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31st July 2026

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001

SCRIP CODE: 500163

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400051

SYMBOL: GODFRYPHLP

Sub.: Submission of Annual Report for the Financial Year 2025-26.

Dear Sirs,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed herewith the Annual Report of the Company for the Financial Year 2025-26, being sent to the Shareholders of the Company through E-mail.

Further, in compliance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has dispatched physical letters containing the weblink for accessing the Annual Report for the Financial Year 2025-26 to those shareholders whose email IDs are not registered with the Company, the Registrar and Share Transfer Agent (RTA), or their Depository Participants.

Kindly take the same on records.

Thanking you,
Yours Faithfully,

For Godfrey Phillips India Limited

Punit Kumar Chellaramani

Company Secretary and Compliance Officer

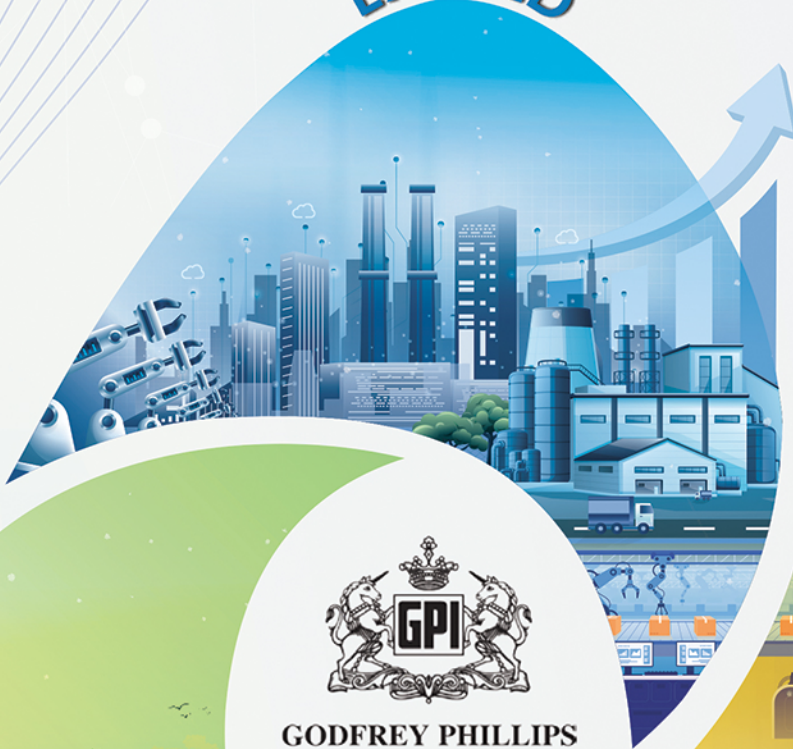
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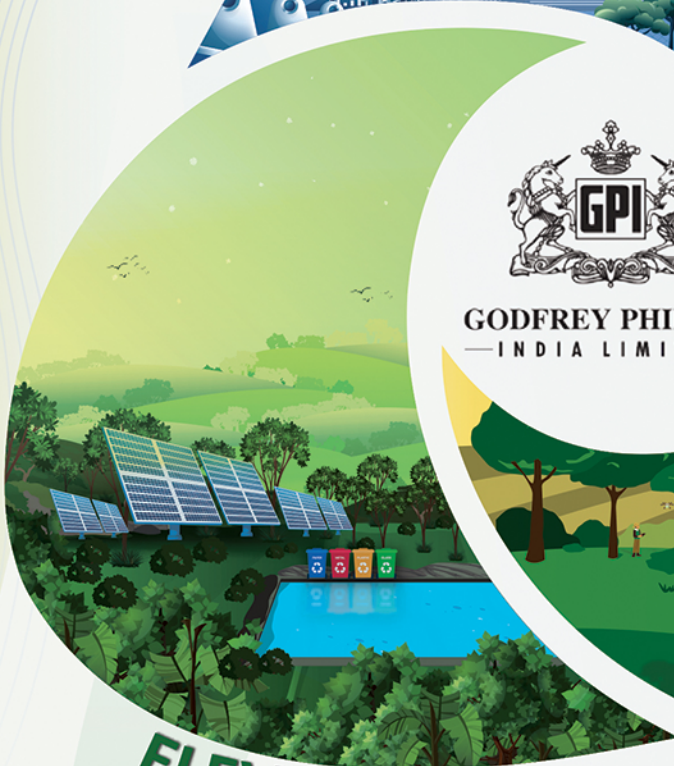
GREAT PLACE TO WORK® CERTIFIED

