87)	(8.76)
Others	(2.02)	2.38
At the effective income tax rate of 23.08% (Previous year: 23.23%)	<u>12963.00</u>	<u>10801.25</u>

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
For the year ended March 31, 2022				
Deferred tax assets in relation to:				
Provisions for compensated absences	858.82	(121.04)	-	737.78
Accrued expenses deductible on payment basis	477.16	(12.58)	-	464.58
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	398.35	21.17	-	419.52
Other financial assets (Net)	216.57	(19.19)	-	197.38
Provision for doubtful debts and advances	169.95	(77.50)	-	92.45
Right of use asset	798.62	322.12	-	1120.74
Provision for employee benefits- Others (Refer Note No. 21)	267.28	(38.98)	-	228.30
	<u>3211.20</u>	<u>74.00</u>	<u>-</u>	<u>3285.20</u>



Rupees in Lakhs

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Income taxes (Continued)				
Deferred tax liabilities in relation to:				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(2787.93)	402.54	-	(2385.39)
Property, plant and equipments, intangible assets and investment properties ^Y	(1118.69)	(301.83)	-	(1420.52)
	(3906.62)	100.71	-	(3805.91)
Net deferred tax (liabilities)/assets	(695.42)	174.71	-	(520.71)
For the year ended March 31, 2021				
Deferred tax assets in relation to:				
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	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
	2894.66	203.79	112.75	3211.20
Deferred tax liabilities in relation to:				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(1992.59)	(795.34)	-	(2787.93)
Property, plant and equipments, intangible assets and investment properties	(1144.43)	25.74	-	(1118.69)
	(3137.02)	(769.60)	-	(3906.62)
Net deferred tax liabilities	(242.36)	(565.81)	112.75	(695.42)

	As at 31.3.2022	As at 31.3.2021
12. Inventories		
(Lower of cost and net realisable value)		
Raw and packing materials	60479.46	50927.44
Work-in-process	474.40	544.12
Finished goods*		
- Cigarettes	8569.67	8540.30
- Chewing products	129.43	79.16
Stock-in-trade	4902.56	5685.19
Stores and spare parts (Net of provision of Rs.364.72 lakhs (Previous year Rs. 304.81 lakhs)	1085.68	1281.99
	75641.20	67058.20
Inventories include in-transit inventory of:		
Raw and packing materials	1412.61	197.46
Stock-in-trade	1104.50	413.38
Stores and spare parts	58.95	-

The cost of inventories recognised as an expense include Rs. 43.64 lakhs (Previous year Rs.46.02 lakhs) in respect of write-downs of inventory to net realisable value.

* Includes excise duty of Rs. 3747.31 lakhs (Previous year Rs. 3895.94 lakhs)



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
13. Financial assets - Trade receivables (at amortised cost)		
Unsecured - considered good	15070.36	10558.77
Unsecured - considered good - receivable from Subsidiary (Refer Note No.45)	489.54	1809.79
Unsecured - credit impaired	216.58	524.49
	15776.48	12893.05
Less: Impairment allowance	216.58	524.49
Total	15559.90	12368.56

The average credit period on sale of goods ranges upto 120 days.
Generally no interest is charged on trade receivables.
The total trade receivable as at April 1, 2020 were Rs. 6667.48 lakhs
(net of impairment allowance)

Trade receivables ageing schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables - considered good	11079.24	4344.98	91.33	23.57	7.56	13.22	15559.90
(b) Undisputed trade receivables - credit impaired	-	-	49.00	114.33	-	53.25	216.58
Balance as at 31 March, 2022	11079.24	4344.98	140.33	137.90	7.56	66.47	15776.48
(a) Undisputed trade receivables - considered good	8411.00	3849.97	72.61	21.04	13.94	-	12368.56
(b) Undisputed trade receivables - credit impaired	-	114.32	31.87	44.00	101.18	233.12	524.49
Balance as at 31 March, 2021	8411.00	3964.29	104.48	65.04	115.12	233.12	12893.05

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

	As at 31.3.2022	As at 31.3.2021
14. Financial assets - Cash and bank balances		
Cash and cash equivalents		
Cash on hand	39.02	44.72
Balances with banks - In current accounts	1869.97	801.15
	1908.99	845.87
Other bank balances:		
In earmarked accounts for - Margin money*	1180.04	1352.96
- Unpaid dividend	529.54	436.87
- Fixed deposit receipts lodged with government authorities	1.92	2.02
	1711.50	1791.85
Cash and bank balances	3620.49	2637.72
*The Company has given margin money to fulfill collateral requirements.		
15. Other financial assets (at amortised cost)		
(unsecured considered good unless otherwise stated)		
Non-current		
Security deposits	1291.71	1471.33
	1291.71	1471.33
Current		
Security deposits	328.73	84.06
Interest accrued on bank and other deposits	166.51	93.48
Other receivables (Refer Note No. 45)	862.77	1284.04
	1358.01	1461.58



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
16. Other assets		
(unsecured considered good unless otherwise stated)		
Non-current		
Capital advances	315.00	566.89
Prepaid expenses	29.59	25.49
Others	0.33	0.36
	344.92	592.74
Current		
Balance with government authorities (net of impairment allowance of Rs. 150.73 lakhs; previous year Rs. 150.73)	9732.57	11070.60
Prepaid expenses	666.85	495.94
Export incentives accrued/available	52.99	68.99
Prepayment to suppliers	1266.33	1263.91
Others (refer Note No. 45)	993.56	184.88
	12712.30	13084.32
17. Equity share capital		
Authorised		
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
	2500.00	2500.00
Issued, subscribed and fully paid up		
5,19,93,920 equity shares of Rs. 2 each	1039.88	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 31.3.2022		As at 31.3.2021	
	Number of shares	% holding	Number of shares	% holding
a) K K Modi Investment & Financial Services Pvt. Ltd.	15517916	29.85%	15493941	29.80%
b) Philip Morris Global Brands Inc.	13050475	25.10%	13050475	25.10%
c) Good Investment (India) Ltd.	4309220	8.29%	4309220	8.29%
d) The Jupiter India Fund	3281747	6.31%	3548147	6.82%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.

- (iv) Details of shares held by promoters

As at March 31, 2022

Name of the promoter	Number of shares as at 01.04.2021	Change during the year	Number of shares as at 31.3.2022	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15493941	23975	15517916	29.85%	0.15%
b) Philip Morris Global Brands Inc	13050475	-	13050475	25.10%	0.00%
c) Good Investment (India) Ltd.	4309220	-	4309220	8.29%	0.00%
d) Quick Investment (India) Ltd.	2235800	-	2235800	4.30%	0.00%
e) Super Investment (India) Ltd	527260	-	527260	1.01%	0.00%
f) K K Modi & Bina Modi Trustees -Indofil Senior Executives (Offices) Welfare Trust	386280	-	386280	0.74%	0.00%
g) K K Modi & Bina Modi Trustees -Indofil Junior Employees (Factory) Welfare Trust	380000	-	380000	0.73%	0.00%
h) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	-	308560	0.59%	0.00%



i)	K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	-	308560	0.59%	0.00%
j)	K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	-	141360	0.27%	0.00%
k)	K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	-	108220	0.21%	0.00%
l)	K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	-	100560	0.19%	0.00%
m)	Spicebulls Investments Ltd	83591	-	83591	0.16%	0.00%
n)	Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o)	Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
p)	Motto Investment Pvt Ltd	79000	-	79000	0.15%	0.00%
q)	Hma Udyog Private Ltd	77228	-	77228	0.15%	0.00%
r)	Kedarnath Modi (Trustee) Modi Spg. & Wvg Mills Co. Ltd. (Headoffice) Employees Welfare Trust	45000	-	45000	0.09%	0.00%
s)	K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
t)	Divya Tongya	11500	-	11500	0.02%	0.00%
u)	Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
v)	Krishan Kumar Modi and Bina Modi	2000	(2000)	-	0.00%	-100.00%
w)	Ruchir Kumar Lalit Modi	2000	-	2000	0.00%	0.00%
x)	Samir Modi	2000	-	2000	0.00%	0.00%
y)	Bina Modi	1000	2000	3000	0.01%	200.00%
z)	Upasana Investment Pvt Ltd	450	-	450	0.00%	0.00%
aa)	Charu Modi	10	-	10	0.00%	0.00%
	Total	37842295	23975	37866270	72.83%	0.06%

As at March 31, 2021

Name of the promoter	Number of shares as at 01.04.2020	Change during the year	Number of shares as at 31.3.2021	% Holding	% Change during the year	
a)	K K Modi Investment And Financial Services Pvt. Ltd.	15196660	297281	15493941	29.80%	1.96%
b)	Philip Morris Global Brands Inc	13050475	-	13050475	25.10%	0.00%
c)	Good Investment (India) Ltd.	4309220	-	4309220	8.29%	0.00%
d)	Quick Investment (India) Ltd.	2235800	-	2235800	4.30%	0.00%
e)	Super Investment (India) Ltd	527260	-	527260	1.01%	0.00%
f)	K K Modi & Bina Modi Trustees -Indofil Senior Executives (Offices) Welfare Trust	386280	-	386280	0.74%	0.00%
g)	K K Modi & Bina Modi Trustees -Indofil Junior Employees (Factory) Welfare Trust	380000	-	380000	0.73%	0.00%
h)	K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	-	308560	0.59%	0.00%
i)	K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	-	308560	0.59%	0.00%
j)	K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	-	141360	0.27%	0.00%
k)	K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	-	108220	0.21%	0.00%
l)	K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	-	100560	0.19%	0.00%
m)	Spicebulls Investments Ltd	83591	-	83591	0.16%	0.00%
n)	Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o)	Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
p)	Motto Investment Pvt Ltd	79000	-	79000	0.15%	0.00%
q)	Hma Udyog Private Ltd	68000	9228	77228	0.15%	13.57%
r)	Kedarnath Modi (Trustee) Modi Spg. & Wvg Mills Co. Ltd. (Headoffice) Employees Welfare Trust	45000	-	45000	0.09%	0.00%
s)	K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
t)	Divya Tongya	11500	-	11500	0.02%	0.00%
u)	Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
v)	Krishan Kumar Modi and Bina Modi	2000	-	2000	0.00%	0.00%
w)	Ruchir Kumar Lalit Modi	2000	-	2000	0.00%	0.00%
x)	Samir Modi	2000	-	2000	0.00%	0.00%
y)	Bina Modi	-	1000	1000	0.00%	100.00%
z)	Upasana Investment Pvt Ltd	450	-	450	0.00%	0.00%
aa)	Charu Modi	10	-	10	0.00%	0.00%
	Total	37534786	307509	37842295	72.78%	0.82%



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
18. Other equity		
Capital redemption reserve	30.00	30.00
General reserve	37430.72	37430.72
Retained earnings	233868.00	203142.43
	271328.72	240603.15

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, 2022, the directors have in the board meeting held on May 28, 2022, proposed a dividend of Rs. 28/- 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. 14558.30 lakhs.

Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
19. Financial liabilities - Lease liabilities		
Non-current		
Lease liabilities (Refer Note No.42)	26645.62	28179.43
	26645.62	28179.43
Current		
Lease liabilities (Refer Note No.42)	3956.61	3789.23
	3956.61	3789.23
20. Other financial liabilities		
Non-current		
Security deposits - at amortised cost	181.45	97.55
	181.45	97.55
Current		
Interest accrued but not due on borrowings	0.46	31.43
Unclaimed dividends	529.54	436.87
Payable to gratuity fund (Refer Note No.41)	379.13	311.95
Liability towards suppliers of property, plant & equipments	1184.69	1035.26
Security deposits - at amortised cost	15.80	14.20
	2109.62	1829.71
21. Provisions		
Non-current		
Provision for employee benefits		
-provision for compensated absences	2355.32	2506.06
	2355.32	2506.06
Current		
Provision for employee benefits		
-provision for compensated absences	576.10	905.27
-others*	907.12	1062.00
	1483.22	1967.27
	3838.54	4473.33

*Based on the review of the investments held by the Employee Provident Fund Trust as at March 31, 2022 and March 31, 2021, a provision has been created to cover the possible loss on account of non-realisation of certain such investments.



	Rupees in Lakhs	
	As at 31.3.2022	As at 31.3.2021
22. Financial liabilities - Borrowings		
Non-Current carried at amortised cost		
Secured		
Term Loans from banks*	-	6000.00
Less:- Current maturities of long - term debt	-	(6000.00)
Total non-current borrowings (net)	-	-
*Term loan carries an interest rate of 6.10% per annum and was repaid in a single installment in December, 2021. The same was secured against hypothecation of movable assets to the extent of 1.25 times.		
Current borrowings-carried at amortised cost		
Secured		
Loans from banks repayable on demand**	2978.30	1490.15
Current maturities of long - term debt	-	6000.00
Total current borrowings	2978.30	7490.15

Details of security and terms of above loans:

**The above current borrowing carries interest ranging from 7.10% to 8.35% 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*
Balance at April 1, 2020	1114.22
Cash Flow	6375.93
Balance at March 31, 2021	7490.15
Cash Flow	(4511.85)
Balance at March 31, 2022	2978.30

* including current maturities of long-term debt

	Rupees in Lakhs	
	As at 31.3.2022	As at 31.3.2021
23. Financial liabilities - Trade payables		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No.39)	943.78	565.73
	943.78	565.73
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
- Others	20288.33	19517.01
- Payables to subsidiaries (Refer Note No.45)	1066.26	1220.73
- Employee payables	3617.10	2623.82
	24971.69	23361.56

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.

Trade payables ageing schedule

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	943.78	-	-	-	943.78
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	24171.27	568.82	149.31	82.29	24971.69
Balance as at 31 March, 2022	25115.05	568.82	149.31	82.29	25915.47
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	565.73	-	-	-	565.73
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	22647.05	329.22	103.27	282.02	23361.56
Balance as at 31 March, 2021	23212.78	329.22	103.27	282.02	23927.29



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
24. Income tax assets and liabilities		
Income tax assets (net)		
Income tax recoverable	2805.34	2490.96
Total income tax assets	2805.34	2490.96
Income tax liabilities (net)		
Income tax payable (net of advance tax and TDS recoverable)	326.41	890.16
Total income tax liabilities	326.41	890.16

25. Other liabilities		
Current		
Statutory dues	38944.35	34303.56
Advances from customers (Contract liabilities)*		
- From subsidiaries (Refer Note No. 45)	106.55	225.95
- From others	6497.14	4269.20
Liability towards expenditure on Corporate Social Responsibility (Refer No. 34)**	230.00	-
Others	9.48	22.47
	45787.52	38821.18

*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	4495.15	3348.42
Revenue recognised from amounts included in Advances from customers at beginning of the year	4495.15	3348.42

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.

**The company has since transferred the amount within 30 days to a special bank account opened for Unspent Amount of Corporate Social Responsibility for FY 2021-22 as notified by Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020.

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:

Rupees in Lakhs

a) Disaggregated revenue information	Year ended 31.3.2022	Year ended 31.3.2021
Cigarettes*	230891.34	208629.91
Unmanufactured tobacco**	47341.31	43037.49
Cut tobacco	2181.78	3652.55
Chewing products#	4586.83	5740.97
Other traded goods	33631.59	29409.08
Total (A)	318632.85	290470.00

*includes incremental revenue of Rs. 12932.74 lakhs (previous year Rs. 7241.78 lakhs) arising from resale of Marlboro 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 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.



Rupees in Lakhs

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
Revenues by Geography		
Within India	262450.44	230726.16
Outside India	56182.41	59743.84
Total	318632.85	290470.00
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	320611.03	292393.52
Adjustments:		
Sales return	(127.41)	(182.92)
Discounts, rebates, etc.	(1850.77)	(1740.60)
Revenue from contracts with customers	318632.85	290470.00
ii) Other operating revenues		
Export incentives	80.80	82.07
Recovery towards services rendered	384.89	379.01
Receipts from sale of scrap and ancillary products	871.55	658.29
Insurance claims	145.60	42.75
Display income received by retail stores	1058.74	596.04
Other receipts	358.83	346.03
Total (B)	2900.41	2104.19
Total revenue from operations (A+B)	321533.26	292574.19

27. Other income		
Interest income from:		
- Debts, deposits, loans and advances, etc.	416.39	323.97
- Non-current investments valued on amortised cost*	348.79	74.67
Rent and hire charges from:		
- Subsidiary company	4.80	4.80
- Others	378.84	267.44
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	5713.64	7996.54
- Short term investments fair valued through profit or loss	1688.83	1163.30
Liabilities written back	463.11	106.51
Foreign currency fluctuation (net)	257.76	527.75
Gain on sale of property, plant and equipment	797.55	8.95
Gain on modification/concession in leases (Refer Note No. 42)	745.12	1039.61
Miscellaneous Income	234.39	256.50
	11049.22	11770.04
*includes interest income calculated in relation to financial assets valued on amortised cost basis.	337.16	72.25



Rupees in Lakhs

	Year ended 31.3.2022	Year ended 31.3.2021
28. Cost of materials consumed		
Raw and packing materials consumed	60716.88	51189.44
	60716.88	51189.44
29. Purchases stock-in-trade		
Unmanufactured tobacco (transferred from raw and packing materials)	35746.58	30250.59
Other goods (including cigarettes purchased for resale)	25268.51	42247.77
	61015.09	72498.36
30. Changes in Inventories of finished goods, stock-in-trade and work-in-process		
Opening stock:		
Work-in-process	544.12	615.22
Finished goods		
- Cigarettes	8540.30	5272.09
- Chewing products	79.16	359.78
Stock-in-trade	5685.19	6753.69
	14848.77	13000.78
Closing stock:		
Work-in-process	474.40	544.12
Finished goods		
- Cigarettes	8569.67	8540.30
- Chewing products	129.43	79.16
Stock-in-trade	4902.56	5685.19
	14076.06	14848.77
Decrease/(Increase) in inventories	772.71	(1847.99)
31. Employee benefits expenses		
Salaries and wages	21166.19	19930.38
Provident fund expense (refer Note No.41)	1406.73	1421.14
Workmen and staff welfare expenses	1909.23	1500.78
Gratuity and superannuation expense (refer Note No.41)	615.19	694.87
	25097.34	23547.17
32. Finance costs		
Interest expenses on:		
- Borrowings	275.44	131.22
- Lease liabilities (refer Note No.42)	2554.06	2727.66
- Others	526.51	185.10
Other borrowing costs	22.50	26.31
	3378.51	3070.29



Rupees in Lakhs

	Year ended 31.3.2022	Year ended 31.3.2021
33. Other Expenses		
Manufacturing charges paid to a subsidiary company for cigarette manufactured on our behalf (Refer Note No. 45)	5706.87	5923.98
Consumption of stores and spare parts*	262.11	232.87
Power and fuel	3090.84	2828.80
Rent (Refer Note No. 42)	325.90	369.97
Repairs and maintenance		
- Buildings	400.25	446.30
- Plant and machinery	1009.31	787.08
- Others	2326.50	2079.44
Insurance	816.76	748.96
Rates and taxes	970.80	410.29
Freight and cartage	4992.97	4139.98
Legal and professional expenses	2890.25	3137.81
Auditors' Remuneration (net of GST)		
- For Standalone financial statements	104.00	79.00
- For tax audit	21.00	21.00
- For limited review of unaudited financial statements	90.00	90.00
- For consolidated financial statements	7.50	7.50
- For other services and certificates	2.10	2.50
- Reimbursement of expenses and expenses incurred	1.45	4.32
Commission paid to other than sole selling agents	140.62	73.99
Commission paid to non-executive director (Refer Note No.45)	-	150.00
Advertising and sales promotion	7212.55	6677.44
Selling and distribution expenses	8430.78	7727.43
Travelling and conveyance	1274.10	910.03
Donations	35.51	30.00
Contributions/expenses towards Corporate social responsibility (Refer Note No. 34)	776.00	651.51
Bad debts and advances written off	71.30	89.91
Provision for doubtful debts and advances**	49.00	262.42
Property, plant and equipment written off	123.73	254.56
Technical services fee and royalty	1248.83	1081.70
Consumer research activity	166.42	78.18
Contract labour for factories and retail stores operations	3451.72	3379.60
Machine and material handling expenses	46.71	54.85
Miscellaneous expenses	11076.19	9206.42
	57122.07	51937.84

*Excludes consumption of spare parts charged to repairs and maintenance of plant & machinery.

**Net of written-off/reversed during the year Rs. Nil (Previous year Rs.78.51 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, spreading awareness on water conservation and resource management, maintenance of bio diversity conservation parks thus carrying out community development programs in rural areas providing relief to marginalised communities.