Regd. Office: 'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400 033
CIN : L16004MH1936PLC008587

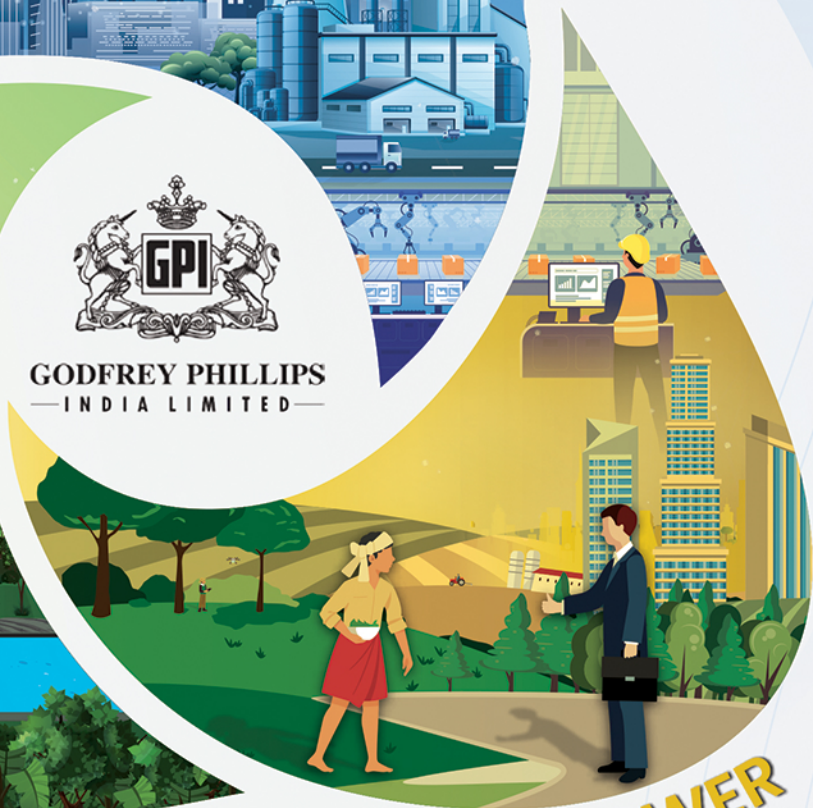
EXCEED



GODFREY PHILLIPS
— INDIA LIMITED —



ELEVATE



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ANNUAL REPORT

2025-26

ANNUAL REPORT 2025-26

Contents

Corporate Information	1
Chairperson's Message	2
Financial Highlights	3
Directors' Report & Management Discussion and Analysis	5
Report on Corporate Governance	32
Business Responsibility and Sustainability Report	57
Auditor's Report	108
Standalone Balance Sheet	119
Standalone Statement of Profit and Loss	120
Standalone Statement of Changes in Equity	121
Standalone Cash Flow Statement	122
Notes to the Standalone Financial Statements	123
Consolidated Financial Statements	176

Corporate Information

Board of Directors

DR. BINA MODI - CHAIRPERSON & MANAGING DIRECTOR

(DIN 00048606)

MS. CHARU MODI - EXECUTIVE DIRECTOR

(DIN 00029554)

MR. SHARAD AGGARWAL - WHOLE-TIME DIRECTOR

(DIN 07438861)

MR. PAUL NORMAN JANELLE- NON EXECUTIVE DIRECTOR (w.e.f. 16th May 2025)

(DIN 03489805)

MR. MARCO MARIOTTI- NON EXECUTIVE DIRECTOR (w.e.f. 1st February 2026)

(DIN 11396596)

MRS. NIRMALA BAGRI- INDEPENDENT DIRECTOR

(DIN 01081867)