Gross amount required to be spent by the Company during the year is Rs. 775.77 lakhs (Previous year Rs. 651.51 lakhs) and the details of amount spent are as under:

	Year ended 31.3.2022	Year ended 31.3.2021
a) Gross amount required to be spent by the Company during the year	775.77	651.51
b) Amount approved by the board to be spent during the year	776.00	651.51
c) Amount spent during the year on :-		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	546.00	651.51
d) Details related to spent/unspent obligation		
(i) Contribution to implementing agencies	489.31	643.71
(ii) Covid-19 related expenditure incurred directly	30.70	-
(iii) Administrative expenses incurred (restricted to 5%)	25.99	7.80
(iii) Unspent amount in relation to :-		
- ongoing project	230.00	-
- other than ongoing project	-	-
	776.00	651.51
e) Details of ongoing project		
Opening balance in unspent CSR account	-	-
Amount required to be deposited during the year in unspent CSR account	230.00	-
Amount spent during the year out of unspent CSR account	-	-
Closing balance (Refer Foot note to Note No. 25)	230.00	-

35. Earnings per share

Profit after tax (A)	43196.99	35694.10
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (B)	51993920	51993920
Basic and Diluted Earnings per share after tax (Rs.) [A/B] (Face value of Rs. 2 each)	83.08	68.65

36. Managerial remuneration

a) Included in expenses are:		
Salaries*	677.19	645.67
Monetary value of benefits (as per Income Tax Rules)	461.37	475.04
Commission**	2031.36	1542.43
Sitting fees (excluding GST paid under reverse charge)	62.00	78.00
	3231.92	2741.14
*excludes incremental liability for gratuity and compensated absences which are actuarially determined on an overall basis.		
** includes Rs. Nil (Previous year Rs. 150 lakhs) payable to a non-executive director.		
b) Computation of directors' remuneration and commission:		
Profit before tax	56159.99	46495.35
Add/(less):		
Directors' remuneration	3231.92	2741.14
Net gain on sale/redemption/fair valuation of long term investments	(5713.64)	(7996.54)
Unrealised gain on fair valuation of short-term investments	(11.11)	(35.38)
	53667.16	41204.57
Maximum remuneration to executive directors @ 10% of above	5366.72	4120.46
Restricted to	3169.92	2513.14
Maximum remuneration to non-executive directors @ 1% of above	536.67	412.05
Restricted to	-	150.00



Rupees in Lakhs
As at As at
31.3.2022 31.3.2021

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 @	7364.05*	6503.32*
b) Uncalled liability on shares partly paid (including share premium)	79.24	79.24
c) Guarantee given to a bank on behalf of subsidiary company:		
– International Tobacco Company Limited	35.55	47.58
– Godfrey Phillips Middle East DMCC (AED 34.36 lakhs)	722.59@@	705.41@@

*includes Rs.1993.15 lakhs (Previous year - Rs. 2187.54 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 overturning 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, 2022 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, 2022 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	Sales tax	37.72	18.86	2006-07	Sales Tax Tribunal
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
CGST Act 2017	GST	1277.58	-	2017-18	Upto Commissioner (Appeals) Level
Uttar Pradesh (UP) VAT Act, 2008	Value Added Tax	542.55**	253.85	2012-13, 2014-15 & 2015-16	Sales Tax Tribunal
		68.65**	68.65	2007-08	High Court



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
Central Excise Act, 1944	Excise duty	71.42	71.42	2010-11	Upto Commissioner (Appeals) Level
		1243.73 [^]	123.63	2008-09 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal
		918.08 [^]	244.09	2007-08 to 2011-12	High Court
Finance Act, 1994	Service tax	960.13	.	2013-14 to 2017-18	Upto Commissioner (Appeals) Level
Income-tax Act, 1961	Income tax	186.55 ^{^^}	186.55	1979-80 to 1982-83	High Court
		14.55 ^{^^}	14.55	2009-10	Income Tax Appellate Tribunal
		930.49 ^{^^}	555.00	2012-13 to 2017-18	Commissioner of Income Tax (Appeals)
		169.22 ^{^^}	153.50	1999-2000, 2005-06 to 2008-09	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. 140.34 lakhs

[^] provided for in the accounts amounting to Rs. 471.07 lakhs

^{^^} provided for in the accounts amounting to Rs. 438.73 lakhs

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	13998.31	2002-03 to 2007-08, 2009-10, 2010-11 & 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 31.3.2022	As at 31.3.2021
38. Commitments		
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	1384.58	3285.12

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, 2022 are as under:

	As at 31.3.2022	As at 31.3.2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of Year are as under:		
-Principal amount	943.78	565.73
-Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year are as under:		
-Principal amount	1027.48	980.69
-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	0.01	0.01
-Interest remaining unpaid as at the end of the year	2.66	2.65
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961.	0.01	0.01

	Year ended 31.3.2022	Year ended 31.3.2021
40. Expenditure on scientific research and development		
Revenue expenditure	1102.24	1021.90
Capital expenditure	106.75	14.09



41. Employee benefit plans

(a) Defined contribution plans and amounts recognised in the Statement of profit and loss/Other Comprehensive Income

	Year ended 31.3.2022	Year ended 31.3.2021
Contribution towards superannuation fund	96.78	116.59
Employers' contribution to employee's state insurance scheme	4.51	6.79
	101.29	123.38

(b) Other long term employee benefits (based on actuarial valuation)

	Year ended 31.3.2022	Year ended 31.3.2021
Compensated absences – amount recognized in the Statement of profit and loss	373.41	537.00

(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 31.3.2022	Year ended 31.3.2021
Current service cost	514.20	514.02
Net interest cost	4.21	75.16
	518.41	589.18
(Shortfall) of fair value over book value of plan assets	-	(10.90)
Net employee benefit expense recognized in employee cost	518.41	578.28



Rupees in Lakhs

	Year ended 31.3.2022	Year ended 31.3.2021
Amount recognised in other comprehensive income:		
Actuarial loss on obligations arising from changes in financial assumptions	(32.98)	(316.12)
Actuarial loss on obligations arising from changes in demographic assumptions	-	195.26
Actuarial loss on obligations arising on account of experience adjustments	(58.98)	135.64
Return on plan assets (excluding amounts included in net interest expense)	(47.32)	(281.11)
Net income for the year recognized in other comprehensive income	(139.28)	(266.33)
(I) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	10245.16	9990.09
Current service cost	514.20	514.02
Interest cost (gross)	633.62	573.12
Benefits paid	(1472.93)	(846.85)
Actuarial loss on obligations arising from changes in financial assumptions	(32.98)	(316.12)
Actuarial loss on obligations arising from changes in demographic assumptions	-	195.26
Actuarial loss on obligations arising on account of experience adjustments	(58.98)	135.64
Closing defined benefit obligation	9828.09	10245.16
(II) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	9933.21	8756.59
Interest income (gross)	629.41	497.96
Return on plan assets (excluding amounts included in net interest expense)	47.32	281.11
Contribution by employer	311.95	1244.40
Benefits paid	(1472.93)	(846.85)
Closing fair value of plan assets	9448.96	9933.21
(III) Net liability recognised in the balance sheet (I - II)	379.13	311.95

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Amount	% of total plan assets
As at March 31, 2022		
Government debt securities	152.35	1.61%
Insurer managed funds	9377.57	99.24%
Other liabilities net	(80.96)	-0.86%
	9448.96	100.00%
As at March 31, 2021		
Government debt securities	172.90	1.74%
Insurer managed funds	9779.35	98.44%
Other liabilities net	(19.04)	-0.19%
	9933.21	100.00%



The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	As at 31.3.2022	As at 31.3.2021
Discount rate (in %)	6.85%	6.80%
Salary escalation rate (in %)	8.00%	8.00%
Expected rate of return on plan assets	6.85%	6.35%

A quantitative sensitivity analysis for significant assumption shown above as at March 31, 2022 is as shown below:

Assumption	Impact on defined benefit obligation	
	As at 31.3.2022	As at 31.3.2021
Impact of increase in 0.5% in discount rate	-3.25%	-3.24%
Impact of decrease in 0.5% in discount rate	3.45%	3.44%
Impact of increase in 0.5% in salary escalation rate	3.39%	3.38%
Impact of decrease in 0.5% in salary escalation rate	-3.23%	-3.22%

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:

	Rupees in Lakhs	
	Year ended 31.3.2022	Year ended 31.3.2021
Within the next 12 months (next annual reporting period)	1572.84	1854.51
Between 2 and 5 years	3811.65	3636.47
Between 6 and 9 years	4048.25	4231.23
10 years and above	7647.77	8048.34
Total expected payments	17080.51	17770.55

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.69 years (Previous year 6.67 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. Accordingly, the Company has paid Rs. 129.76 lakhs towards shortfall in fund and the same is recognised under Other Comprehensive Income. Based on the review of investments held by the Fund as on 31st March 2022, the Company has recognised an additional liability of Rs. Nil (previous year Rs. 448.00 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 :-

	Rupees in Lakhs	
	Year ended 31.3.2022	Year ended 31.3.2021
Amount recognised in profit and loss	1406.73	1421.14
Amount recognised in other comprehensive income	129.76	448.00
	1536.49	1869.14

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 in 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 31.3.2022	As at 31.3.2021
Carrying amount of:		
Right-of-Use: Office buildings, warehouses and stores	24709.42	25983.19
Right-of-Use: Store equipment & furnitures	1240.06	2469.04
Right-of-Use: Land	1547.87	1584.79
Right-of-Use: Vehicles	199.82	343.37
Total	27697.17	30380.39

	Right-of-Use: Office buildings, warehouses and stores	Right-of-Use: Store equipment & furniture	Right-of-Use: Land	Right-of-Use: Vehicles	Total
Cost					
Balance at April 1, 2020	32603.91	4797.79	1658.63	509.25	39569.58
Additions / Modifications	3818.37	82.59	-	69.72	3970.68
Derecognition	(3590.37)	-	-	-	(3590.37)
Balance at March 31, 2021	32831.91	4880.38	1658.63	578.97	39949.89
Additions / Modifications	2605.33	-	-	25.91	2631.24
Derecognition	(433.82)	-	-	-	(433.82)
Balance at March 31, 2022	35003.42	4880.38	1658.63	604.88	42147.31
Accumulated depreciation					
Balance at April 1, 2020	3788.64	1185.11	36.92	84.11	5094.78
Depreciation expense	3820.82	1226.23	36.92	151.49	5235.46
Derecognition	(760.74)	-	-	-	(760.74)
Balance at March 31, 2021	6848.72	2411.34	73.84	235.60	9569.50
Depreciation expense	3769.58	1228.98	36.92	169.46	5204.94
Derecognition	(324.30)	-	-	-	(324.30)
Balance at March 31, 2022	10294.00	3640.32	110.76	405.06	14450.14
Balance at March 31, 2022	24709.42	1240.06	1547.87	199.82	27697.17
Balance at March 31, 2021	25983.19	2469.04	1584.79	343.37	30380.39

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31.3.2022	As at 31.3.2021
Balance as at April 1	31968.66	34458.77
Addition / Modification	2592.49	3925.84
Accretion of interest*	2554.06	2727.66
Payments	(5658.33)	(5274.37)
Rent concessions due to Covid-19	(722.74)	(856.37)
De-recognition of lease liability on termination	(131.91)	(3012.87)
Balance as at March 31	30602.23	31968.66
Current	3956.61	3789.23
Non-current	26645.62	28179.43

* Lease liabilities carry an effective interest rate of 7.85%

** For maturities of lease liabilities, Refer Note No. 43

The following are the amounts recognised in profit or loss:

	For the year ended 31.3.2022	For the year ended 31.3.2021
Depreciation expense of right-of-use assets	5204.94	5235.46
Interest expense on lease liabilities (Refer Note 32)	2554.06	2727.66
Expense relating to short-term leases (Refer Note 33)	214.79	271.25
Variable lease payments (Refer Note 33)	111.11	98.72
(Gain) on termination of leases (Refer note 27)	(22.38)	(183.24)
Rent concessions due to Covid-19 (Refer note 27)	(722.74)	(856.37)
	7339.78	7293.48



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:

	Year ended 31.03.2022	Year ended 31.03.2021
Variable rent	111.11	98.72
	111.11	98.72

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 Rs. 383.64 Lacs (Previous Year Rs. 272.24 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 amortised cost or at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2022	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Financial assets					
Financial instruments at FVTPL:					
Investment in					
- mutual funds	152062.48	152062.48	152062.48	-	-
- others	4264.50	4264.50	4264.50	-	-
Financial instruments at amortised cost:					
Investment in					
- others (Perpetual Bonds)	5073.00	5054.16	5054.16	-	-
Trade receivables	15559.90	15559.90			
Cash and cash equivalents	1908.99	1908.99			
Other bank balances	1711.50	1711.50			
Loans	490.56	490.56			
Other financial assets					
- Security deposits	1620.44	1620.44			
- Interest accrued on bank and other deposits	166.51	166.51			
- Other recoverables	862.77	862.77			
Total financial assets	183720.65	183701.81	161381.14	-	-
Financial liabilities					
Financial instruments at amortised cost:					
Borrowings	2978.30	2978.30			
Lease liabilities	30602.23	30602.23			
Trade payables	25915.47	25915.47			
Other financial liabilities					
- Current maturities of long term debt	-	-			
- Security deposits	197.25	197.25			
- Interest accrued but not due on borrowings	0.46	0.46			
- Unclaimed dividends	529.54	529.54			
- Payable to gratuity fund	379.13	379.13			
- Liability towards suppliers of property, plant & equipments	1184.69	1184.69			
Total financial liabilities	61787.07	61787.07			
As at March 31, 2021					
Financial assets					
Financial instruments at FVTPL:					
Investment in					
- mutual funds	131720.18	131720.18	131720.18	-	-
- others	2898.47	2898.47	2898.47	-	-
Financial instruments at amortised cost:					
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	-	-	-
Total financial assets	155659.73	155631.54	137085.62	-	-
Financial liabilities					
Financial instruments at amortised cost:					
Borrowings	7490.15	7490.15	-	-	-
Lease liabilities	31968.66	31968.66	-	-	-
Trade payables	23927.29	23927.29	-	-	-
Other financial liabilities					
- Security deposits	111.75	111.75	-	-	-



43.2. Fair value hierarchy (continued)

As at March 31, 2021	Rupees in Lakhs				
	Carrying amount	Fair Value	Level 1	Level 2	Level 3
- Interest accrued but not due on borrowings	31.43	31.43			
- Interest accrued on other than	-	-			
- 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			
Total financial liabilities	65313.36	65313.36			

Note: Investment in equity of subsidiaries and associates 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.180100.16 lakhs (previous year Rs.153022.01 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 1 Year	More than 1 Year	Total
As at March 31, 2022			
Lease liabilities	6415.60	37542.17	43957.77
Borrowings	2978.30	-	2978.30
Trade payables	25915.47	-	25915.47
Other financial liabilities	2109.62	181.45	2291.07
	37418.99	37723.62	75142.61
As at March 31, 2021			
Lease liabilities	6428.45	40534.10	46962.55
Borrowings*	7752.67	-	7752.67
Trade payables	23927.29	-	23927.29
Other financial liabilities	1829.71	97.55	1927.26
	39938.12	40631.65	80569.77

* 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 31.3.2022		As at 31.3.2021	
		Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs	Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs
Trade receivables	USD	51.72	3838.66	69.00	5041.13
	AED	0.33	6.67	-	-
Current liabilities	USD	41.28	3188.88	34.48	2548.42
	EURO	5.82	501.68	2.80	243.88
	GBP	0.66	66.85	0.16	16.32
	SGD	0.05	2.85	0.02	1.10
	JPY	22.00	13.90	24.68	16.58



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 31.3.2022		As at 31.3.2021	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year - USD	32.49	(32.49)	124.64	(124.64)

(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 31.03.2022 would have increased/decreased by Rs. 1520.62 lakhs (for the year ended 31.03.2021 by Rs. 1317.20 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 31.3.2022	As at 31.3.2021
Borrowings	2978.30	7490.15
Trade payables	25915.47	23927.29
Lease liabilities	30602.23	31968.66
Other financial liabilities	2291.07	1927.26
Other current liabilities	45787.52	38821.18
Less : Cash and cash equivalents	1908.99	845.87
: Current investments	46834.09	46031.05
Net debt (A)	58831.51	57257.62
Total equity	272368.60	241643.03
Capital and net debt (B)	331200.11	298900.65
Gearing Ratio (A/B)	17.76%	19.16%

No changes were made in the objectives, policies or processes during the year ended 31 March, 2022.



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 31.3.2022	As at 31.3.2021

(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%*	92.20%*

* 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%	92.20%
Rajputana Developers Projects (AOP) (ceased to be a subsidiary w.e.f. October 1, 2020)		India	-	-

(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 Izhora, Russia
PT Philip Morris Indonesia



(g) Key management personnel & their relatives and other directors:

Dr. Bina Modi	President and Managing Director
Mr. Samir Modi	Executive Director
Mr. Ruchir Kumar Modi	Ordinary Director (upto August 5, 2021) and a relative of Mr. Samir Modi and (Dr.) Mrs. Bina Modi
Mr. Sharad Aggarwal	Whole Time Director and Functional Chief Executive Officer (w.e.f December 27, 2021)
Mr. Bhasham Wadhwa	Functional Chief Executive Officer (upto December 26, 2021)
Mr. Sunil Agrawal	Chief Financial Officer
Mr. Sanjay Gupta	Company Secretary
Mr. R A Shah	Non Independent Director and Chairman of the Board
Mr. Lalit Bhasin	Independent Director
Late Mr. Anup N. Kothari	Independent Director (upto December 20, 2021)
Mr. Atul Kumar Gupta	Independent Director
Mrs. Nirmla 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
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
Swasth Investment Private Limited

(i) 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



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 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021
i) Trading transactions														
Sale of goods, spare parts, etc.	7191.55***	11574.92***	37732.12@	19631.66@	-	-	422.84	304.13	26264.62&	20529.93&	-	-	-	-
Purchase of goods/services/spare parts	25.30*	15.90*	932.89@	17788.92@	-	-	793.46\$	627.85\$	7381.41&&	4188.94&&	-	-	-	-
Receipts from secondment of services	-	-	178.85@*	165.31@*	-	-	194.44\$*	213.70\$*	-	-	-	-	-	-
Interest income	-	-	209.98@	243.40@	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	712.51@	559.04@	-	-	-	-	-	-	-	-	-	-
- IPM	-	-	712.51	559.04	-	-	-	-	-	-	-	-	-	-
Rent and hire charges received	4.80*	4.80*	-	-	-	-	347.51	143.54	-	-	-	-	-	-
Manufacturing charges paid	5706.87*	5923.98*	-	-	-	-	-	-	-	-	-	-	-	-
Payments for professional services availed	-	-	180.00@*	195.00@*	-	-	36.81	53.82	-	-	-	-	-	-
Donation given \$\$\$	36.59#	47.62#	9416.42@	9039.32@	-	-	225.30	240.00	-	-	-	-	-	-
Expenses recovered	2.87##	24.18##	4.05@*	3.25@*	-	-	0.00	0.07	380.44&	111.93&	-	-	-	-
Expenses reimbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Other related party transactions														
Subscription to share capital	-	2419.83	-	-	-	-	-	-	-	-	-	-	-	-
- Friendly Realty Projects Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend payment including Interim Dividend(gross)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Philip Morris Global Brands Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- K K Modi Investment & Financial Service Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Quick Investment (India) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Good Investment (India) Limited	-	-	-	-	-	-	536.59	-	-	-	-	-	-	-
- Super Investment (India) Limited	-	-	-	-	-	-	1034.21	-	-	-	-	-	-	-
- Swagath Investment Private Limited	-	-	-	-	-	-	126.54	-	-	-	-	-	-	-
- HMA Udyog Private Limited	-	-	-	-	-	-	19.20	-	-	-	-	-	-	-
Technical services fee and royalty	-	-	-	-	-	-	18.53	-	-	-	-	-	-	-
- Philip Morris Products S.A.	-	-	-	-	-	-	-	-	1248.83	1081.70	-	-	-	-
Sale of investments in Success Principles India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Premium TradeLinks Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision made for decline in value of non current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Flavors And More, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Contribution to trusts														
Godfrey Phillips India Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	96.78	116.60
Godfrey Phillips India Limited Provident Fund (Refer Note No. 41)	-	-	-	-	-	-	-	-	-	-	-	-	1239.51	1253.13
Godfrey Phillips India Limited Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	46.55	5.18
Godfrey Phillips India Limited Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-	332.58	306.77
iv) Compensation & Post Employment benefits of key management personnel and other directors \$ \$														
- Samir Modi	-	-	-	-	2683.36^	-	-	-	-	-	-	-	-	-
- Ruchir Kumar Modi	-	-	-	-	-	-	-	2060.23^	-	-	-	-	-	-
- Bisham Vadhwa	-	-	-	-	1034.63	-	-	150.00	-	-	-	-	-	-
- Sunil Aggarwal	-	-	-	-	229.33	-	-	735.82	-	-	-	-	-	-
- Sharad Aggarwal	-	-	-	-	486.56	-	-	234.24	-	-	-	-	-	-
- Sanjay Gupta	-	-	-	-	142.96	-	-	452.92	-	-	-	-	-	-
- R A Shah	-	-	-	-	12.00	-	-	183.47	-	-	-	-	-	-
- Lalit Bhasin	-	-	-	-	17.00	-	-	19.00	-	-	-	-	-	-
- Anup N Kharari	-	-	-	-	4.00	-	-	17.00	-	-	-	-	-	-
- Atul Kumar Gupta	-	-	-	-	14.00	-	-	15.00	-	-	-	-	-	-
- Nirmala Begri	-	-	-	-	9.00	-	-	12.00	-	-	-	-	-	-
- Sumanti Bharadwaj	-	-	-	-	6.00	-	-	1.00	-	-	-	-	-	-



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

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	
	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021
Trade receivables	489.54**	1809.79**	2977.43@	785.65@	-	-	72.29	37.40	5024.99&	4206.39&	-	-	-	-
Loans given	-	-	-	-	7.01	11.71	-	-	-	-	-	-	-	-
Trade payables	-	-	1028.39@	712.73@	-	-	74.74	57.54	884.00&&&	1312.37&&&	-	-	-	-
Dues payable	1066.26*	1220.73*	-	66.90@*	6.94	-	87.45	4.95	-	-	-	-	-	-
Advances from customers	106.55**	225.95**	-	-	-	-	-	-	-	-	-	-	-	-
Commission payable to Mr.Samir Modi (gross)	-	-	573.55@	600.34@	1631.36	992.43	140.28	294.85	-	-	-	-	-	-
Other recoverable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given by the Company to a bank on behalf of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- International Tobacco Company Limited	35.55	47.58	-	-	-	-	-	-	-	-	-	-	-	-
- Godfrey Phillips Middle East DMCC	722.59	705.41	-	-	-	-	-	-	298.54 &	281.49&	-	-	-	-
Technical service fee and royalty payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payable/(recoverable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	-	46.55
- Godfrey Phillips India Limited Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-	-	332.58
- Godfrey Phillips India Limited Provident Fund Advance recoverable	-	-	-	-	-	-	-	-	-	-	-	-	-	214.13
- Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	-	26.58
- Godfrey Phillips India Limited Provident Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	807.70

* relates to transaction with wholly owned subsidiary International Tobacco Company Limited.

** relates to transaction with wholly owned subsidiary Godfrey Phillips Middle East DMCC.

*** includes Rs. 7152.74 lakhs (previous year Rs. 11545.03 lakhs) to Godfrey Phillips Middle East DMCC and Rs. 38.81 lakhs (previous year Rs. 29.89 lakhs) to International Tobacco Company Limited.

includes Rs. 0.40 lakhs (previous year Rs. 10.80 lakhs) from International Tobacco Company Limited and Rs. 36.19 lakhs (previous year Rs. 36.82 lakhs) from Godfrey Phillips Middle East DMCC.

includes Rs. 2.87 lakhs (previous year Rs. 2.91 lacs) to International Tobacco Company Limited and Rs. Nil (previous year Rs. 21.27 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. 110193.28 lakhs (previous year Rs. 59521.16 lakhs) on account of sale/purchase of Marlboro cigarettes manufactured by the Company.

@*relates to transaction with KKM Management Centre Private Limited.

\$ includes Rs. 157.25 lakhs (previous year Rs. 61.74 lakhs) from Beacon Travels Private Ltd, Rs. 573.50 lakhs (previous year Rs. 392.19 lakhs) from Bina Fashions and Foods Private Limited and Rs. 33.31 lakhs (previous year Rs. 101.72 lakhs) from Colorbar Cosmetics Private Limited

\$* includes Rs. 144.65 lacs (previous year Rs. 213.70 lacs) from Colorbar Cosmetics Pvt. Ltd and Rs. 49.79 lacs (previous year Rs. Nil) from Modicare Limited.

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

^ Includes requisite value of rent free accommodation as per Sec 17(2) of Income Tax Act, 1961.

& relates to transaction with Philip Morris Products S.A.

&& includes Rs. 6438.49 lakhs (previous year Rs.3030.60 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs. 882.51 lakhs (previous year Rs.570.60 lakhs) from PT Hanjaya Mandala Sampoerna Tbk., Rs. 13.21 lakhs (previous year Rs.465.20 lakhs) from Philip Morris Izhora and Rs. 47.20 lakhs (previous year Rs. 122.54 lakhs) from PT Philip Morris Indonesia.

&&& includes Rs. 884.00 lakhs (previous year Rs. 855.34 lakhs) from Philip Morris Philippines Manufacturing Inc. and Rs. Nil (previous year Rs. 457.03 lacs) from Philip Morris Izhora.

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 March 31, 2022, the Company has recorded impairment allowance amounting to Rs. 49.00 lakhs (previous year Rs. 48.86 lakhs) and written back impairment allowance of Rs. 79.64 lakhs (previous year Rs. 78.51 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:

- i) Cigarette, tobacco and related products; and
- ii) Retail and related products

Segment information for the year ended March 31, 2022 and March 31, 2021 is as follows:

	Year ended March 31, 2022			Year ended March 31, 2021		
	Cigarette, Tobacco and related products	Retail and related products	Total	Cigarette, Tobacco and related products	Retail and related products	Total
1. Segment revenue						
- External sales (gross)	285001.26	33631.59	318632.85	261060.92	29409.08	290470.00
- Other operating income	1632.59	1267.82	2900.41	1291.09	813.10	2104.19
Total Revenue	286633.85	34899.41	321533.26	262352.01	30222.18	292574.19
2. Segment result	55751.34	(8268.93)	47482.41	46792.00	(9975.30)	36816.70
Unallocable income net of unallocable expenses			9502.03			10021.28
Profit before finance costs and tax			56984.44			46837.98
Less: Finance costs			824.45			342.63
Profit before tax			56159.99			46495.35
3. Other information						
Capital expenditure including capital work in progress and capital advances (excluding ROU Assets)	7710.44	459.54	8169.98	12596.62	705.32	13301.94
Depreciation and amortization	9123.23	5046.07	14169.30	8704.66	5104.36	13809.02
Non cash expenditure other than depreciation	175.80	68.23	244.03	357.88	249.01	606.89

Segment information as at March 31, 2022 and March 31, 2021 is as follows:

	As at March 31, 2022			As at March 31, 2021		
	Cigarette, Tobacco and related products	Retail and related products	Total	Cigarette, Tobacco and related products	Retail and related products	Total
a) Segment assets						
Allocable assets	178084.59	26760.73	204845.32	169392.54	29876.26	199268.80
Unallocable assets			179783.53			152567.68
Total assets			384628.85			351836.48
b) Segment liabilities						
Allocable liabilities	85651.17	22023.65	107674.82	77366.67	23282.77	100649.44
Unallocable liabilities			4585.43			9544.01
Total liabilities			112260.25			110193.45
c) Capital Employed						
Allocable capital employed	92433.42	4737.08	97170.50	92025.87	6593.49	98619.36
Unallocable capital employed			175198.10			143023.67
Total capital employed			272368.60			241643.03
Total (b+c)			384628.85			351836.48

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 31.3.2022	Year ended 31.3.2021	As at 31.3.2022	As at 31.3.2021
India	265350.85	232830.35	102084.95	105564.45
Outside India	56182.41	59743.84	-	-
Total	321533.26	292574.19	102084.95	105564.45

* 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).



				As at 31.3.2022	As at 31.3.2021	%
						Change
47. Ratio Analysis						
	Ratio	Numerator	Denominator			
a)	Current ratio	Current assets	Current liabilities	1.89	1.81	4.1%
b)	Debt-Equity ratio*	Total lease liabilities and long term debt	Total Equity	0.11	0.16	-28.5%
c)	Debt service coverage ratio	Profit before interest and tax	Finance cost	17.63	16.14	9.2%
d)	Return on equity ratio	Total comprehensive income	Average Total Equity	16.81%	15.88%	5.8%
e)	Inventory turnover ratio	Turnover	Average inventory	4.47	4.52	-1.1%
f)	Trade receivables turnover ratio	Turnover including indirect taxes	Average trade receivable	52.46	67.33	-22.1%
g)	Trade payables turnover ratio	Total purchases excluding indirect taxes	Average trade payables	5.22	5.24	-0.3%
h)	Net capital turnover ratio	Operating revenue	Total equity	1.18	1.21	-2.5%
i)	Net profit ratio	Total comprehensive income	Operating revenue	0.13	0.12	10.6%
j)	Return on capital employed	Profit before tax	Average capital employed	19.53%	18.13%	7.7%
k)	Return on investment**	Interest income and Net gain on sale/redemption/fair valuation of current and non current investment	Average current and non-current investment	4.85%	6.93%	-30.0%

* Debt-Equity for the year ending March 31, 2021 is higher mainly on account of long term debt of Rs. 6000 lakhs in FY 2020-21 which has been repaid in FY 2021-22.

** Return on investment for the year ending March 31, 2021 is higher mainly on account of relatively higher fair valuation gain in FY 2020-21 as compared to FY 2021-22.

48. 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 promotor of the Company. The tax officials had taken possession of certain records of the Company and recorded statements of some of the Company Officials during and after the search proceedings. Additional information requested by the tax authorities from time to time has been furnished to them. Till date, no order under these proceedings has been received by the Company.

49. 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.

50. 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

SUNIL AGRAWAL
Chief Financial Officer

SANJAY GUPTA
Company Secretary

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

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

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

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

MR. R.A. SHAH
Chairman
(DIN 00009851)
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, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated 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, 2022, 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 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, 2022. 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>Recoverability of carrying value of net assets relating to retail business (as described in notes 5 (c) (i) of the consolidated Ind AS financial statements)</p>	
<p>As at March 31, 2022, the carrying value of net assets relating to retail business was Rs. 5,143 lakhs respectively.</p> <p>Recoverability of carrying value of assets relating to retail business have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> - The significance of the carrying value of the underlying assets being assessed. - Continuing losses being incurred in the retail business. - The assessment of the recoverable amount of the Group's Cash Generating Unit (CGU) involves significant judgements and estimates. <p>The key judgements and estimates include future projections relating to the aforesaid CGU.</p>	<p>Procedures included the following:</p> <ul style="list-style-type: none"> -Obtained and assessed management analysis of internal and external factors impacting the Group's CGU relating to retail business as per Ind AS 36. -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 engaged by us. -Assessed the independence, competence and objectivity of the management appointed experts used for determining the recoverable amount. -Compared the recoverable amount of the assets relating to retail business to the carrying value in books. -Assessed the adequacy of disclosures made in the financial statements by the Group in this regard.
<p>Revenue recognition (as described in notes 4.1.1 and 27 of the consolidated Ind AS financial statements)</p>	
<p>For the year ended March 31, 2022 the Group has recognized revenue from operations of Rs. 322,860.91 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"> - Read and assessed the appropriateness of the Group's revenue recognition policies. - Performed walkthroughs and test of controls, assisted by IT specialists engaged by us, of the revenue recognition processes and assessed the design and operating effectiveness of key controls. - 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.



Key audit matters	How our audit addressed the key audit matter
Related party transactions (as described in note 44 of the consolidated Ind AS financial statements)	
<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"> - 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. - 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. - Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents. - Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.

We have determined that there are no other key audit matters to communicate in our report.

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

The Holding Company’s Board of Directors is 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose Ind AS financial statements include total assets of Rs. 32,106 lakhs as at March 31, 2022, and total revenues of Rs. 8,482 lakhs and net cash outflows of Rs. 489 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. 4 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements and 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 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 Rs. Nil for the year ended March 31, 2022, 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 subsidiary, 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 subsidiary, 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph, we report that there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report 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, 2022 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, 2022 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 consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, and the operating effectiveness of such controls, 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, 2022 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 report 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, 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2022. 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, 2022.



- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. No dividend has been declared or paid during the year by the subsidiary companies and associates, incorporated in India.

FOR S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

UDIN: 22086370AJTXVF8828

Place: New Delhi

Date: May 28, 2022

Annexure 1 referred to in paragraph 2(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 (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associates, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

A company’s internal financial control with reference to 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 with reference to 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 with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, 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 Matters

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: 22086370AJTXVF8828

Place: New Delhi

Date: May 28, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

CONSOLIDATED BALANCE SHEET

as at March 31, 2022

Rupees in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	65476.05	70942.46
Capital work-in-progress	6	3654.47	2640.56
Investment property	7	3526.77	921.74
Right of Use Assets	40	27897.49	30585.90
Intangible assets	8	1350.24	949.83
Intangible assets under development	-	506.63	-
Financial assets			
- Investments	9	137383.40	109162.98
- Loans	10	368.81	486.30
- Other financial assets	15	1446.23	1627.00
Income tax assets (Net)	25	3291.62	2837.79
Other non-current assets	16	396.61	642.20
Total non-current assets		245298.32	220796.76
Current assets			
Inventories	12	82871.45	74310.88
Financial assets			
- Investments	9	46991.91	46208.05
- Trade receivables	13	15463.53	12299.28
- Cash and cash equivalents	14	2884.72	2347.73
- Other bank balances	14	2112.32	2261.82
- Loans	10	183.23	162.72
- Other financial assets	15	1436.79	1487.70
Other current assets	16	12917.08	13297.66
Total current assets		164861.03	152375.84
Total assets		410159.35	373172.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1039.88	1039.88
Other equity	18	291718.02	257167.29
Equity attributable to owners of the Company		292757.90	258207.17
Non-controlling interests	19	535.60	540.79
Total equity		293293.50	258747.96
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	110.46	100.06
- Lease Liabilities	21	26645.62	28179.42
- Other financial liabilities	22	181.85	97.95
Provisions	23	2717.78	2877.54
Deferred tax liabilities (Net)	11	4980.65	4106.10
Total non-current liabilities		34636.36	35361.07
Current liabilities			
Financial liabilities			
- Borrowings	20	2978.30	7490.15
- Lease liabilities	21	3956.61	3789.23
- Trade payables	24		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		985.05	669.32
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		24301.64	22649.35
- Other financial liabilities	22	2200.47	1963.45
Other current liabilities	26	45898.39	39521.90
Provisions	23	1579.64	2085.19
Income tax liabilities (Net)	25	329.39	894.98
Total current liabilities		82229.49	79063.57
Total liabilities		116865.85	114424.64
Total equity and liabilities		410159.35	373172.60
Notes forming part of the consolidated financial statements	1-50		

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 Sekharia
Partner
Membership No.: 086370

SUNIL AGRAWAL
Chief Financial Officer

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

MR. R.A. SHAH
Chairman
(DIN 00009851)
DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)
NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

Rupees in Lakhs

Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I Revenue from operations	27	322860.91	296142.87
II Other income	28	11406.92	11858.64
III Total income (I+II)		334267.83	308001.51
IV Expenses			
Cost of materials consumed	29	60716.88	51552.97
Purchases of stock-in-trade	30	61015.08	79172.85
Changes in inventories of finished goods, stock-in-trade and work-in-process	31	844.76	(8411.02)
Excise duty		54104.14	43608.67
Employee benefits expenses	32	27826.75	26663.45
Finance costs	33	3394.22	3084.69
Depreciation and amortisation expenses	6	14520.55	14130.16
Other expenses	34	55018.40	49417.56
Total expenses		277440.78	259219.33
V Profit before share of profit of associates and tax (III-IV)		56827.05	48782.18
VI Share of loss of associates		(3.74)	(52.45)
VII Profit before tax (V+VI)		56823.31	48729.73
VIII Tax expense:	11		
- Current tax		13119.52	10266.22
- Deferred tax (credit)/ charge		(97.94)	817.77
		13021.58	11083.99
IX Profit for the year (VII-VIII)		43801.73	37645.74
X Other comprehensive income			
Items that will not to be reclassified to profit or loss			
(i) Gain/(Loss) on remeasurements of the defined benefit/contribution plans		21.87	(136.72)
(ii) Tax impact on remeasurements of the defined benefit/contribution plans		(5.51)	34.41
(iii) Gain on equity instruments fair valued through other comprehensive income		4178.48	2501.76
(iv) Tax impact on equity instruments fair valued through other comprehensive income		(972.49)	(581.59)
Total other comprehensive income, net of tax (i+ii+iii+iv)		3222.35	1817.86
XI Total comprehensive income for the year (IX+X)		47024.08	39463.60
Profit/(loss) for the year attributable to:			
Owners of the Company		43806.92	37651.37
Non-controlling interests		(5.19)	(5.63)
		43801.73	37645.74
Other comprehensive income for the year attributable to:			
Owners of the Company		3222.35	1817.86
Non-controlling interests		-	-
		3222.35	1817.86
Total comprehensive income for the year attributable to:			
Owners of the Company		47029.27	39469.23
Non-controlling interests		(5.19)	(5.63)
		47024.08	39463.60
Basic and Diluted Earnings per share after tax	36	Rs. 84.25	Rs. 72.41
(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			
Notes forming part of the consolidated financial statements	1-50		

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

SUNIL AGRAWAL
Chief Financial Officer

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(DIN 00048606)
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NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

Rupees in Lakhs

(a) Equity share capital	<u>Amount</u>
Balance at April 1, 2020	1039.88
Balance at March 31, 2021	1039.88
Balance at March 31, 2022	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					
Balance at April 1, 2020	37431.89	30.13	171543.51	70.88	110.55	8505.81	217692.77	2857.12	220549.89
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
Total comprehensive income	-	-	37549.06	-	-	1920.17	39469.23	(5.63)	39463.60
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)
Balance at March 31, 2021	37431.89	30.13	209085.80	77.65	115.84	10425.98	257167.29	540.79	257708.08
Profit for the year	-	-	43806.92	-	-	-	43806.92	(5.19)	43801.73
Other comprehensive income for the year, net of income-tax	-	-	16.36	-	-	3205.99	3222.35	-	3222.35
Total comprehensive income	-	-	43823.28	-	-	3205.99	47029.27	(5.19)	47024.08
Payment of dividends (Rs. 24 per equity share)	-	-	(12478.54)	-	-	-	(12478.54)	-	(12478.54)
Transfer to statutory reserve from retained earnings	-	-	(7.53)	7.53	-	-	-	-	-
Balance at March 31, 2022	37431.89	30.13	240423.01	85.18	115.84	13631.97	291718.02	535.60	292253.62

Notes forming part of the consolidated financial statements 1-50

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: New Delhi
Date: May 28, 2022

SUNIL AGRAWAL
Chief Financial Officer

SANJAY GUPTA
Company Secretary

Place: New Delhi
Date: May 28, 2022

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

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

MR. R.A. SHAH
Chairman
(DIN 00009851)
DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)
NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

Directors

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2022



GODFREY PHILLIPS
INDIA LIMITED

Particulars	Rupees in Lakhs	
	For the year ended 31.03.2022	For the year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	56823.31	48729.73
Adjustments for:		
Depreciation and amortisation expenses	14520.55	14130.16
Share of loss/(profit) of associates	3.74	52.45
Interest income from:		
- Debts, deposits, loans and advances, etc.	(451.82)	(384.72)
- Non-current investments	(348.79)	(74.67)
Liabilities and provisions no longer required, written back	(776.64)	(106.76)
Dividend income	-	-
Net gain on sale/redemption/fair value of long term investments	(6275.41)	(9702.66)
Net gain on sale/redemption/fair value of short term investments	(1710.04)	(1210.68)
Exchange loss on foreign currency bank balance	0.06	(0.20)
Interest expenses		
- On borrowings	275.44	142.18
- On lease liabilities	2554.06	2727.66
- Others	537.17	188.54
Bad debts and advances written off	86.84	100.61
Provision for doubtful debts and advances (net)	49.00	262.42
Property, plant and equipments written off	152.76	254.56
Assets written off	-	1.76
Gain on modification/concession in leases	(745.12)	(1039.62)
Gain on sale of Property, plant and equipment (net)	(799.81)	(9.45)
	7071.99	5331.58
Operating profit before working capital changes	63895.30	54061.31
Adjustments for changes in working Capital:		
Increase in Trade receivables, loans, other financial assets and other assets	(2566.58)	(8237.44)
Increase in Inventories	(8560.57)	(5516.16)
Increase in Trade payables, other financial liabilities, other liabilities and provisions	9041.97	408.92
Purchase of current and non current investments*	(65.08)	(0.06)
Proceeds from sale of current and non current investments*	104.66	60.42
	(2045.60)	(13284.32)
Cash generated from operating activities	61849.70	40776.99
Income taxes paid (net)	(13990.14)	(9794.10)
Net cash generated from operating activities	47859.56	30982.89
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	(8313.31)	(13156.78)
Proceeds from sale of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	953.42	128.90
Purchase of other current and non-current investments	(575986.96)	(390816.16)
Proceeds from sale of other current and non-current investments	559103.25	373804.36
Interest received	569.69	450.14
Fixed deposits released/(made) (net)	242.17	(168.77)
Net cash used in investing activities	(23431.74)	(29758.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment of) proceeds from current borrowings (Net)	(4511.85)	375.93
Proceeds from non-current borrowings	-	6000.00
Interest paid	(3798.65)	(2878.88)
Dividend paid	(12385.87)	(253.07)
Repayment of lease obligations	(3101.73)	(2533.03)
Acquisition of non controlling interests	-	(2305.41)
Net cash used in financing activities	(23798.10)	(1594.46)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	629.72	(369.88)
Cash and cash equivalents at the beginning of the year (Refer Note 1 below)	2784.60	3154.28
	3414.32	2784.40
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.06)	0.20
Cash and cash equivalents at the end of the year (Refer Note 1 below)	3414.26	2784.60
*By the subsidiary company engaged in the business of acquisition of securities		
Note 1:		
For the purpose of consolidated statement of cash flows, cash and cash equivalents comprises the following:		
	As at	As at
	31.03.2022	31.03.2021
Cash and cash equivalents (Refer Note No. 14)	2884.72	2347.73
Earmarked unpaid dividend accounts# (Refer Note No. 14)	529.54	436.87
Total	3414.26	2784.60
#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 consolidated financial statements	1-50	

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

SUNIL AGRAWAL
Chief Financial Officer

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SUMANT BHARADWAJ

(DIN 08970744)

Directors

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

Notes to consolidated financial statements for the year ended March 31, 2022

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, 2022.