MR. SUMANT BHARADWAJ- INDEPENDENT DIRECTOR

(DIN: 08970744)

MR. SUBRAMANIAN LAKSHMINARAYANAN- INDEPENDENT DIRECTOR

(DIN: 02808698)

MR. AJAY VOHRA- INDEPENDENT DIRECTOR

(DIN: 00012136)

MR. AVTAR SINGH MONGA-INDEPENDENT DIRECTOR

(DIN: 00418477)

CHIEF FINANCIAL OFFICER

Mr. Vishal Dhariwal

COMPANY SECRETARY

Mr. Punit Kumar Chellaramani

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, Jaipur, Jammu & Kashmir.

LEAF DIVISION

Guntur (Andhra Pradesh)

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Lodha and Co. LLP, Chartered Accountants

SECRETARIAL AUDITORS

Chandrasekaran Associates, Company Secretaries

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

- State Bank of India • Bank of Baroda
- Bank of India • Citibank N.A.

CORPORATE IDENTIFICATION NUMBER

L16004MH1936PLC008587

www.godfreyphillips.co.in



DR. BINA MODI

Chairperson's Message

Dear Shareholders,

The global economy navigated a period of transition during the year under review. While growth across major economies remained supported by easing inflationary pressures and improving business activity, uncertainties related to geopolitical developments, trade dynamics and shifting consumption patterns continued to influence markets. Businesses across industries are adapting to these evolving conditions by focusing on operational agility, disciplined capital allocation and long-term sustainability.

Technological advancement is reshaping the businesses and creating new opportunities for growth. The increasing adoption of digital technologies, data-driven decision making and responsible business practices is changing the way companies engage with consumers, manage supply chains and build competitive advantage. At the same time, growing stakeholder expectations around sustainability and governance are reinforcing the importance of creating value in a responsible and balanced manner. Organisations that align closely with these trends will be better positioned to respond to changing conditions and capture long-term value. This alignment remains a key focus at Godfrey Phillips India as well.

India remains among the fastest-growing major economies in the world, supported by resilient domestic demand, rising investments and sustained policy focus on infrastructure development and manufacturing. The country's favourable demographic profile, expanding consumer base and ongoing economic reforms create opportunities across sectors. This supportive economic environment provides businesses with a stable foundation to invest, innovate and scale for the future.

India's tobacco industry plays an important role in supporting economic activity, employment and agricultural livelihoods and contributes significantly across the value chain, from farming and processing to manufacturing and exports. At the same time, the industry operates, on one hand, under a dynamic regulatory environment catering to the needs of public health policy framework and on the other hand, under a taxation policy framework catering to the needs of the exchequer. The revised indirect taxation structure for the tobacco products introduced and implemented from February 2026 has resulted in unprecedented increase in the incidence of taxation on legal cigarette industry but has inadvertently led to growth of illicit tobacco trade. This unintended consequence requires sustained engagement among policymakers, enforcement agencies and industry participants to ensure a balanced and effective framework that supports legitimate businesses while protecting government revenues.

Godfrey Phillips India delivered another year of strong performance during FY26, with its consolidated Gross Sales Value increasing to Rs. 18,379 crores while Net Profit from continuing operations touching Rs. 1,525 crores mark. This performance reflects the strength of our brands, the effectiveness of our distribution network and the disciplined execution of our growth strategy. Domestic cigarette volumes recorded robust growth during the year, supported by market expansion and deeper penetration initiatives. Also, our direct retail outlet coverage increased further, strengthening our presence across urban, semi-urban and rural markets and enabling us to expand the consumer reach across the country.

Our international business contributed meaningfully to the growth story with the Gross Sales Value reaching Rs. 2,014 crores, accounting for 22% of net sales and the geographical presence spanning across approximately 30 countries in the Latin America, Middle East, Southeast Asia and Eastern Europe. Through our portfolio of cigarette, both own brands and private labels and unmanufactured tobacco, we have expanded our international footprint over the years. Exports of unmanufactured tobacco remained an important contributor to international business, reflecting the superior quality of tobacco produce, our crop development capabilities and the enduring relationships we have built with the customers globally.

Strategic partnerships play a significant role in strengthening our business. Our longstanding relationship with Philip Morris International for the Marlboro brand remains an important pillar of our portfolio. We also deepened our engagement with Ferrero India, where gross revenue from the distribution of sweet-packaged food products increased from Rs. 22 crores in FY25 to Rs. 51 crores in FY26. These partnerships complement our core business, broaden our consumer reach and contribute to the diversification of our revenue streams.

We are honoured to be recognised as a 'Great Place to Work' for the eighth consecutive year, reflecting our sustained commitment to fostering a culture of inclusion, learning and high performance. Sustainability remains an integral part of how we create long-term value, and during FY26, our Dow Jones Sustainability Index score improved to 77 from 64 in the previous year, underscoring the progress made across our ESG agenda. Beyond our operations, we expanded the reach of our CSR initiatives from 6 states to 20 states, positively impacting approximately 1 lakh beneficiaries through programmes focused on water conservation, healthcare, agriculture and biodiversity, highlighting our commitment to creating meaningful and lasting impact across the communities we serve.

Looking ahead, we remain focused on strengthening our core business, expanding our international presence, enhancing our product portfolio and improving operational efficiencies. While the external environment will remain dynamic and challenging, we are confident that our established brands, extensive distribution network, experienced leadership team and disciplined approach to execution, will position us well for the future. Sustainability, governance and stakeholder value creation will remain integral to our strategy as we build a stronger and more resilient organisation.

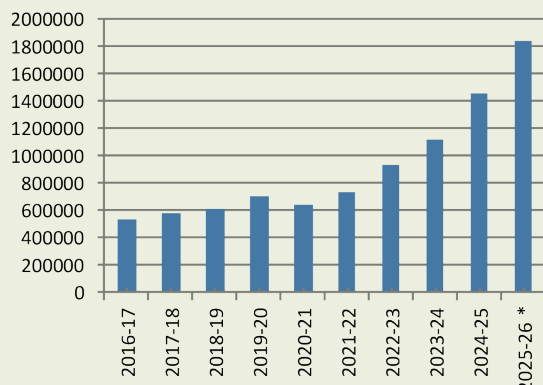
I would like to express my sincere appreciation to our employees, leadership team, Board of Directors, farming communities, business partners, customers and regulatory authorities for their unwavering support and commitment. I would also like to thank our shareholders for their trust and confidence in Godfrey Phillips India. Together, we will continue to build on our strengths and create sustainable value for all stakeholders.

Sincerely,

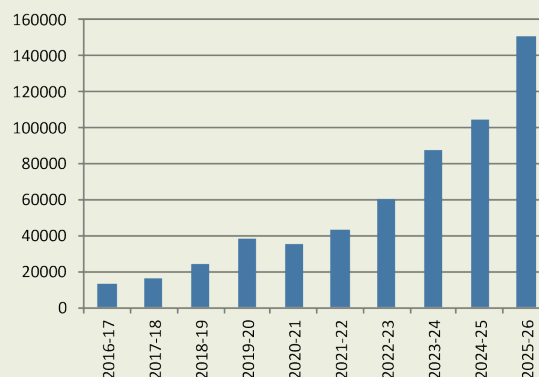
Dr. Bina Modi

Financial Highlights Trends

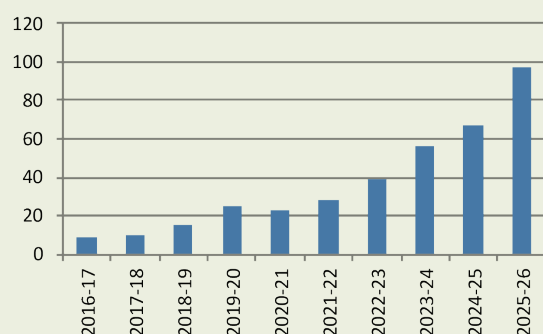
Gross Revenue (Rs. In lakhs)