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 May 28, 2022.

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 31.3.2022	Proportion of ownership as at 31.3.2021
Indian Subsidiaries				
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%*	92.20%*
Unique Space Developers Limited	India	Real estate development	66.67%**	66.67%**
Rajputana Infrastructure Corporate Limited	India	Real estate development	92.20%***	92.20%***
Rajputana Developers Projects	India	Real estate development	- ##	- ##
Foreign Subsidiaries				
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

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 31.3.2022	Proportion of ownership as at 31.3.2021
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.

4.3.3. Group as a lessee

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	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.

The useful lives of plant and machinery stated above is based on a single shift working. Except for assets in respect of which no extra shift depreciation is permitted, if an item of plant and machinery is used any time during the year on double shift, the rate of depreciation shall be increased by 50% for that period and in case of triple shift the rate shall be increased by 100%.

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, 2021, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendment to Ind AS 103 Business Combination, regarding definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107 Financial Instruments: Disclosures, 109 - Financial Instruments, 104 - Insurance Contracts and 116 - Leases, regarding Interest Rate Benchmark Reform - Phase - 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendment to Ind AS 116 Leases, regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105 Non Current Assets Held For Sale and Discontinued Operations, 16 - Property, Plant and Equipment and 28 - Investments in Associates and Joint Ventures, regarding definition of recoverable amount.



4.26 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, effective from 01 April 2022, resulting in amendments such as :-

1. Amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, regarding onerous contracts-costs of fulfilling a contract
2. Amendment to Ind AS 16 Property, Plant and Equipment, regarding proceeds before intended use
3. Amendment to Ind AS 101 First-time Adoption of Indian Accounting Standards, regarding subsidiary as a first-time adopter
4. Amendment to Ind AS 109 Financial Instruments, regarding fees in the '10 per cent' test for derecognition of financial liabilities
5. Amendment to Ind AS 41 Agriculture, regarding taxation in fair value measurements.

These amendments are not expected to have any impact on the Group. The Group has not early adopted any amendments that have been notified but are not yet effective.

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) 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.

b) 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.

c) 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 2022 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. 12431.00 lakhs (previous year Rs. 8859.00 lakhs) as against the carrying value of the net assets of the business which is Rs. 5143.00 lakhs (previous year Rs. 6804.39 lakhs) as at March 31, 2022.

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 2022 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. 5622.00 lakhs (previous year Rs. 6193.00 lakhs (determined as per value in use basis)) as against the carrying value of the net assets of the business which is Rs. 4707.00 lakhs (previous year Rs. 5429.76 lakhs) as at March 31, 2022.



6. Property, plant and equipment and capital work in progress

Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021							
Carrying amount of:									
Property, plant and equipment	65476.05	70942.46							
Capital work-in-progress	3654.47	2640.56							
	Land-freehold**	Buildings */**	Leasehold building improvements	Plant and machinery	Electrical installation and equipments	Computers and information technology equipments	Furniture, fixtures and office equipments	Motor vehicles	Total
Cost									
Balance at 1 April 2020	974.61	28222.30	6249.05	64801.62	1830.16	3219.68	4731.35	3390.48	113419.25
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)
Balance at 31 March 2021	974.61	28451.68	7602.00	76118.48	1964.56	3384.18	5578.15	3031.29	127104.95
Additions	-	37.66	172.51	4459.46	162.88	612.65	258.25	642.74	6346.15
Disposals	-	-	(79.74)	(206.93)	(73.12)	(111.60)	(133.57)	(601.11)	(1206.07)
Reclassification***	-	(2811.11)	-	-	-	1.79	-	-	(2809.32)
Balance at 31 March 2022	974.61	25678.23	7694.77	80371.01	2054.32	3887.02	5702.83	3072.92	129435.71
Accumulated depreciation									
Balance at 1 April 2020	-	4468.15	1774.46	35224.78	650.17	2103.72	2177.21	1549.24	47947.73
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)
Balance at 31 March 2021	-	5342.70	2513.65	40642.69	815.69	2508.87	2675.80	1663.09	56162.49
Depreciation expense	-	865.37	943.87	5716.47	172.69	339.12	512.89	313.08	8863.49
Eliminated on disposals of assets	-	-	(57.22)	(163.02)	(36.07)	(95.75)	(109.53)	(480.59)	(942.18)
Reclassification***	-	(125.84)	-	-	-	1.70	-	-	(124.14)
Balance at 31 March 2022	-	6082.23	3400.30	46196.14	952.31	2753.94	3079.16	1495.58	63959.66
Net book value									
Balance at 31 March 2022	974.61	19596.00	4294.47	34174.87	1102.01	1133.08	2623.67	1577.34	65476.05
Balance at 31 March 2021	974.61	23108.98	5088.35	35475.79	1148.87	875.31	2902.35	1368.20	70942.46

Notes:

* Includes Rs. 0.02 lakhs (Previous year Rs. 0.02 lakhs) being the cost of shares in co-operative societies.

** Freehold land as on March 31, 2022 includes Rs. 79.08 lakhs in respect of agricultural land admeasuring 28 Bigha and 8 Biswa situated in village Sahurpur, Tehsil Mehrauli, New Delhi. Further, Buildings include constructions made on the above land having net book value of Rs. 644.96 lakhs as on March 31, 2022. The said land was purchased by the Group in the year 1991 and it continues to be in peaceful possession of the same along with buildings constructed thereupon. In a recent judgement delivered by the Honourable Supreme Court on May 6, 2022 in response to an appeal filed by the Delhi Development Authority, it has been held that the above referred land was acquired by the Delhi Administration under the proceedings initiated in November 1980 under the Land Acquisition Act, 1894 and has directed the authority to pay a sum of Rs 16.62 lakhs to the Group. Basis the legal analysis of the judgment, the Group is contemplating filing a review petition before the Honourable Supreme Court as it believes that there are certain inconsistencies in the judgement. Pending the filing and disposal of the review petition, no adjustment in carrying value of land and buildings has been recorded in these financial statements.

*** Building of gross value of Rs. 2811.11 lakhs (WDV Rs. 2685.27 lakhs) has been transferred to investment property as the company is no longer proposes to use the same for business purposes

Depreciation and amortisation expenses

	Note no.	Year ended 31.3.2022	Year ended 31.3.2021
Property, plant and equipment	6	8863.49	8708.21
Investment property	7	37.76	27.36
Intangible assets	8	409.17	153.94
Right of use assets	40	5210.13	5240.65
Total		14520.55	14130.16

Capital work-in-progress (CWIP) ageing schedule

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2117.16	0.49	-	522.93	2640.58
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2021	2117.16	0.49	-	522.93	2640.58
Projects in progress	2423.51	1230.96	-	-	3654.47
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2022	2423.51	1230.96	-	-	3654.47

Note : There is no CWIP whose completion is overdue or which has materially exceeded the budgeted costs.



Rupees in Lakhs			
7. Investment Property			
Cost	Freehold Land	Building	Total
Balance as at April 1, 2020	128.60	951.56	1080.16
Balance as at March 31, 2021	128.60	951.56	1080.16
Disposals	-	(65.72)	(65.72)
Reclassification (Refer Note 6)	-	2811.11	2811.11
Balance as at March 31, 2022	128.60	3696.95	3825.55
Accumulated depreciation and impairment			
Balance at April 1, 2020	-	131.06	131.06
Depreciation Expenses	-	27.36	27.36
Balance as at March 31, 2021	-	158.42	158.42
Depreciation Expenses	-	37.76	37.76
Eliminated on disposals of assets	-	(23.24)	(23.24)
Reclassification (Refer Note 6)	-	125.84	125.84
Balance as at March 31, 2022	-	298.78	298.78
Carrying amount			
Balance as at March 31, 2022	128.60	3398.17	3526.77
Balance as at March 31, 2021	128.60	793.14	921.74

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 Bazzpur, Uttarakhand. The Group has earned rental income of Rs. 47.98 lakhs (previous year Rs. 65.46 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 31.3.2022	As at 31.3.2021
Located in Maharashtra	38623.65	35472.00
Located in Uttarakhand	998.57	890.80
	39622.22	36362.80

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

	Valuation technique	Significant unobservable inputs	Assumption used	
			As at March 31, 2022	As at March 31, 2021
Located in Maharashtra				
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)	14500 to 75000	13500 to 16000
Office Building	Market Value Method	Fair Market Value (Rs./Sq. Ft.)	30000	30000
Located in Uttarakhand				
Factory Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	1600 to 8900	1450 to 8900

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 31.3.2022	As at 31.3.2021
8. Intangible assets and Intangible assets under development		
Carrying amount of:		
- Intangible assets	1350.24	949.83
- Intangible assets under development	506.63	-
	1856.87	<u>949.83</u>
Computer Software		
Cost		
Balance at April 1, 2020	1182.49	
Additions	708.57	
Balance at March 31, 2021	1891.06	
Additions	809.67	
Reclassification	(1.79)	
Balance at March 31, 2022	2698.94	
Accumulated amortisation		
Balance at April 1, 2020	787.29	
Amortisation expense	153.94	
Balance at March 31, 2021	941.23	
Amortisation expense	409.17	
Reclassification	(1.70)	
Balance at March 31, 2022	1348.70	
Net book value		
Balance at March 31, 2022	1350.24	
Balance at March 31, 2021	949.83	

Intangible assets under development ageing schedule

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	-
Projects in progress	506.63	-	-	-	506.63
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2022	506.63	-	-	-	506.63

Note : There is no intangible asset under development whose completion is overdue or which has materially exceeded the budgeted costs.

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments		
Non-current		
Investment in equity instruments		
-Associate companies	402.71	406.45
-Other equity instruments	22225.27	17472.32
Investment in preference shares	163.35	176.07
Investment in mutual funds	107113.45	87386.28
Investment-others	7478.62	3721.86
	137383.40	109162.98
Current		
Investment in mutual funds	45131.94	44535.18
Investment-others	1859.97	1672.87
	46991.91	46208.05
Aggregate value of unquoted investments non-current	19382.25	15220.20
Aggregate value of quoted investments non-current	119021.15	94962.78
Aggregate value of quoted investments current	46991.91	46208.05
Market value of quoted investments non-current	119002.31	94905.05
Market value of quoted investments current	46991.91	46237.60
Aggregate value of impairment (other than temporary) in value of investments non-current	510.00	510.00
Classification of investments as per Ind AS 109		
Investments carried at fair value through profit or loss (FVTPL)	161103.41	138851.71
Investments carried at fair value through other comprehensive income (FVTOCI)	17796.19	13617.72
Investments carried at amortised cost	5073.00	2495.15
	183972.60	154964.58



		Rupees in Lakhs	
		As at 31.03.2022	As at 31.03.2021
9.1	Investment in associates		
	Break-up of investment in associates (carrying amount determined using the equity method of accounting) Unquoted investment		
	IPM India Wholesale Trading Private Limited 49,60,000 Equity shares of Rs. 10 each fully paid up Less: Provision for impairment in the value	496.00 (496.00)	496.00 (496.00)
	KKM Management Centre Private Limited 11,02,500 Equity shares of Rs. 10 each fully paid up Group's share of profit upto year end	110.25 251.40 361.65	110.25 246.98 357.23
	KKM Management Centre Middle East (FZC) 144 Equity shares of AED 1,000 each fully paid up Group's share of profit upto year end	25.89 15.17 41.06	25.89 23.33 49.22
	Aggregate carrying amount of the Group's investment in associates	402.71	406.45

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

Share of profit of associates that are not individually material	Year ended 31.03.2022	Year ended 31.03.2021
The Group's share of profit or loss	(3.74)	(52.45)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(3.74)	(52.45)

	As at 31.03.2022	As at 31.03.2021
Unrecognised share of profit of associate (IPM India Wholesale Trading Private Limited)*		
The unrecognised share of profit of associate for the year (including other comprehensive income)	7454.37	3593.71
Cumulative share of loss of an associate (Including other comprehensive income)	(1173.05)	(8627.42)
*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, 2022 and March 31, 2021 respectively.		

9.2 Investment in other equity instruments

9.2.1 Investments measured at fair value through profit or loss (FVTPL)

Unquoted equity instruments

Molind Engineering Limited

3,500 Equity shares of Rs.10 each fully paid up

Less: Written-off

0.25
(0.25)

Narang Industries Limited

40,000 Equity Shares of Rs.10 each fully paid up

Less: Provision for impairment in the value

4.00
(4.00)

Quoted equity instruments

Nestle India Limited

93 Equity Shares of Rs.10 each fully paid up

16.23

Golden Tobacco Limited

100 Equity Shares of Rs.10 each fully paid up

0.10

VST Industries Limited

100 Equity Shares of Rs.10 each fully paid up

3.08

Hindustan Unilever Limited

1,694 (Previous year 290) Equity Shares of Re.1 each fully paid up

34.95

HDFC Bank Limited

1,46,400 Equity Shares of Rs. 1 each fully paid up

2187.22

Diligent Media Corporation Ltd

57 Equity Shares of Rs.10 each fully paid up

-

Deccan Chronicle Holdings Limited

2,000 Equity Shares of Rs.2 each fully paid up

-

Punjab National Bank

1,150 Equity Shares of Rs.10 each fully paid up

0.41



Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)		
Bank of Baroda 5,000 Equity Shares of Rs.2 each fully paid up	5.73	3.71
State Bank of India 40,910 Equity Shares of Re.1 each fully paid up	204.28	149.57
Maruti Suzuki India Limited 950 Equity Shares of Rs.5 each fully paid up	72.00	66.14
Emami Limited 5,400 Equity Shares of Re.1 each fully paid up	24.55	26.09
NTPC Limited 7,852 Equity Shares of Rs.10 each fully paid up	11.05	8.51
Reliance Industries Limited 10,352 Equity Shares of Rs.10 each fully paid up	273.26	209.05
Tata Consultancy Services Limited 7,700 Equity Shares of Re.1 each fully paid up	288.44	246.74
Ashok Leyland Limited 15,000 Equity Shares of Re.1 each fully paid up	17.68	17.12
ICICI Bank Limited 12,864 Equity Shares of Rs.2 each fully paid up	93.49	74.81
Aditya Birla Capital Limited 12,577 Equity Shares of Rs.10 each	13.80	15.27
Zee Entertainment Enterprises Limited 1,094 Equity Shares of Re.1 each fully paid up	3.23	2.25
Dabur India Limited 6,000 Equity Shares of Re.1 each fully paid up	32.54	32.58
SRF Limited 3,200 Equity Shares of Rs.10 each fully paid up	423.84	177.11
Tata Chemicals Limited 1,500 Equity Shares of Rs.10 each fully paid up	14.79	11.34
Power Finance Corporation Limited 1,994 Equity Shares of Rs.10 each fully paid up	2.31	2.28
Indian Bank Limited 2,096 Equity Shares of Rs.10 each fully paid up	3.29	2.49
Reliance Capital Limited 75 Equity Shares of Rs.10 each fully paid up (received free of cost)	0.01	0.01
Axis Bank 5,000 Equity Shares of Rs.2 each fully paid up	38.20	34.94
ITC Limited 13,500 Equity Shares of Re.1 each fully paid up	33.85	29.69
J.K.Cement Limited 2,000 Equity Shares of Rs.10 each fully paid up	50.64	58.81
Power Grid Corporation of India Limited 17,068 Equity Shares of Rs.10 each fully paid up	50.59	36.73
Tata Motors Limited 10,164 Equity Shares of Rs.2 each fully paid up	44.18	31.01
Fortis Healthcare Limited 51,176 Equity Shares of Rs.10 each fully paid up	145.65	102.28
Bharat Electronics Limited 8,800 Equity Shares of Re.1 each fully paid up	18.90	11.09
Cipla Limited 1,000 Equity Shares of Rs.2 each fully paid up	10.09	8.19
ICRA Limited 1,000 Equity Shares of Rs.10 each fully paid up	41.63	33.08
Infosys Limited 4,000 Equity Shares of Rs.5 each fully paid up	75.74	55.63
Kotak Mahindra Bank Limited 4,000 Equity Shares of Rs. 5 each fully paid up	71.06	70.66
Coal India Limited 154 Equity Shares of Rs.10 each fully paid up	0.29	0.20



		Rupees in Lakhs	
		As at 31.03.2022	As at 31.03.2021
9.	Financial assets - Investments (continued)		
	Zee Media Corporation Limited (Earlier Zee News Limited) 226 Equity Shares of Re.1 each fully paid up (received free of cost)	0.04	0.01
	IDFC Bank Limited 13,815 Equity Shares of Rs.10 each fully paid up	5.72	7.94
	Ashoka Buildcon Limited 9,090 Equity Shares of Rs.5 each fully paid up	8.06	9.35
	Castrol India Limited 4,800 Equity Shares of Rs.5 each fully paid up	4.98	6.06
	RBL Bank Limited 2,300 Equity Shares of Rs.10 each fully paid up	3.11	4.80
	Reliance Home Finance Limited 75 Equity Shares of Rs.10 each fully paid up (received free of cost)	-	-
	Piramal Enterprises Limited 432 Equity Shares of Rs.2 each fully paid up	9.58	7.76
	Care Rating Limited 1,020 Equity Shares of Rs.10 each fully paid up	5.38	4.35
	Century Plyboards India Limited 7,133 Equity Shares of Re.1 each fully paid up	50.45	22.81
	Coachin shipyard Limited 2,286 Equity Shares of Rs.10 each fully paid up	6.91	8.61
	Engineers India Limited 4,500 Equity Shares of Rs.5 each fully paid up	2.97	3.51
	NCL Industries Limited 2,790 Equity Shares of Rs.10 each fully paid up	5.22	4.81
	PNB Housing Finance Limited 1,538 Equity Shares of Rs.10 each fully paid up	5.96	5.90
	Tata Consumer Products Limited 1,710 Equity shares of Rs. 1 each fully paid up	13.50	11.02
	Steel Authority of India Limited 100 Equity shares of Rs. 10 each fully paid up	0.10	0.08
	Sub total (B)	4429.08	3854.60
9.2.2	Investments measured at fair value through other comprehensive income		
	Unquoted equity instrument		
	K K Modi Investment & Financial Services Private Limited 91,875 Equity Shares of Rs.10 each fully paid up	17796.19	13617.72
	Sub total (C)	17796.19	13617.72
9.2.3	Investments measured at amortised cost		
	Unquoted equity instrument		
	Circassia Pacific Finance Limited 1,00,000 Equity Shares of Rs.10 each fully paid up	10.00	10.00
	Less: Provision for impairment in the value	(10.00)	(10.00)
	Sub total (D)	-	-
	Aggregate investment in other equity instruments (A+B+C+D)	22225.27	17472.32
9.3	Investment in mutual funds - Quoted		
	Non-current investment in mutual funds (valued at fair value through profit or loss)	107113.45	87386.28
	Current investment in mutual funds (valued at fair value through profit or loss)	45131.94	44535.18
9.3.1	Break-up of non-current investment in mutual funds		
	Franklin Templeton Mutual Fund		
	50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each	-*	617.32
	50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each	-*	611.72
	50,00,000 Units of Franklin India Fixed Maturity Plans-Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each	-*	604.84
	ICICI Prudential Mutual Fund		
	41,57,762 Units of ICICI Prudential Short Term Fund-Direct Plan-Growth Option of Rs.10 each	2122.34	2021.47
	1,46,62,444 Units of ICICI Prudential Banking and PSU Debt Fund-Direct Plan-Growth of Rs.10 each	3947.17	3755.99
	82,11,648 (Previous year 27,82,985) Units of ICICI Prudential Medium Term Bond Fund Direct Plan-Growth of Rs. 10 each	3157.50	1008.48



Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)		
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K-Direct Plan of Rs.10 each	-*	633.28
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each	-*	633.73
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N-Direct Plan of Rs.10 each	-*	629.62
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U-Direct Plan of Rs.10 each	-*	615.93
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z-Direct Plan of Rs. 10 each	-*	1234.02
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B-Direct Plan of Rs. 10 each	-*	613.36
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D-Direct Plan of Rs. 10 each	-*	609.09
1,21,31,499 Units of ICICI Prudential Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	2982.69	2851.71
2,48,96,644 Units of ICICI Prudential PSU Bond Plus SDL 40:60 Index Fund - Sep 2027 Direct Plan Growth of Rs. 10 each (purchased during the year)	2533.06	-
49,99,750 Units of ICICI Prudential Nifty SDL Sep 2027 Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	501.99	-
78,705 Units of ICICI Prudential Income Opportunities Fund -Regular Plan- Growth of Rs. 10 each	25.09	24.28
Aditya Birla Sunlife Mutual Fund		
12,09,715 Units of Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan of Rs. 10 each	1103.33	1049.22
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) -Direct -Growth of Rs. 10 each	-*	623.58
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) -Direct Growth of Rs. 10 each	-*	622.11
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RV (1202 Days) -Direct Growth of Rs. 10 each	-*	618.40
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS)-Direct Growth of Rs. 10 each	-*	607.74
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ (1135 DAYS)-Direct Growth of Rs. 10 each	-*	603.64
2,48,52,810 Units of Aditya Birla Sun Life Nifty SDL Plus PSU Bond SEP 2026 60:40 Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	2529.10	-
1,49,07,308 Units of Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund Direct Growth of Rs. 10 each (purchased during the year)	1509.06	-
49,99,750 Units of Aditya Birla Sun Life CRISIL SDL Plus AAA PSU APR 2027 60:40 Index Fund- Direct Growth of Rs 10 each (purchased during the year)	500.34	-
49,99,750 Units of Aditya Birla Sun Life Fixed Term Plan - Series TQ (1879 days)- Direct Growth of Rs. 10 each (purchased during the year)	501.66	-
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN (1099 Days) Direct Growth of Rs. 10 each	-*	598.51
20,91,866 Units of Aditya Birla Sunlife Income Fund-Growth-Direct Plan of Rs.10 each	2290.23	2161.52
15,00,657 Units of Aditya Birla Sun Life Government Securities Fund- Direct Growth of Rs. 10 each (purchased during the year)	1047.70	-
IDFC Mutual Fund		
12,82,926 Units of IDFC Bond Fund-Short Term Plan-Growth-Direct Plan of Rs. 10 each	628.59	601.21
78,77,427 Units of IDFC Corporate Bond Fund-Direct Plan-Growth of Rs. 10 each	1263.56	1202.70
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan -Growth (1170 Days) of Rs. 10 each	-*	612.42
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan -Growth (1160 Days) of Rs. 10 each	-*	608.07
31,47,921 Units of IDFC Banking & PSU Debt Fund-Direct Plan-Growth of Rs. 10 each	642.15	615.12
1,90,89,508 Units of IDFC Gilt 2027 Index Fund Direct Plan-Growth of Rs. 10 each (purchased during the year)	2016.62	-
HDFC Mutual Fund		
2,60,51,855 Units of HDFC Banking and PSU Debt Fund Direct Growth Option of Rs. 10 each	4991.32	4754.30
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	-*	1272.13
50,00,000 Units of HDFC FMP 1274D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each	-*	634.14
50,00,000 Units of HDFC FMP 1154D February 2019 (1)-Direct-Growth Series 43 of Rs.10 each	-*	607.99
50,00,000 Units of HDFC FMP 1126D March 2019 (1)-Direct-Growth Series 44 of Rs.10 each	-*	604.28
1,09,30,550 Units of HDFC Corporate Bond Fund-Direct Plan-Growth Option of Rs. 10 each	2894.56	2752.69
54,62,331 (Previous year 33,02,012) Units of HDFC Medium Term Debt Fund- Direct Plan-Growth Option of Rs.10 each	2652.47	1507.85
89,83,476 Units of HDFC Short Term Debt Fund-Direct Plan-Growth Option of Rs.10 each	2355.39	2241.10
SBI Mutual Fund		
1,26,95,752 Units of SBI Short Term Debt Fund-Direct Plan-Growth of Rs. 10 each	3456.97	3304.55
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) -Direct-Growth of Rs. 10 each	-*	632.45
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) -Direct-Growth of Rs. 10 each	-*	625.63
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days) -Direct-Growth of Rs. 10 each	-*	618.15
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)-Direct Growth of Rs. 10 each	-*	610.89
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)-Direct Growth of Rs. 10 each	-*	609.50
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)-Direct Growth of Rs. 10 each	-*	609.86
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)-Direct Growth of Rs. 10 each	-*	603.27



		Rupees in Lakhs	
		As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)			
43,174 Units of SBI Banking & PSU Debt Fund- Direct Growth of Rs. 1000 each	1151.89		1102.66
90,59,366 Units of SBI Corporate Bond Fund- Direct Plan- Growth of Rs.10 each	1157.34		1106.53
1,99,05,488 Units of SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct Growth of Rs. 10 each (purchased during the year)	2015.51		-
AXIS Mutual Fund			
83,523 units of Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) of Rs. 1000 each	1826.70		1752.14
22,47,887 Units of Axis Short Term Fund - Direct Plan - Growth(ST-DG) of Rs. 10 each	599.77		570.98
60,24,637 (Previous year 40,58,268) Units of Axis Dynamic Bond Fund - Direct Plan - Growth (DBDGG) of Rs. 10 each	1571.19		1006.89
66,41,858 (Previous year 44,64,883) Units of Axis Strategic Bond Fund - Direct Plan - Growth (IF-DG) of Rs. 10 each	1593.55		1006.96
99,99,500 Units of Axis Crisil SDL 2027 Debt Index Fund- Direct Growth (CR-DG) of Rs. 10 each (purchased during the year)	1000.86		-
99,20,237 Units of Axis AAA Bond Plus SDL ETF 2026 Maturity Regular Growth of Rs. 10 each (purchased during the year)	1046.10		-
DSP BlackRock Mutual Fund			
49,99,750 Units of DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund-Direct-Growth of Rs. 10 each (purchased during the year)	501.39		-
Nippon India Mutual Fund			
81,97,863 (Previous year 65,82,430) Units of Nippon India Dynamic Bond Fund Direct Growth Plan of Rs.10 each	2601.82		1997.94
29,17,578 Units of Nippon India Floating Rate Fund Direct Growth Plan of Rs.10 each	1101.22		1049.98
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04- Direct- Growth Plan of Rs.10 each	-*		649.31
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX-Series 9- Direct -Growth Plan of Rs.10 each	-*		637.44
49,99,750 Units of Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Direct -Growth of Rs. 10 each (purchased during the year)	501.78		-
10,00,000 Units of Nippon India ETF- Nifty SDL -2026 Maturity of Rs. 100 each (purchased during the year)	1080.70		-
UTI Mutual Fund			
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-1209 Days -Direct-Growth Plan of Rs. 10 each	-*		616.51
50,00,000 Units of UTI Fixed Term Income Fund Series XXXIII-1174 Days-Direct Growth Plan of Rs. 10 each	-*		612.06
1,76,45,229 Units of UTI Corporate Bond Fund-Direct Growth Plan of Rs 10 each	2364.97		2259.68
TATA Mutual Fund			
49,99,750 Units of TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 60:40 Index Fund- Direct Growth of Rs 10 each (Purchased during the year)	499.98		-
KOTAK Mutual Fund			
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	-*		634.28
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	-*		625.76
19,858 Units of Kotak Corporate Bond Fund Direct Growth of Rs. 1000 each	622.13		592.69
54,72,469 Units of Kotak Banking and PSU Debt Fund Direct-Growth of Rs. 10 each	2970.52		2819.61
65,14,905 Units of Kotak Dynamic Bond Fund Direct-Growth of Rs. 10 each	2097.55		1988.37
1,05,82,394 (Previous year 54,07,152) Units of Kotak Medium Term Fund Direct-Growth of Rs. 10 each	2094.03		998.63
60,86,604 Units of Kotak Bond (Short Term)-Direct Plan-Growth of Rs. 10 each	2781.32		2646.34
99,99,500 Units of Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	1004.12		-
85,085 Units of Kotak Floating Rate Fund- Direct Growth of Rs. 1000 each (purchased during the year)	1044.27		-
Edelweiss Mutual Fund			
1,00,000 Units of Edelweiss Mutual Fund Bharat Bond ETF-April 2030 of Rs.1000 each	1203.08		1134.37
45,52,180 Units of Bharat Bond FOF April 2030 - Direct Plan Growth of Rs.100 each	546.55		515.73
3,00,80,623 (Previous year 88,88,991) Units of Bharat Bond FOF April 2030 - Regular Plan Growth of Rs.10 each	3611.60		1007.07
1,93,69,004 (Previous year 98,66,305) Units of Bharat Bond FOF - April 2031 - Regular Plan Growth of Rs.10 each	2,083.84		1004.58
2,90,10,935 (Previous year 49,99,750) Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth of Rs.10 each	3115.93		505.41
1,01,43,531 Units of Bharat Bond FOF-April 2023-Regular Plan-Growth of Rs.10 each	1184.37		1131.18
46,76,553 Units of Bharat Bond FOF-April 2025- Regular Plan Growth of Rs. 10 each (purchased during the year)	506.14		-
99,995 Units of Bharat Bond ETF- April 2032 of Rs. 1000 each (purchased during the year)	1010.08		-
48,13,469 Units of Bharat Bond FOF-April 2031 Direct Growth of Rs. 10 each (purchased during the year)	517.86		-



Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)		
99,99,500 Units of Edelweiss CRISIL PSU Plus SDL 50:50 Oct 2025 Index Fund- Direct Growth of Rs. 10 each (purchased during the year)	1004.50	-
1,99,24,070 Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund – 2027- Direct Growth of Rs. 10 each (Purchased during the year)	2033.57	-
HSBC Mutual Fund		
49,99,750 Units of HSBC CRISIL IBX 50:50 GILT PLUS SDL APR 2028 INDEX FUND- DIRECT GROWTH of Rs. 10 each (Purchased during the year)	499.98	-
L&T Mutual Fund		
27,52,410 Units of L&T Short Term Bond Fund-Direct Plan-Growth of Rs. 10 each	622.34	595.90
54,59,152 Units of L&T Banking and PSU Debt Fund-Direct Plan- Growth of Rs 10 each	1147.32	1097.95
98,78,565 (Previous year 65,92,441) Units of L& T Triple Ace Bond Fund Direct Plan Growth of Rs. 10 each	6209.63	3931.67
10,02,536 Units of L&T Triple Ace Bond Fund Growth of Rs 10 each	598.18	569.46
58,18,859 Units of L&T Banking and PSU Debt Fund-Growth of Rs 10 each	1175.42	1129.11
Sundaram Mutual Fund		
34,70,150 Units of Sundaram Corporate Bond Fund Direct-Growth of Rs. 10 each	1161.46	1111.23
Total aggregate non-current investment in mutual funds	107113.45	87386.28
9.3.2 Break-up of current investment in mutual funds		
Franklin Templeton Mutual Fund		
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan D (1238 Days)- Direct-Growth of Rs. 10 each	645.33**	-
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 5- Plan F (1203 Days)- Direct-Growth of Rs. 10 each	638.42**	-
50,00,000 Units of Franklin India Fixed Maturity Plans-Series 6- Plan C (1169 Days)- Direct-Growth of Rs. 10 each	631.67**	-
Nil (previous year 1,00,00,000) Units of Franklin India Fixed Maturity Plans-Series 2- Plan C (1205 Days)- Direct- Growth of Rs. 10 each	-	1263.40
Nil (previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 3- Plan C (1132 Days) - Direct-Growth of Rs. 10 each	-	627.88
Nil (previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 4- Plan C (1098 Days)- Direct-Growth of Rs. 10 each	-	625.36
Nil (previous year 50,00,000) Units of Franklin India Fixed Maturity Plans-Series 4- Plan D (1098 Days)- Direct-Growth of Rs. 10 each	-	597.34
Aditya Birla Sunlife Mutual Fund		
Nil (previous year 1,00,00,000) Units of Aditya Birla Sunlife Fixed Term Plan -Series PG (1148 Days) - Direct-Growth of Rs.10 each	-	1260.68
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QQ (1100 Days) - Direct Growth of Rs. 10 each	-	565.26
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QU (1100 Days) - Direct Growth of Rs. 10 each	-	619.65
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan Series QO- (1100 Days) - Direct Growth of Rs. 10 each	-	611.29
Nil (previous year 50,00,000) Units of Aditya Birla Sun Life Fixed Term Plan -Series QR (1126 Days) - Direct Growth of Rs. 10 each	-	615.31
Nil (previous year 18,33,542) Units of Aditya Birla Sun Life Floating Rate Fund- Growth Direct Plan of Rs.100 each	-	4963.09
Nil (Previous year 38,94,301) Units of Aditya Birla Sunlife Savings Fund - Growth Direct Plan of Rs.100 each	-	16622.29
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RH (1281 Days) - Direct -Growth of Rs. 10 each	649.56 **	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RN (1240 Days) - Direct Growth of Rs. 10 each	647.70**	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series RW (1202 Days) - Direct Growth of Rs. 10 each	644.62 **	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SG (1155 DAYS)- Direct Growth of Rs. 10 each	633.77**	-
50,00,000 Units of Aditya Birla Sun Life Fixed Term Plan Series SJ (1135 DAYS)- Direct Growth of Rs. 10 each	629.13**	-
50,00,000 units of Aditya Birla Sun Life Fixed Term Plan Series SN (1099 Days) Direct Growth of Rs. 10 each	623.54**	-
70,50,988 Units of Aditya Birla Sun Life Money Manager Fund Direct Plan Growth of Rs. 10 each (Purchased during the year)	21076.14**	-



		Rupees in Lakhs	
		As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)			
HDFC Mutual Fund			
Nil (previous year 50,00,000) Units of HDFC FMP 1177D March, 2018(1) - Direct-Growth-Series 39 of Rs.10 each		-	639.40
1,00,00,000 Units of HDFC FMP 1344D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each		1337.63**	-
50,00,000 Units of HDFC FMP 1274D October 2018(1) -Direct-Growth-Series 43 of Rs.10 each		660.43**	-
50,00,000 Units of HDFC FMP 1154D February 2019 (1)-Direct-Growth Series 43 of Rs.10 each		633.10**	-
50,00,000 Units of HDFC FMP 1126D March 2019 (1)-Direct-Growth Series 44 of Rs.10 each		629.43**	-
Nil (previous year 1,00,00,000) Units of HDFC FMP 1141D August 2018(1) - Direct-Growth-Series 42 of Rs.10 each		-	1263.72
SBI Mutual Fund			
Nil (previous year 50,00,000) Units of SBI Debt Fund Series -C-12-(1122 Days) - Direct-Growth of Rs. 10 each		-	614.51
Nil (previous year 1,00,00,000) Units of SBI Debt Fund Series -C-22-(1100 Days) - Direct-Growth of Rs. 10 each		-	1246.77
50,00,000 Units of SBI Debt Fund Series -C-27-(1260 Days) -Direct-Growth of Rs. 10 each		659.58**	-
50,00,000 Units of SBI Debt Fund Series -C-28-(1240 Days) -Direct-Growth of Rs. 10 each		651.14**	-
50,00,000 Units of SBI Debt Fund Series -C-33-(1216 Days)-Direct-Growth of Rs. 10 each		645.38**	-
50,00,000 Units of SBI Debt Fund Series C-40 (1177 Days)-Direct Growth of Rs. 10 each		636.13**	-
50,00,000 Units of SBI Debt Fund Series C-44 (1175 Days)-Direct Growth of Rs. 10 each		635.77**	-
50,00,000 Units of SBI Debt Fund Series C-43 (1176 Days)-Direct Growth of Rs. 10 each		635.58**	-
50,00,000 Units of SBI Debt Fund Series C-48 (1177 Days)-Direct Growth of Rs. 10 each		630.41**	-
Nil (previous year 50,00,000) Units of SBI Debt Fund Series -C-25-(1100 Days) - Direct-Growth of Rs. 10 each		-	629.31
Axis Mutual Fund			
Nil (previous year 50,00,000) Units of Axis Fixed Term Plan Series-96 (1124 Days) - Direct-Growth (WH-DG) of Rs.10 each		-	575.85
DSP BlackRock Mutual Fund			
5,41,116 Units of DSP Black Rock Arbitrage Fund Direct- Growth of Rs 10 each (purchased during the year)		67.48	-
Nil (previous year 6,16,558) Units of DSP Black Rock Arbitrage Fund Direct- Dividend of Rs.10 each		-	64.82
Nil (previous year 1,00,00,000) Units of DSP FMP- Series 221-40M -Direct-Growth of Rs 10 each		-	1258.11
Nil (previous year 50,00,000) Units of DSP FMP -S241-36M-Direct-Growth of Rs. 10 each		-	626.25
IIFL Mutual Fund			
10,28,489 Units of IIFL Special Opportunities Fund Series 5 of Rs.10 each		90.34	112.18
ICICI Mutual Fund			
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1275 Days Plan K- Direct Plan of Rs.10 each		659.99**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1287 Days Plan I- Direct Plan of Rs.10 each		665.12**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1245 Days Plan N- Direct Plan of Rs.10 each		656.01**	-
50,00,000 Units of ICICI Prudential Fixed Maturity Plan -Series 84 -1254 Days Plan U- Direct Plan of Rs.10 each		642.61**	-
1,00,00,000 Units of ICICI Prudential Fixed Maturity Plan Series 84-1188 Days Plan Z- Direct Plan of Rs. 10 each		1288.35**	-
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1178 Days Plan B- Direct Plan of Rs. 10 each		639.93**	-
50,00,000 Units ICICI Prudential Fixed Maturity Plan Series 85-1175 Days Plan D- Direct Plan of Rs. 10 each		635.52**	-
IDFC Mutual Fund			
50,00,000 Units of IDFC Fixed Term Plan Series 176 Direct Plan -Growth (1170 Days) of Rs. 10 each		638.86**	-
50,00,000 Units of IDFC Fixed Term Plan Series 177 Direct Plan -Growth (1160 Days) of Rs. 10 each		634.40**	-
UTI Mutual Fund			
Nil (previous year 1,00,00,000) Units of UTI Fixed Term Income Fund Series XXX-III-1106 Days - Direct-Growth Plan of Rs. 10 each		-	1152.73
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-I-1209 Days -Direct-Growth Plan of Rs. 10 each		643.29**	-
50,00,000 Units of UTI Fixed Term Income Fund Series XXXI-III-1174 Days-Direct Growth Plan of Rs. 10 each		637.77**	-
Tata Mutual Fund			
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 53 Scheme A- Direct Plan-Growth of Rs. 10 each		-	627.77



Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)		
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 55 Scheme E- Direct Plan-Growth of Rs. 10 each	-	574.16
Nil (previous year 50,00,000) Units of Tata Fixed Maturity Plan Series 55 Scheme F- Direct Plan-Growth of Rs. 10 each	-	565.62
Kotak Mutual Fund		
Nil (previous year 50,00,000) Units of Kotak FMP Series 220 - Direct-Growth of Rs. 10 each	-	637.43
Nil (previous year 50,00,000) Units of Kotak FMP Series 234 - Direct-Growth of Rs. 10 each	-	635.64
50,00,000 Units of Kotak FMP Series 250 - Direct-Growth of Rs. 10 each	663.06 **	-
50,00,000 Units of Kotak FMP Series 252 - Direct-Growth of Rs. 10 each	652.77 **	-
Sundaram Mutual Fund		
Nil (previous year 1,50,00,000) Units of Sundaram Fixed Term Plan IE Direct -Growth of Rs. 10 each	-	1918.47
Nil (previous year 50,00,000) Units of Sundaram Fixed Term Plan IK Direct -Growth of Rs. 10 each	-	625.64
Nippon India Mutual Fund		
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXVII-Series 04- Direct- Growth Plan of Rs.10 each	677.54 **	-
50,00,000 Units of Nippon India Fixed Horizon Fund -XXXIX-Series 9- Direct -Growth Plan of Rs.10 each	664.44 **	-
PGIM India Mutual Fund (Formerly known as DHFL Pramerica Mutual Fund)		
Nil (Previous year 50,000) Units of PGIM India Fixed Duration Fund-Series AR - Direct Plan-Growth of Rs. 1000 each	-	614.77
Nil (previous year 50,000) Units of PGIM India Fixed Duration Fund Series BE- Direct Plan-Growth of Rs. 1000 each	-	547.12
HSBC Mutual Fund		
Nil (previous year 1,00,00,000) Units of HSBC FTS 133-Growth-Direct -1134 days of Rs.10 each	-	1233.36
Total aggregate current investment in mutual funds	45131.94	44535.18
9.4 Investment-Others Quoted-non-current		
9.4.1 Investments in bonds (valued at amortised cost)		
State Bank of India		
100 Units of State Bank of India SR I 7.74 BD Perpetual FVRS10LAC of Rs 10,00,000 each	1031.65	1031.65
100 (Previous year 50) Units of State Bank of India SR II 7.73 BD Perpetual FVRS10LAC of Rs 10,00,000 each	1014.03	513.97
10 Units of State Bank of India SR I 7.72 BD Perpetual FVRS1CR of Rs 1,00,00,000 each (purchased during the year)	1000.50	-
Bank of Baroda		
30 Units of Bank of Baroda SR XIV 8.50 BD Perpetual FVRS10LAC of Rs 10,00,000 each	302.45	302.45
20 Units of Bank of Baroda SR XIII 8.50 BD Perpetual FVRS10LAC of Rs 10,00,000 each	212.07	212.07
100 Units of Bank of Baroda SR XV 8.15 BD Perpetual FVRS10LAC of Rs 10,00,000 each (purchased during the year)	1012.30	-
5 Units of Bank of Baroda SR XVII 7.95 BD Perpetual FVRS1CR of Rs 1,00,00,000 each (purchased during the year)	500.00	-
9.4.2 Investment in Debentures (FVTPL)		
NTPC Limited (6,544 12.5% Non Convertible Debentures)	0.86	0.89
9.4.3 Investment in Alternative Investment Funds (FVTPL)		
IIFL Series		
19,96,885 units of IIFL India Housing Fund of Rs. 10 each	198.11	234.76
50,00,000 Units of IIFL Select Series II of Rs. 10 each	764.64	681.67
30 Units of IIFL Wealth Prime Limited BR NCD 28FB24 FVRS10LAC of Rs 10,00,000 each (purchased during the year)	297.06	-
9.4.4 Investment in Exchange Traded Fund (FVTPL)		
Reliance Liquid Bees Fund		
22.13 (previous year 22.10) Units of Rs. 1,000 each	0.23	0.22
9.4.5 Investment in Market Linked Debentures (MLD) (FVTPL)		
100 Units of JM Financial Asset Reconstruction Company Limited - TR XXXI BR NCD 25NV22 FVRS2LAC of Rs 200,000 each	-*	207.18
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs.200,000 each	-*	537.00



Rupees in Lakhs

	As at 31.03.2022	As at 31.03.2021
9. Financial assets - Investments (continued)		
30 Units of JM Financial Asset Reconstruction Company Limited- TR XXXV BR NCD 11JU24 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	305.55	-
50 Units JM Financial Asset Reconstruction Company Limited- TR XXXII BR NCD 05OT23 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	525.55	-
30 Units of Arka Fincap Limited SR I BR LOA 04AG23 FVRS10LAC of Rs. 10,00,000 each (purchased during the year)	313.62	-
	7478.62	3721.86
9.5 Investment-Others-current		
Indian Railway Finance Corporation Limited (valued at amortised cost)		
Nil (previous year 43,501) Units of Tax Free Secured Redeemable Non-convertible Bonds of Rs.1000 each fully paid up	-	435.01
Investment in Market Linked Debentures (MLD) (FVTPL)		
Nil (previous year 500) units of Samasta Micro Finance Limited Rs. 100,000 each	-	647.90
Nil (previous year 187) Units of IIFL Wealth Finance Limited of Rs. 1,00,000 each	-	244.54
Nil (previous year 150) Units of JM Financial Products Limited Series XXII BR NCD of Rs 200,000 each	-	345.42
250 Units of JM Financial Products Limited - TR CE 2020(XXV) BR NCD 07JUNE2022 FVRS2LAC of Rs.200,000 each	577.45**	-
100 Units of JM Financial Asset Reconstruction Company Limited- TR XXXI BR NCD 25NV22 FVRS2LAC of Rs 200,000 each	226.02 **	-
50 Units of Piramal Capital & Housing Finance Limited - BR LOA 07OT22 FVRS10LAC of Rs. 10,00,000 each (Purchased during the year)	544.10	-
50 Units of IIFL SAMASTA FINANCE LIMITED BR NCD 26DC22 FVRS10LAC of Rs. 10,00,000 each (Purchased during the year)	512.40	-
	1859.97	1672.87
9.6 Investment in preference shares (FVTPL)		
K K Modi Investment & Financial Services Private Limited - Unquoted - FVTPL		
71,28,000 Preference Shares of Rs.10 each fully paid up	163.35	176.03
Zee Entertainment Enterprises Limited - Quoted - FVTPL		
Nil (previous year 2,297) 6% Preference Shares of Rs. 10 each fully paid up (received free of cost)	-	0.04
Aggregate investment in preference shares	163.35	176.07
9.7 Investments under portfolio management scheme - Unquoted		
Sai Royalaseema Paper Mills Limited		
15,895 Equity Shares of Rs.10 each fully paid up	-	-
* Transfer from non-current to current investments		
** Transfer to current from non-current investments		
10. Financial assets - Loans (carried at amortised cost) (unsecured considered good unless otherwise stated)	As at 31.3.2022	As at 31.3.2021
Non-current		
Loans to related parties (Refer note No.44)		
- Loan to officers	3.67	7.01
Loans to employees	365.14	479.29
	368.81	486.30
Current		
Loans to related parties (Refer note No.44)		
- Loan to officers	3.34	4.70
Loans to employees	179.89	158.02
	183.23	162.72
Total	552.04	649.02



Rupees in Lakhs

11. Income taxes

Income tax expense in the consolidated statement of profit and loss comprises:

	Year ended 31.3.2022	Year ended 31.3.2021
Statement of profit and loss		
Current income tax		
In respect of the current year	13157.55	10452.56
In respect of the prior years	(38.03)	(186.34)
Deferred tax		
In respect of the current year	(103.05)	817.10
In respect of the prior years	5.11	0.67
Total income tax expense recognised in the statement of profit and loss	13021.58	11083.99
Statement of Other Comprehensive Income:		
Current tax related to items recognised in OCI during the year:		
Loss on remeasurements of defined benefit plans	(5.51)	(78.33)
Deferred tax related to items recognised in OCI during the year:		
(Loss)/Gain on equity instruments fair valued through OCI	(972.49)	(468.85)
Income tax (charged)/credited to OCI	(978.00)	(547.18)
The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:		
Profit before tax	56823.31	48729.73
Income tax expense calculated at corporate tax rate of 25.168%	14301.29	12264.30
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	(1394.58)	(1142.68)
Unrecognised tax assets in respect of losses of one of its subsidiary	-	3.58
Effect of reversal of excess tax provision for previous years	(32.91)	(185.67)
Effect of expenses that are not deductible in determining taxable profit	200.05	198.51
Effect of exempt non-operating income	(88.63)	(8.76)
Effect of additions made as per probable income-tax assessments	26.35	22.95
Difference in tax rates of subsidiaries	6.79	(68.76)
Others	3.22	0.52
At the effective income tax rate of 22.92% (Previous year: 22.75%)	13021.58	11083.99

Deferred tax balances are reflected in the consolidated balance sheet as follows:-

	As at 31.3.2021	As at 31.3.2020
Deferred tax liabilities	(4980.65)	(4106.10)
Deferred tax liabilities (net)	(4980.65)	(4106.10)



Rupees in Lakhs

Income taxes (continued)

Deferred tax balances along with movement are as follows:

	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing Balance
For the year ended March 31, 2022				
Deferred tax assets in relation to				
Provisions for compensated absences	951.67	(132.22)	-	819.45
Accrued expenses deductible on payment basis	477.39	(12.81)	-	464.58
Foreign exchange difference arising on account of import of property, plant & equipment	24.45	-	-	24.45
Voluntary retirement scheme payments deductible in instalments	7.83	(7.00)	-	0.83
Minimum alternative tax credit entitlement*	1.05	(1.05)	-	-
Provision for doubtful debts	169.95	(77.50)	-	92.45
Provision for decline in value of non current investment	398.35	21.17	-	419.52
Right-of-Use Assets	798.61	322.12	-	1120.73
Other financial assets (net)	216.57	(19.19)	-	197.38
Provision for employee benefits - Others (Refer Note No. 23)	267.28	(38.98)	-	228.30
	3313.15	54.54	-	3367.69
Deferred tax liabilities in relation to				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(2797.49)	411.48	-	(2386.01)
Investment in unquoted equity instruments fair valued through OCI	(3154.95)	-	(972.49)	(4127.44)
Property, plant and equipments, intangible assets, investment properties	(1282.47)	(306.84)	-	(1589.31)
Investment in quoted equity instruments fair valued through profit or loss	(143.77)	(68.18)	-	(211.95)
Investment in unquoted preference shares fair valued through profit or loss	(15.42)	4.32	-	(11.10)
Compound financial instrument	(25.15)	2.62	-	(22.53)
	(7419.25)	43.40	(972.49)	(8348.34)
	(4106.10)	97.94	(972.49)	(4980.65)
Net deferred tax liabilities				
For the year ended March 31, 2021				
Deferred tax assets in relation to				
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 investments	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 benefit-Others (Refer Note No. 23)	154.54	-	112.74	267.28
Unabsorbed depreciation	5.79	(5.79)	-	-
	3035.05	165.36	112.74	3313.15



Rupees in Lakhs

Income taxes (continued)

	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax liabilities in relation to				
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)
	(5854.54)	(983.13)	(581.59)	(7419.25)
Net deferred tax assets/(liabilities)	(2819.49)	(817.77)	(468.85)	(4106.10)

Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
12. Inventories		
(Lower of cost and net realisable value)		
Raw and packing materials	60479.46	50927.44
Work-in-process	474.40	544.12
Finished goods *		
- Cigarettes	8576.98	8536.97
- Chewing products	129.43	79.16
Stock-in-trade (Net of provision of Rs. 237.60 lakhs, Previous year Rs.233.89 lakhs)	4902.56	5785.27
Stores and spare parts (Net of provision of Rs. 487.56 lakhs, Previous year Rs. 424.18 lakhs)	1736.46	1883.15
Land (Refer Note No. 49)	6572.16	6554.77
	82871.45	74310.88
Inventories include in-transit inventory of:		
Raw and packing materials	1412.61	197.46
- Stock-in-trade	1104.50	413.38
- Store and spare parts	58.95	-

The cost of inventories recognised as an expense include Rs 43.64 lakhs (Previous year Rs. 46.02 lakhs) in respect of write-down of inventory to net realisable value.

* Includes excise duty of Rs. 3747.31 lakhs (Previous year Rs. 3895.94 lakhs)



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
13. Financial assets - Trade receivables (at amortised cost)		
Unsecured - considered good	15463.53	12299.28
Unsecured - credit impaired	216.58	610.42
	15680.11	12909.70
Less: Impairment allowance	216.58	610.42
Total trade receivables	15463.53	12299.28

Less: Impairment allowance

Total trade receivables

The average credit period on sale of goods ranges upto 120 days.

Generally no interest is charged on trade receivables.

The Total trade receivable as at April 1, 2022 were Rs. 6887.06 Lakhs

(net of impairment allowance)

Trade receivables ageing schedule

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables - considered good	11088.50	4233.61	95.43	25.21	7.56	13.22	15463.53
(b) Undisputed trade receivables - credit impaired	-	-	49.00	114.33	-	53.25	216.58
Balance as at 31 March, 2022	11088.50	4233.61	144.43	139.54	7.56	66.47	15680.11
(a) Undisputed trade receivables - considered good	8290.92	3800.42	166.84	27.05	14.05	-	12299.28
(b) Undisputed trade receivables - credit impaired	-	114.32	31.87	44.00	101.18	319.05	610.42
Balance as at 31 March, 2021	8290.92	3914.74	198.71	71.05	115.23	319.05	12909.70

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

14. Financial assets - Cash and bank balances

Cash and cash equivalents

Cash on hand

Balances with banks

- In current accounts

- Fixed deposit with original maturity of less than 3 months

Other bank balances:

In earmarked accounts for

- Margin money*

- Unpaid dividend

- Fixed deposit receipts lodged with government authorities

- Fixed deposit with original maturity of more than 3 months
but less than 12 months

- Fixed deposit with original maturity of more than 12 months

Cash and bank balances

* The Group has given margin money to fulfill collateral requirements.

41.88	47.03
2687.31	2149.03
155.53	151.67
2884.72	2347.73
1180.04	1352.96
529.54	436.87
1.92	2.02
368.42	469.97
32.40	-
2112.32	2261.82
4997.04	4609.55

15. Other financial assets (at amortised cost)

(unsecured considered good unless otherwise stated)

Non-current

Security deposits

Current

Security deposits

Interest accrued on bank and other deposits

Other receivables

1446.23	1627.00
1446.23	1627.00
332.19	88.52
191.75	115.14
912.85	1284.04
1436.79	1487.70



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
16. Other assets		
(unsecured considered good unless otherwise stated)		
Non-current		
Capital advances	315.59	572.20
Balance with government authorities	49.52	41.60
Prepaid expenses	31.17	28.04
Others	0.33	0.36
	396.61	642.20
Current		
Balance with government authorities (net of impairment allowance of Rs. 150.73 lakhs; previous year : Rs.150.73 Lakhs)	9784.74	11142.97
Prepaid expenses	715.73	538.27
Export incentives accrued/available	52.99	68.99
Recoverable from gratuity fund (Refer Note No. 41)	25.41	42.44
Prepayment to suppliers	1266.33	1263.91
Others	1071.88	241.08
Total	12917.08	13297.66

17. Equity Share Capital		
Authorised		
60,000 preference shares of Rs. 100 each	60.00	60.00
122,000,000 equity shares of Rs. 2 each	2440.00	2440.00
	2500.00	2500.00
Issued, subscribed and fully paid up		
51,993,920 equity shares of Rs. 2 each	1039.88	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 shareholders	As at 31.3.2022		As at 31.3.2021	
	Number of shares	% holding	Number of shares	% holding
a) K K Modi Investment & Financial Services Private Limited	15517916	29.85%	15493941	29.80%
b) Philip Morris Global Brands Inc.	13050475	25.10%	13050475	25.10%
c) Good Investment (India) Limited	4309220	8.29%	4309220	8.29%
d) The Jupiter India Fund	3281747	6.31%	3548147	6.82%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.



17. Equity Share Capital (continued)

(iv) Details of shares held by promoters
As at March 31, 2022

Name of the promoter	Number of shares as at 01.04.2021	Change during the year	Number of shares as at 31.3.2022	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15493941	23975	15517916	29.85%	0.15%
b) Philip Morris Global Brands Inc	13050475	-	13050475	25.10%	0.00%
c) Good Investment (India) Ltd.	4309220	-	4309220	8.29%	0.00%
d) Quick Investment (India) Ltd.	2235800	-	2235800	4.30%	0.00%
e) Super Investment (India) Ltd	527260	-	527260	1.01%	0.00%
f) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Offices) Welfare Trust	386280	-	386280	0.74%	0.00%
g) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Welfare Trust	380000	-	380000	0.73%	0.00%
h) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	-	308560	0.59%	0.00%
i) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	-	308560	0.59%	0.00%
j) K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	-	141360	0.27%	0.00%
k) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	-	108220	0.21%	0.00%
l) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	-	100560	0.19%	0.00%
m) Spicebulls Investments Ltd	83591	-	83591	0.16%	0.00%
n) Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o) Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
p) Motto Investment Pvt Ltd	79000	-	79000	0.15%	0.00%
q) Hma Udyog Private Ltd	77228	-	77228	0.15%	0.00%
r) Kedarnath Modi (Trustee) Modi Spg.& Wvg Mills Co. Ltd. (Headoffice) Employees Welfare Trust	45000	-	45000	0.09%	0.00%
s) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
t) Divya Tongya	11500	-	11500	0.02%	0.00%
u) Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
v) Krishan Kumar Modi and Bina Modi	2000	(2000)	0	0.00%	-100.00%
w) Ruchir Kumar Lalit Modi	2000	0	2000	0.00%	0.00%



17. Equity Share Capital (continued)

x)	Samir Modi	2000	0	2000	0.00%	0.00%
y)	Bina Modi	1000	2000	3000	0.01%	200.00%
z)	Upasana Investment Pvt Ltd	450	0	450	0.00%	0.00%
aa)	Charu Modi	10	0	10	0.00%	0.00%
Total		37842295	23975	37866270	72.83%	0.06%

As at March 31, 2021

Name of the promoter	Number of shares as at 01.04.2020	Change during the year	Number of shares as at 31.3.2021	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15196660	297281	15493941	29.80%	1.96%
b) Philip Morris Global Brands Inc	13050475	-	13050475	25.10%	0.00%
c) Good Investment (India) Ltd.	4309220	-	4309220	8.29%	0.00%
d) Quick Investment (India) Ltd.	2235800	-	2235800	4.30%	0.00%
e) Super Investment (India) Ltd	527260	-	527260	1.01%	0.00%
f) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Offices) Welfare Trust	386280	-	386280	0.74%	0.00%
g) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Welfare Trust	380000	-	380000	0.73%	0.00%
h) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	-	308560	0.59%	0.00%
i) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	-	308560	0.59%	0.00%
j) K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	-	141360	0.27%	0.00%
k) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	-	108220	0.21%	0.00%
l) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	-	100560	0.19%	0.00%
m) Spicebulls Investments Ltd	83591	-	83591	0.16%	0.00%
n) Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o) Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
p) Motto Investment Pvt Ltd	79000	-	79000	0.15%	0.00%
q) Hma Udyog Private Ltd	68000	9228	77228	0.15%	13.57%
r) Kedarnath Modi (Trustee) Modi Spg. & Wvg Mills Co. Ltd. (Headoffice) Employees Welfare Trust	45000	-	45000	0.09%	0.00%
s) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
t) Divya Tongya	11500	-	11500	0.02%	0.00%



17. Equity Share Capital (continued)

u)	Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
v)	Krishan Kumar Modi and Bina Modi	2000	-	2000	0.00%	0.00%
w)	Ruchir Kumar Lalit Modi	2000	-	2000	0.00%	0.00%
x)	Samir Modi	2000	-	2000	0.00%	0.00%
y)	Bina Modi	-	1000	1000	0.00%	100.00%
z)	Upasana Investment Pvt Ltd	450	-	450	0.00%	0.00%
aa)	Charu Modi	10	-	10	0.00%	0.00%
Total		37534786	307509	37842295	72.78%	0.82%

Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
18. Other equity		
Capital redemption reserve	30.13	30.13
Statutory reserve	85.18	77.65
Reserve for equity instruments fair valued through OCI	13631.97	10425.98
General reserve	37431.89	37431.89
Retained earnings	240423.01	209085.80
Equity component of compound financial instrument (Refer Note No. 20)	115.84	115.84
	291718.02	257167.29

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, 2022, the directors have in the board meeting held on May 28, 2022, proposed a dividend of Rs. 28/- 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. 14558.30 lakhs.

	As at 31.3.2022	As at 31.3.2021
19. Non-controlling interests		
Balance at beginning of year	540.79	2857.12
Share of total comprehensive income of the year	(5.19)	(5.63)
Arising from change in ownership interests in subsidiaries	-	(2310.70)
Balance at the end of the year	535.60	540.79

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 31.3.2022	As at 31.3.2021	For the year ended 31.3.2022	For the year ended 31.3.2021	As at 31.3.2022	As at 31.3.2021
Rajputana Developers Projects (AOP)*	India	0.00%	0.00%	-	(4.11)	-	-
Individually immaterial subsidiaries with non-controlling interests						535.60	540.79
* Refer Note No. 49						535.60	540.79



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
20. Financial liabilities - Borrowings		
Non-current borrowings - carried at amortised cost		
Secured		
Term Loan from bank*	-	6000.00
Less: Current maturities of long-term debt	-	(6000.00)
	-	-
6.25%, non-cumulative, non-convertible, redeemable preference shares Liability component of compound financial instrument** (Refer Note No.18)	110.46	100.06
Total non-current borrowings	110.46	100.06

Details of security and terms of above loans:

*Term loan carried an interest rate of 6.10% per annum and was repaid in a single installment in December, 2021. The same was 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*	2978.30	1490.15
Current maturities of long term debt	-	6000.00

Total current borrowings

2978.30 7490.15

Details of security and terms of above loans:

*The above current borrowing carries interest ranging from 7.10% to 8.35% 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
Balance at April 1, 2020	1114.22	200.00	1314.22
Cash Flow	6375.93	-	6375.93
Balance at March 31, 2021	7490.15	200.00	7690.15
Cash Flow	(4511.85)	-	(4511.85)
Balance at March 31, 2022	2978.30	200.00	3178.30

* including current maturities of long-term debt

Rupees in Lakhs

21. Financial liabilities - Lease liabilities		
Non-current		
Lease liabilities (Refer Note No.40)	26645.62	28179.42
Current		
Lease liabilities (Refer Note No.40)	3956.61	3789.23
	30602.23	31968.65



Rupees in Lakhs

	As at 31.3.2022	As at 31.3.2021
22. Other financial liabilities		
Non-current		
Security deposits - at amortised cost	181.85	97.95
	181.85	97.95
Current		
Interest accrued but not due on borrowings	0.46	31.43
Unclaimed dividends	529.54	436.87
Payable to gratuity fund (Refer Note No.41)	379.13	311.95
Liability towards property, plant and equipments	1258.91	1152.47
Security deposits - at amortised cost	16.65	14.95
Others	15.78	15.78
	2200.47	1963.45
23. Provisions		
Non-current		
Provision for employee benefits		
- provision for compensated absences	2717.78	2877.54
	2717.78	2877.54
Current		
Provision for employee benefits		
- provision for compensated absences	672.52	1023.19
- others*	907.12	1062.00
	1579.64	2085.19
Total	4297.42	4962.73

*Based on the review of the investments held by the Employees Provident Fund Trust as at March 31, 2022 and March 31, 2021, a provision has been created to cover the possible loss on account of non-realisation of certain such investments.

24. Financial liabilities - Trade payables		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	985.05	669.32
	985.05	669.32
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
- Other than Micro and small enterprises	20610.63	19961.97
- Employee payables	3691.01	2687.38
	24301.64	22649.35

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.

Trade payables ageing schedule

Outstanding for following periods from due date of payment

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	985.05	-	-	-	985.05
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	23498.71	570.08	150.03	82.82	24301.64
(c) Unbilled dues	-	-	-	-	-
Balance as at 31 March, 2022	24483.76	570.08	150.03	82.82	25286.69
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	669.32	-	-	-	669.32
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21930.58	332.05	104.70	282.02	22649.35
(c) Unbilled dues	-	-	-	-	-
Balance as at 31 March, 2021	22599.90	332.05	104.70	282.02	23318.67



Rupees in Lakhs

As at 31.3.2022 As at 31.3.2021

25. Income tax assets and liabilities

Income tax assets (Net)

Income tax recoverable

3291.62 2837.79

Total income tax assets

3291.62 2837.79

Income tax liabilities (Net)

Income tax payable (net of advance tax and TDS recoverable)

329.39 894.98

Total income tax liabilities

329.39 894.98

26. Other liabilities

Current

Statutory dues

39012.67 34389.36

Advances from customers (Contract liabilities)*

6641.53 5103.22

Liabilities towards expenditure on Corporate Social

Responsibilities (Refer note No 35)**

230.00 -

Others

14.19 29.32

45898.39 39521.90

*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 under the contract.

Balance of Advances from customers at beginning of the year

5103.22 4001.96

Revenue recognised from amounts included in Advances from customers at beginning of the year

5103.22 4001.96

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.

** The Group has since transferred the amount within 30 days to a special bank account opened for Unspent Amount of Corporate Social Responsibility for FY 2021-22 as notified by Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020.

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

Cigarettes*

Year ended 31.3.2022 Year ended 31.3.2021

Unmanufactured tobacco**

231570.17 21047.01

Cut tobacco

47341.31 43037.49

Chewing products#

2208.40 3583.74

Other traded goods

4586.83 5740.97

Total (A)

33631.59 29409.08

319338.30 292268.29

*includes incremental revenue of Rs. 12932.74 lakhs (previous year Rs. 7241.78 lakhs) arising from resale of Marlboro 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

Rupees in Lakhs

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
Within India	262450.44	230726.16
Outside India	56887.86	61542.13
Total	319338.30	292268.29

Reconciling the amount of revenue recognized in the consolidated statement of profit and loss with the contracted price:

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
Revenue as per contract	321316.48	294191.81
Adjustments:		
Sales return	(127.41)	(182.92)
Discounts, rebates, etc.	(1850.77)	(1740.60)
Revenue from contracts with customers	319338.30	292268.29
ii) Other operating revenues		
Export incentives	80.80	82.07
Dividend Income	40.00	18.66
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	561.77	1706.12
- Short term investments fair valued through profit or loss	20.41	45.61
Recovery towards services rendered	384.89	379.01
Receipts from sale of scrap and ancillary products	871.56	658.29
Insurance claims	145.60	42.75
Display income received by retail stores	1058.75	596.04
Other receipts	358.83	346.03
Total (B)	3522.61	3874.58
Total revenue from operations (A+B)	322860.91	296142.87

28. Other income

Interest income from:		
- Debts, deposits, loans and advances, etc.	451.82	384.72
- Non-current investments valued on amortised cost*	348.79	74.67
Rent and hire charges from:		
- Others	378.84	267.44
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	5713.64	7996.54
- Short term investments fair valued through profit or loss	1689.63	1165.07
Foreign currency fluctuation (net)	259.27	502.29
Profit on sale of property plant and equipment	799.81	9.45
Liabilities written back	776.64	106.76
Gain on modification/concession in leases (Refer Note No. 40)	745.12	1039.61
Miscellaneous income	243.36	312.09
	11406.92	11858.64
**includes interest income calculated in relation to financial assets valued on amortised cost basis.	337.16	72.25

29. Cost of materials consumed

Raw and packing materials consumed	60716.88	51552.97
	60716.88	51552.97



Rupees in Lakhs

	Year ended 31.3.2022	Year ended 31.3.2021
30. Purchases of stock-in-trade		
Unmanufactured tobacco (transferred from raw and packing materials)	36679.46	30250.59
Other goods (including cigarettes purchase for re-sale)	24335.62	42367.49
Purchase of stock-in trade - land (Refer Note No.49)	-	6554.77
	61015.08	79172.85
31. Changes in Inventories of finished goods, stock-in-trade and work-in-process		
Opening stock:		
Work-in-process	544.12	615.22
Finished goods		
- Cigarettes	8536.97	5268.01
- Chewing products	79.16	359.78
Stock-in-trade	5785.27	6846.26
Land	6554.77	6669.30
Less:De-recognition of land on account of dissolution of AOP	-	(6669.30)
Opening stock (A)	21500.29	13089.27
Closing stock:		
Work-in-process	474.40	544.12
Finished goods		
- Cigarettes	8576.98	8536.97
- Chewing products	129.43	79.16
Stock-in-trade	4902.56	5785.27
Land	6572.16	6554.77
Closing stock (B)	20655.53	21500.29
Decrease/(Increase) in inventories (A-B)	844.76	(8411.02)
32. Employee benefits expenses		
Salaries and wages	23486.50	22607.52
Provident fund expense (Refer Note No.41)	1538.64	1559.49
Workmen and staff welfare expenses	2117.23	1740.47
Gratuity and superannuation expense (Refer Note No.41)	684.38	755.97
	27826.75	26663.45
33. Finance costs		
Interest expenses on:		
- Borrowings	275.44	142.18
- Lease liabilities (Refer Note No. 40)	2554.06	2727.66
- Others	537.17	188.54
Other borrowing costs	27.55	26.31
	3394.22	3084.69
34. Other Expenses		
Consumption of stores and spare parts*	271.89	240.98
Power and fuel	3869.63	3675.87
Rent (Refer Note No.40)	362.80	414.96
Repairs and maintenance		
- Buildings	496.11	530.93
- Plant and machinery	2363.68	1896.51
- Others	2347.43	2099.10
Insurance	851.12	783.15



Rupees in Lakhs

34. Other Expenses (continued)

	Year ended 31.3.2022	Year ended 31.3.2021
Rates and taxes	1004.89	428.23
Freight and cartage	4992.97	4139.98
Legal and professional expenses	3052.34	3327.02
Auditors' Remuneration (net of GST)**		
- Audit fees	139.59	113.36
- For tax audit	23.64	23.64
- For limited review of unaudited financial statements	90.71	91.07
- For corporate governance, consolidated financial statements and other certificates	7.50	7.50
- For other services	2.10	2.50
- Reimbursement of expenses	2.04	5.10
Commission paid to other than sole selling agents	198.52	135.20
Commission paid to non-executive director (Refer Note No.44)	-	150.00
Advertising and sales promotion	7212.55	6678.49
Selling and distribution expenses	8430.78	7727.43
Travelling and conveyance	1307.13	942.18
Donations	35.51	30.00
Contributions/expenses towards Corporate social responsibility (Refer Note No.35)	776.00	651.51
Bad debts and advances written off	86.84	100.61
Provision for doubtful debts and advances***	49.00	262.42
Property, plant and equipment written off	152.76	254.56
Technical services fee and royalty	1248.83	1081.70
Consumer research activity	166.42	78.18
Machine and material handling expenses	371.14	328.14
Contract labour for factories and retail stores operations	3743.06	3646.74
Miscellaneous expenses	11361.42	9570.50
	55018.40	49417.56

*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 written-off/reversed during the year Rs. Nil (Previous year Rs. 78.51 lakhs).



Rupees in Lakhs

	Year ended 31.3.2022	Year ended 31.3.2021
35. Corporate social responsibility (CSR)		
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, spreading awareness on water conservation and resource management, maintenance of bio diversity conservation parks thus carrying out community development programs in rural areas providing relief to marginalised communities. Gross amount required to be spent by the Company during the year is Rs. 775.77 lakhs (Previous year Rs. 651.51 lakhs) and the details of amount spent are as under:		
a) Gross amount required to be spent by the Company during the year	775.77	651.51
b) Amount approved by the board to be spent during the year	776.00	651.51
c) Amount spent during the year on :-		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	546.00	651.51
d) Details related to spent/unspent obligation		
(i) Contribution to implementing agencies	489.31	643.71
(ii) Covid-19 related expenditure incurred directly	30.70	-
(iii) Administrative expenses incurred (restricted to 5%)	25.99	7.80
(iv) Unspent amount in relation to :-		
- ongoing project	230.00	-
- other than ongoing project	-	-
	776.00	651.51
e) Details of ongoing project		
Opening balance in unspent CSR account	-	-
Amount required to be deposited during the year in unspent CSR account	230.00	-
Amount spent during the year out of unspent CSR account	-	-
Closing balance (Refer Foot note to Note No. 26)	230.00	-
36. Earnings per share		
Profit for the year (A)	43806.92	37651.37
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (B)	51993920	51993920
Basic and Diluted Earnings per share after tax (Rs.) [A/B] (Face value of Rs. 2 each)	84.25	72.41
37. Contingent liabilities not provided for		
	As at 31.3.2022	As at 31.03.2021
a) Demands from excise, income tax, sales tax and other authorities not accepted by the Group @	8386.94*	6667.81*
b) Claims against the Group not acknowledged as debts	1.37	1.37
c) Share of contingent liabilities relating to associate companies	67.48	66.22
<p>@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.</p> <p>*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.</p> <p>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.</p> <p>e) The Group has received various show cause notices from Excise 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.</p>		
38. Commitments		
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	1388.20	3286.86
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.		



Rupees in Lakhs

39. Expenditure on scientific research and development	Year ended 31.3.2022	Year ended 31.03.21
Revenue expenditure	1102.24	1021.90
Capital expenditure	106.75	14.09

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

	As at 31.3.2022	As at 31.3.2021
Carrying amount of:		
Right-of-Use: Office buildings, warehouses and stores	24709.42	25983.19
Right-of-Use: Store equipment & furniture	1240.06	2469.04
Right-of-Use: Land*	1748.19	1790.30
Right-of-Use: Vehicles	199.82	343.37
Total	27897.49	30585.90

	Right-of-Use: Office buildings, warehouses and stores	Right-of-Use: Store equipment & furniture	Right-of-Use: Land*	Right-of-Use: Vehicles	Total
Cost					
Balance as at April 1, 2020	32603.91	4797.79	1874.52	509.25	39785.47
Additions / Modifications	3818.37	82.59	-	69.72	3970.68
Derecognition	(3590.37)	-	-	-	(3590.37)
Balance as at March 31, 2021	32831.91	4880.38	1874.52	578.97	40165.78
Additions / Modifications	2605.33	-	-	25.91	2631.24
Derecognition	(433.82)	-	-	-	(433.82)
Balance as at March 31, 2022	35003.42	4880.38	1874.52	604.88	42363.20
Accumulated depreciation					
Balance as at April 1, 2020	3788.64	1185.11	42.11	84.11	5099.97
Depreciation expense	3820.82	1226.23	42.11	151.49	5240.65
Derecognition	(760.74)	-	-	-	(760.74)
Balance as at March 31, 2021	6848.72	2411.34	84.22	235.60	9579.88
Depreciation expense	3769.58	1228.98	42.11	169.46	5210.13
Derecognition	324.30	-	-	-	324.30
Balance as at March 31, 2022	10294.00	3640.32	126.33	405.06	14465.71
Balance as at March 31, 2022	24709.42	1240.06	1748.19	199.82	27897.49
Balance as at March 31, 2021	25983.19	2469.04	1790.30	343.37	30585.90

*Includes Rs. 4.42 lakhs (Previous year - Rs. 4.50 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. Set out below are the carrying amounts of lease liabilities and the movements during the period:



Rupees in Lakhs

40. Leases (continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31.3.2022	As at 31.3.2021
Balance as at April 1	31968.65	34458.77
Addition	2592.49	3925.83
Accretion of interest*	2554.06	2727.66
Payments	(5658.33)	(5274.37)
Rent concessions due to Covid-19	(722.74)	(856.37)
De-recognition of lease liabilities on termination	(131.90)	(3012.87)
Balance as at March 31**	30602.23	31968.65
Current	3956.61	3789.23
Non-current	26645.62	28179.42

* Lease liabilities carry an effective interest rate of 7.85%

** For maturities of lease liabilities, Refer Note No. 42.3

The following are the amounts recognised in profit or loss:

	For the year ended 31.3.2022	For the year ended 31.3.2021
Depreciation expense of right-of-use assets	5210.13	5240.65
Interest expense on lease liabilities (Refer Note No. 33)	2554.06	2727.66
Expense relating to short-term leases (Refer Note No. 34)	251.69	316.24
Variable lease payments (Refer Note No. 34)	111.11	98.72
(Gain)/Loss on termination of leases (Refer Note No. 28)	(22.38)	(183.24)
Rent concessions due to Covid-19 (Refer Note No. 28)	(722.74)	(856.37)
	7381.87	7343.66

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	111.11	98.72
	111.11	98.72

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 378.84 Lacs (Previous Year INR 267.44 Lacs).



Rupees in Lakhs

41. Employee benefit plans	Year ended 31.3.2022	Year ended 31.3.2021
(a) Defined contribution plans and amounts recognised in the consolidated statement of profit and loss/other comprehensive income		
Contribution towards provident fund (Refer Note No. 32)	116.09	121.57
Contribution towards superannuation fund	117.59	135.65
Employers' contribution to employee's state insurance scheme	4.51	6.79
	238.19	264.01
(b) Other long term employee benefits (based on actuarial valuation)		
Compensated absences – amount recognized in the consolidated statement of profit and loss	423.03	608.47
(c) Defined benefit plans		
Gratuity		
<p>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.</p> <p>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.</p>		
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 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.		
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 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:		
Net employee benefit expense recognized in employee cost		
Current service cost	567.17	570.90
Net interest cost	(0.38)	73.06
	566.79	643.96
(Shortfall)/Excess of fair value over book value of plan assets	-	(23.63)
Net employee benefit expense recognized in employee cost	566.79	620.33



Rupees in Lakhs

(c) Defined benefit plans - Gratuity (continued)

Amount recognised in other comprehensive income:

	Year ended 31.3.2022	Year ended 31.3.2021
Actuarial (gain)/loss on obligations arising from change in financial assumptions	(32.99)	(354.26)
Actuarial loss on obligations arising from change in demographic adjustments	-	216.89
Actuarial loss on obligations arising on account of experience adjustments	(68.59)	127.84
Return on plan assets (excluding amounts included in net interest expense)	(50.05)	(301.75)
Net expense/(income) for the year recognized in other comprehensive income	(151.63)	(311.28)
(I) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	11489.17	11283.03
Current service cost	567.18	570.89
Interest cost (Gross)	706.35	642.05
Benefits paid	(1720.34)	(997.27)
Actuarial loss/(gain) on obligations arising from change in financial assumptions	(32.99)	(354.26)
Actuarial loss/(gain) on obligations arising from change in demographic adjustments	-	216.89
Actuarial loss/(gain) on obligations arising on account of experience adjustments	(68.59)	127.84
Closing defined benefit obligation	10940.78	11489.17
(II) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	11219.66	10057.63
Interest income (Gross)	706.73	568.99
Return on plan assets (excluding Amounts included in net interest expense)	50.05	301.75
Contribution by employer	330.96	1288.56
Benefits paid	(1720.34)	(997.27)
Closing fair value of plan assets	10587.06	11219.66
(III) Net Liability recognised in the consolidated balance sheet (I - II)	353.72	269.51

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Amount	% of total plan assets
As at March 31, 2022		
Government debt securities	223.92	2.12%
Other debt instruments	10.33	0.10%
Insurer managed funds	10403.78	98.27%
Others	(50.97)	-0.48%
	10587.06	100.00%

	Amount	% of total plan assets
As at March 31, 2021		
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%
	11219.66	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 31.3.2022	As at 31.3.2021
Discount rate (in %)	6.80%	6.80%
Salary escalation rate (in %)	7.50%-8.00%	7.50%-8.00%
Expected rate of return on plan assets	6.85%-7.50%	6.35%-7.50%

A quantitative sensitivity analysis for significant assumption shown above as at March 31, 2022 is as shown below:

Assumption	Impact on defined benefit obligation	
Impact of increase in 0.5% in discount rate	-3.26%	-3.20%
Impact of decrease in 0.5% in discount rate	3.47%	3.40%
Impact of increase in 0.5% in salary escalation rate	3.41%	3.34%
Impact of decrease in 0.5% in salary escalation rate	-3.24%	-3.18%

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 31.3.2022	Year ended 31.3.2021
Within the next 12 months (next annual reporting period)	1830.64	2203.43
Between 2 and 5 years	4119.71	4111.19
Between 6 and 9 years	4374.60	4481.12
10 years and above	8703.61	9065.36
Total expected payments	19028.56	19861.10

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.69~6.99 years (Previous year 5.94~6.67 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. Accordingly, the Holding Company has paid Rs. 129.76 lakhs towards shortfall in fund and the same is recognised under Other Comprehensive Income. Based on the review of investments held by the Fund as on 31st March 2022, the Holding Company has recognised an additional liability of Rs. Nil (previous year Rs. 448.00 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 31.03.2022	Year ended 31.03.2021
Amount recognised in profit and loss	1422.55	1437.92
Amount recognised in other comprehensive income	129.76	448.00
	1552.31	1885.92

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 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, 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 amortised cost or at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2022	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Financial assets					
Financial instruments at FVTPL:					
Investment in					
- mutual funds	152245.39	152245.39	152245.39	-	-
- equity shares	4429.08	4429.08	4429.08	-	-
- preference shares	163.35	163.35	-	-	163.35
- debentures	3005.55	3005.55	3005.55	-	-
- in others	1260.04	1260.04	1260.04	-	-
Financial instruments at amortised cost:					
Investment in					
- others (IRFC & Other Bonds)	5073.00	5054.16	5054.16	-	-
Trade receivables	15463.53	15463.53	-	-	-
Cash and cash equivalents	2884.72	2884.72	-	-	-
Other bank balances	2112.32	2112.32	-	-	-
Loans	552.04	552.04	-	-	-
Other financial assets					
- Security deposits	1778.42	1778.42	-	-	-
- Interest accrued on bank and other deposits	191.75	191.75	-	-	-
- other receivables	912.85	912.85	-	-	-
Financial instruments at FVTOCI:					
Investments in equity instruments designated upon initial recognition	17796.19	17796.19	-	-	17796.19
Total financial assets	207868.23	207849.39	165994.22	-	17959.54
Financial liabilities					
Financial instruments at amortised cost:					
Borrowings	3088.76	3088.76			
Lease liabilities	30602.23	30602.23			
Trade payables	25286.69	25286.69			
Other financial liabilities					
- Security deposits	198.50	198.50			
- Interest accrued but not due on borrowings	0.46	0.46			
- Unclaimed dividends	529.54	529.54			
- Payable to gratuity funds	379.13	379.13			
- Liability towards property, plant and equipments	1258.91	1258.91			
Others	15.78	15.78			
Total financial liabilities	61360.00	61360.00			



Financial instruments and risk management (continued)

The following table provides an analysis of financial instruments that are measured at amortised cost or 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
Financial assets					
Financial instruments at FVTPL:					
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	-	-
- others	916.65	916.65	916.65	-	-
Financial instruments at amortised cost:					
Investment in					
- others (IRFC 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			
Financial instruments at FVTOCI:					
Investments in equity instruments designated upon initial recognition	13617.72	13617.72	-	-	13617.72
Total financial assets	175637.13	175608.95	141142.65	-	13793.75
Financial liabilities					
Financial instruments at amortised cost:					
Borrowings	7590.21	7590.21			
Lease liabilities	31968.65	31968.65			
Trade payables	23318.67	23318.67			
Other financial liabilities					
- 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 property, plant and equipments	1152.47	1152.47			
- Others	15.78	15.78			
Total financial liabilities	64938.93	64938.93			

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. 202871.19 lakhs (previous year Rs. 171027.58 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
As at March 31, 2022			
Borrowings*	2978.30	200.00	3178.30
Lease liabilities	6415.60	37542.17	43957.77
Trade payables	25286.69	-	25286.69
Other financial liabilities	2200.47	181.85	2382.32
	36881.06	37924.02	74805.08
As at March 31, 2021			
Borrowings*	7752.67	200.00	7952.67
Lease liabilities	6428.45	40534.10	46962.55
Trade payables	23318.67	-	23318.67
Other financial liabilities	1963.45	97.95	2061.40
	39463.24	40832.05	80295.29

* 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 31.3.2022		As at 31.3.2021	
		Amount in foreign currency (lakhs)	Amount in Rs. lakhs	Amount in foreign currency (lakhs)	Amount in Rs. lakhs
Trade receivables	USD	45.22	3356.03	44.26	3233.60
	AED	0.33	6.67	-	-
Current liabilities	USD	39.90	3082.33	31.42	2322.47
	EURO	5.99	516.33	3.05	265.74
	GBP	0.74	74.95	0.19	19.19
	SGD	0.05	2.85	0.02	1.00
	JPY	22.00	13.90	24.68	16.57

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 31.3.2022		As at 31.3.2021	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year -USD	13.68	(13.68)	45.56	(45.56)

(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 31.3.2022 would have increased/decreased by Rs.1522.45 lakhs (for the year ended 31.3.2021 by Rs.1319.21 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 31.3.2022	As at 31.3.2021
Borrowings	3088.76	7590.21
Trade payables	25286.69	23318.67
Lease Liabilities	30602.23	31968.65
Other financial liabilities	2382.32	2061.40
Other current liabilities	45898.39	39521.90
Less : Cash and cash equivalents as per cash flow	2884.72	2347.73
: Current investments	46991.91	46208.05
Net debt (A)	57381.76	55905.05
Total equity	292757.90	258207.17
Capital and net debt (B)	350139.66	314112.22
Gearing Ratio (A/B)	16.39%	17.80%

No changes were made in the objectives, policies or processes during the year ended 31 March 2022.

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 31.3.2022	As at 31.3.2021
(a) Associates:			
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 Izhora, Russia
PT. Philip Morris Indonesia

(d) Key management personnel & their relatives and other directors:

Dr. Bina Modi, President and Managing Director
Mr. Samir Modi, Executive Director
Mr. Ruchir Kumar Modi, Ordinary Director (upto August 5, 2021), and a relative of Mr. Samir Modi and Mrs. Bina Modi
Mr. Sharad Aggarwal , Whole-time Director and Functional Chief Executive officer (w.e.f. December 27, 2021)
Mr. Bisham Wadhwa, Functional Chief Executive Officer (upto December 26, 2021)
Mr. Sunil Agrawal, Chief Financial Officer
Mr. Sanjay Gupta, Company Secretary
Mr. Amit Kaushal, Executive Director of a subsidiary
Mr. Ashrant Bhartiya, Director of a subsidiary (Whole Time Director of a subsidiary upto December 1, 2020)
Mr. R A Shah, Non Independent Director and Chairman of the Board
Mr. Lalit Bhasin, Independent Director
Late Mr. Anup N. Kothari, Independent Director (upto December 20, 2021)
Mr. Atul Kumar Gupta, Independent Director
Mrs. Nirmala 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
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
Swasth Investment Private 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 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021
i) Trading transactions												
Sale of goods, spare parts, etc.	37732.12 @	19631.66 @	-	-	422.84	304.13	26264.62 &	20529.93 &	-	-	-	-
Purchase of goods/services/spare parts	932.89 @	17788.92 @	-	-	813.34 \$	644.60 \$	7381.41 & &	4188.94 & &	-	-	-	-
Receipts from secondment of services	178.85 @*	165.31 @*	-	-	194.44 \$*	213.70 \$*	-	-	-	-	-	-
Interest income	209.98 @	243.40 @	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	712.51 @	559.04 @	-	-	-	-	-	-	-	-	-	-
Rent and hire charges received	-	-	-	-	347.51	143.54	-	-	-	-	-	-
Payments for professional services availed	180.00 @*	195.00 @*	-	-	36.81	53.82	-	-	-	-	-	-
Donation given \$ \$	-	-	-	-	225.30	240.00	-	-	-	-	-	-
Expenses recovered	9416.42 @	9039.32 @	-	-	-	0.07	380.44 &	111.93 &	-	-	-	-
Expenses reimbursed	4.05 @*	3.25 @*	-	-	-	-	-	-	-	-	-	-
ii) Other related party transactions												
Dividend payment (gross)	-	-	-	-	-	-	-	-	3132.11	-	-	-
- Philip Morris Global Brands Inc.	-	-	-	-	-	-	-	-	3724.30	-	-	-
- K K Modi Investment & Financial Service Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Quick Investment (India) Limited	-	-	-	-	536.59	-	-	-	-	-	-	-
- Good Investment (India) Limited	-	-	-	-	1034.21	-	-	-	-	-	-	-
- Super Investment (India) Limited	-	-	-	-	126.54	-	-	-	-	-	-	-
- Swasthi Investment Private Limited	-	-	-	-	19.20	-	-	-	-	-	-	-
- HMA Udyog Private Limited	-	-	-	-	18.53	-	-	-	-	-	-	-
Technical services fee and royalty	-	-	-	-	-	-	1248.83	1081.70	-	-	-	-
- Philip Morris Products S.A.	-	-	-	-	-	-	-	-	-	-	-	-
iii) Contribution to trusts												
Godfrey Phillips India Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	96.78	116.60
Godfrey Phillips India Limited Provident Fund	-	-	-	-	-	-	-	-	-	-	1254.90	1269.48
Godfrey Phillips India Limited Gratuity Fund no. 1	-	-	-	-	-	-	-	-	-	-	46.55	5.18



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 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021	Year ended 31.3.2022	Year ended 31.3.2021
Godfrey Phillips India Limited Gratuity Fund no. 2	-	-	-	-	-	-	-	-	-	-	332.58	306.77
International Tobacco Company Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	20.80	19.03
International Tobacco Company Limited Gratuity Fund no.1	-	-	-	-	-	-	-	-	-	-	(7.46)	(21.89)
International Tobacco Company Limited Gratuity Fund no.2	-	-	-	-	-	-	-	-	-	-	43.50	19.01
iv) Compensation & Post Employment benefits of key management personnel and other directors \$ \$												
- Samir Modi	-	-	2683.36 [^]	2060.23 [^]	-	-	-	-	-	-	-	-
- Ruchir Kumar Modi	-	-	-	150.00	-	-	-	-	-	-	-	-
- Ashrant Bharfia	-	-	0.02	6.45	-	-	-	-	-	-	-	-
- Bhisham Wadhwa	-	-	1034.63	735.82	-	-	-	-	-	-	-	-
- Sunil Agrawal	-	-	229.33	234.24	-	-	-	-	-	-	-	-
- Sanjay Gupta	-	-	142.96	183.47	-	-	-	-	-	-	-	-
- Sharad Aggarwal	-	-	486.56	452.92	-	-	-	-	-	-	-	-
- Amit Kaushal	-	-	240.58	264.79	-	-	-	-	-	-	-	-
- R A Shah	-	-	12.00	14.00	-	-	-	-	-	-	-	-
- Lalit Bhasin	-	-	17.00	19.00	-	-	-	-	-	-	-	-
- Anup N Kohari	-	-	4.00	17.00	-	-	-	-	-	-	-	-
- Atul Kumar Gupta	-	-	14.00	15.00	-	-	-	-	-	-	-	-
- Nirmala Bagri	-	-	9.00	12.00	-	-	-	-	-	-	-	-
- Sumant Bharadwaj	-	-	6.00	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 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021
Trade receivables	2977.43 @	785.65 @	-	-	72.29	37.40	5024.99&	4206.39 &	-	-	-	-
Loans given	-	-	7.01	11.71	-	-	-	-	-	-	-	-
Trade payables	1028.39 @	712.73 @	-	-	77.57	57.67	884.00&&&	1312.37&&&	-	-	-	-
Dues payable	-	66.90 @*	6.94	-	87.45	4.95	-	-	-	-	-	-
Commission payable to Samir Modi(gross)	-	-	1631.36	992.43	-	-	-	-	-	-	-	-
Other recoverable	573.55@	600.34@	-	-	140.28	294.85	-	-	-	-	-	-
Technical service fee and royalty payable - Philip Morris Product S.A.	-	-	-	-	-	-	298.54&	281.49&	-	-	-	-
Other payable/(recoverable)												
Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	46.55	5.18
Godfrey Phillips India Limited Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	332.58	306.77
International Tobacco Company Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	(68.91)	(61.44)
International Tobacco Company Limited Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	43.50	19.01
Godfrey Phillips India Limited Provident Fund	-	-	-	-	-	-	-	-	-	-	214.13	36.69
Advance recoverable												
Godfrey Phillips India Limited Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	26.58	-
Godfrey Phillips India Limited Employees Provident Fund	-	-	-	-	-	-	-	-	-	-	807.70	-

@relates to transactions with IPM India Wholesale Trading Private Limited and figures of sale and purchase of goods have been reduced by Rs. 110193.28 lakhs (previous year Rs. 59521.16 lakhs) on account of sale/purchase of Marlboro cigarettes manufactured by the Company.

@* relates to transactions with KKM Management Centre Private Limited.

\$ includes Rs. 167.29 lakhs (previous year Rs. 72.15 lakhs) from Beacon Travels Private Ltd, Rs.583.17 lakhs (previous year Rs. 398.25 lakhs) from Bina Fashions and Foods Private Limited and Rs. 33.31 lakhs (previous year Rs. 101.72 lakhs) from Colorbar Cosmetics Private Limited

\$* includes Rs. 144.65 lacs (previous year Rs. 213.70 lacs) from Colorbar Cosmetics Pvt. Ltd and Rs. 49.79 lacs (previous year Rs. Nil) from Modicare Limited.

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

^ Includes perquisite value of rent free accommodation as per Sec 17(2) of Income Tax Act, 1961.

\$ \$ \$ including for CSR activities.

& relates to transaction with Philip Morris Products S.A.

&& includes Rs. 6438.49 lakhs (previous year Rs.3030.60 lakhs) from Philip Morris Philippines Manufacturing Inc., Rs. 882.51 lakhs (previous year Rs.570.60 lakhs) from PT Hanjaya Mandala Sampoerna Tbk., Rs. 13.21 lakhs (previous year Rs.465.20 lakhs) from Philip Morris Izhora and Rs. 47.20 lakhs (previous year Rs. 122.54 lakhs) from PT Phillip Morris Indonesia.

&&& includes Rs. 884.00 lakhs (previous year Rs. 855.34 lakhs) from Philip Morris Philippines Manufacturing Inc. and Rs. Nil (previous year Rs. 457.03 lacs) from Philip Morris Izhora.

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, 2022 and March 31, 2021 is as follows:

	As at March 31, 2022			As at March 31, 2021				
	Cigarette, tobacco and related products	Retail and related products	Others	Total	Cigarette, tobacco and related products	Retail and related products	Others	Total
1 Segment revenue								
- External sales (gross)	285706.71	33631.59	-	319338.30	262859.21	29409.08	-	292268.29
- Other operating income	1632.60	1267.83	622.18	3522.61	1291.09	813.10	1770.39	3874.58
Total revenue	287339.31	34899.42	622.18	322860.91	264150.30	30222.18	1770.39	296142.87
2 Segment result	55810.56	(8268.93)	544.03	48085.66	47285.47	(9975.30)	1671.49	38981.66
Unallocable income net of unallocable expenses				9581.55				10157.55
Profit before finance costs and tax				57667.21				49139.21
Less: Finance costs				840.16				357.03
Profit before tax				56827.05				48782.18
Share of profit of associates				(3.74)				(52.45)
Profit before tax and after share of profit of associates				56823.31				48729.73
3 Other information								
Capital expenditure including capital work in progress and capital advances	7500.66	459.54	-	7960.20	13033.22	705.32	-	13738.54
Depreciation and amortization	9428.01	5046.07	-	14474.08	8984.53	5104.36	-	14088.89
Non cash expenditure other than depreciation	220.63	68.24	-	288.87	368.59	249.01	1.76	619.36



45. Segment Information (continued) **Rupees in Lakhs**

	As at March 31, 2022			As at March 31, 2021				
	Cigarette, tobacco and related products	Retail and related products	Others	Total	Cigarette, tobacco and related products	Retail and related products	Others	Total
a) Segment assets								
Allocable assets	183225.41	26760.73	29899.15	239885.29	175226.06	29876.26	25168.64	230270.96
Unallocable assets				170274.06				142901.64
Total assets				410159.35				373172.60
b) Segment liabilities								
Allocable liabilities	85661.22	22023.65	21.77	107706.64	78057.16	23282.77	24.80	101364.73
Unallocable liabilities				9159.21				13059.91
Total liabilities				116865.85				114424.64
c) Capital Employed								
Allocable capital employed	97564.19	4737.08	29877.38	132178.65	97168.90	6593.49	25143.84	128906.23
Unallocable capital employed				16114.85				129841.73
Total capital employed				293293.50				258747.96
Total (b+c)				410159.35				373172.60

d) Entity wide information

The Group operates in two principle geographical areas - India and Outside India.

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets **	
	Year ended 31.3.2022	Year ended 31.3.2021	As at 31.3.2022	As at 31.3.2021
India	265973.03	234600.74	106076.78	109492.33
Outside India	56887.85	61542.13	23.11	28.15
Total	322860.88	296142.87	106099.89	109520.48

** 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.

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 31.3.2022		For the year ended 31.3.2022		For the year ended 31.3.2022		For the year ended 31.3.2022	
	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 total comprehensive income	Amount (Rs.in Lakhs)
Parent								
Godfrey Phillips India Limited	92.87%	272368.60	98.62%	43196.99	0.22%	7.12	91.88%	43204.11
Subsidiaries								
a) Indian								
1.International Tobacco Company Limited	1.81%	5294.66	0.32%	142.32	0.38%	12.36	0.33%	154.68
2.Chase Investments Limited	6.40%	18776.77	1.27%	557.02	99.49%	3205.98	8.00%	3763.00
3.Friendly Reality Projects Limited	2.16%	6344.15	-0.08%	(35.23)	0.00%	-	-0.07%	(35.23)
4.Rajputana Infrastructure Corporate Limited	1.49%	4363.48	-0.04%	(17.02)	0.00%	-	-0.04%	(17.02)
5.Unique Space Developers Limited	0.05%	132.48	0.00%	(1.55)	0.00%	-	0.00%	(1.55)
b) Foreign								
1.Godfrey Phillips Middle East DMCC	0.15%	436.32	-0.10%	(44.28)	0.00%	-	-0.09%	(44.28)
2.Flavors and More, Inc.	0.01%	15.72	0.01%	3.03	0.00%	-	0.01%	3.03
Non controlling interests in all subsidiaries	0.18%	535.60	-0.01%	(5.19)	0.00%	-	-0.01%	(5.19)
Associates								
a) Indian								
1.IPM India Wholesale Trading Private Limited *	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00
2.KKM Management Centre Private Limited	0.12%	361.65	0.01%	4.42	0.00%	-	0.01%	4.42
b) Foreign								
1.KKM Management Centre Middle East (FZC)	0.01%	41.06	-0.02%	(8.16)	0.00%	-	-0.02%	(8.16)
Adjustments on consolidation	-5.24%	(15376.99)	0.02%	9.38	-0.10%	(3.11)	0.01%	6.27
	100.00%	293293.50	100.00%	43801.73	100.00%	3222.35	100.00%	47024.08

*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 31.3.2021		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)
Parent								
Godfrey Phillips India Limited	93.39%	241643.03	94.82%	35694.10	-7.48%	(135.95)	90.10%	35558.15
Subsidiaries								
a) Indian								
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) Foreign								
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)
Non controlling interests in all subsidiaries	0.21%	540.79	-0.01%	(5.63)	0.00%	-	-0.01%	(5.63)
Associates								
a) Indian								
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) Foreign								
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
	100.00%	258747.97	100.00%	37645.74	100.00%	1817.86	100.00%	39463.60

*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.



			As at 31.3.2022	As at 31.3.2021	% Change	
47. Ratio Analysis						
	Ratio	Numerator	Denominator			
a)	Current ratio	Current assets	Current liabilities	2.00	1.93	4.0%
b)	Debt-Equity ratio*	Total lease liabilities, borrowings and long term debt	Total equity	0.10	0.15	-28.8%
c)	Debt service coverage ratio	Profit before interest and tax	Finance cost	17.74	16.81	5.5%
d)	Return on equity ratio	Total comprehensive income	Average Total Equity	17.04%	16.43%	3.7%
e)	Inventory turnover ratio	Turnover	Average inventory	4.06	4.08	-0.5%
f)	Trade receivables turnover ratio	Turnover including indirect taxes	Average trade receivable	52.82	66.99	-21.1%
g)	Trade payables turnover ratio	Total purchases excluding indirect taxes	Average trade payables	5.36	5.58	-4.1%
h)	Net capital turnover ratio	Revenue from operations	Total equity	1.10	1.15	-3.8%
i)	Net profit ratio	Total comprehensive income	Operating revenue	0.15%	0.13%	9.3%
j)	Return on capital employed	Profit before tax	Average capital employed	18.27%	17.65%	3.5%
k)	Return on investment**	Interest income and Net gain on sale/redemption/fair valuation of current and non current investment	Average current and non-current investment	4.56%	6.59%	-30.7%

* Debt-Equity for the year ending March 31, 2021 is higher mainly on account of long term debt of Rs. 6000 lakhs in FY 2020-21 which has been repaid in FY 2021-22.

** Return on investment for the year ending March 31, 2021 is higher mainly on account of relatively higher fair valuation gain in FY 2020-21 as compared to FY 2021-22.

48. 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 promotor of the Holding Company. The tax officials had taken possession of certain records of the Holding Company and recorded statements of some of the Holding Company Officials during and after the search proceedings. Additional information requested by the tax authorities from time to time has been furnished to them. Till date, no order under these proceedings has been received by the Holding Company.

49. 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 have taken steps 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.

50. 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 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

SUNIL AGRAWAL
Chief Financial Officer

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

MR. R.A. SHAH
Chairman
(DIN 00009851)
DR. LALIT BHASIN
(DIN 00001607)
ATUL KUMAR GUPTA
(DIN 01734070)
NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)

SANJAY GUPTA
Company Secretary

SAMIR MODI
(DIN 00029554)
Executive Director
SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

Directors

Place: New Delhi
Date: May 28, 2022

Place: New Delhi
Date: May 28, 2022



GODFREY PHILLIPS
—INDIA LIMITED—

GODFREY PHILLIPS INDIA LIMITED

CORPORATE OFFICE

Godfrey Phillips India Limited, Omaxe Square, Plot No. 14, Jasola District Centre, Jasola, New Delhi-110025
Tel.: +91 11-2683 2155, 6111 9300 Fax: +91 11-4168 9102

REGISTERED OFFICE

'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai-400033

For more information, log on to www.godfreyphillips.com