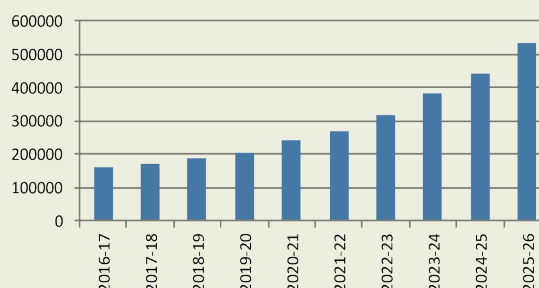
Profit After Tax (Rs. In lakhs)



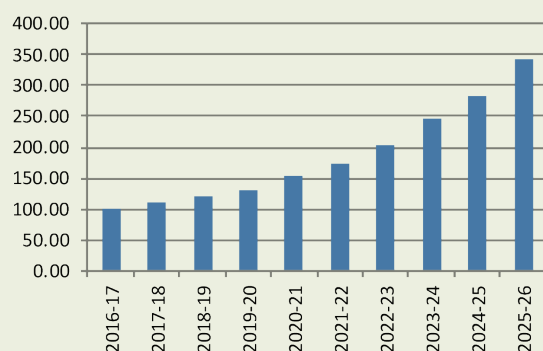
Earning per Share @ (in Rs.)



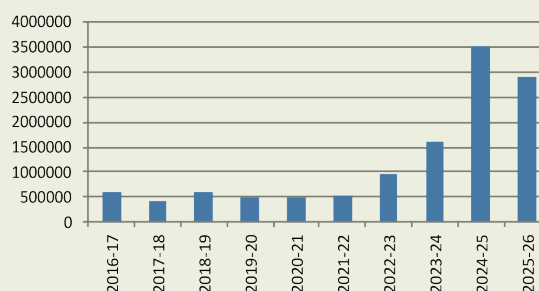
Shareholders' Fund (Rs. In lakhs)



Book value per Equity Share @ (In Rs.)



Market Capitalization (Rs. In lakhs)**



All the figures reported above includes figures pertaining to discontinued operation.

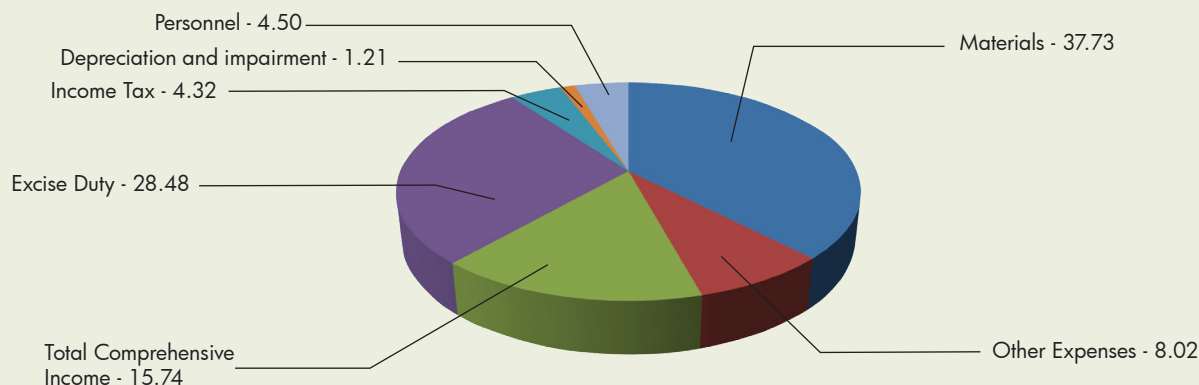
* The figures of revenue for the year ended March 31, 2026 are not comparable with the previous year due to revision of indirect tax structure on cigarettes effective from February 01, 2026.

** As at 31st March of each financial year.

@ Previous years figures have been restated pursuant to issue of bonus shares in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each.

Financial Highlights

Revenue Distribution



(Rs. In Lakhs)

PARTICULARS	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
CAPITAL EMPLOYED										
Property, Plant and Equipment (including Capital Work-in-Progress, Intangible Assets, Intangible Assets under development & Investment Property)	88,484	66,226	64,213	65,199	71,553	72,667	68,348	67,983	65,001	68,709
Right of use Assets***	11,103	12,354	24,592	27,170	27,697	30,380	34,475	-	-	-
Investments	2,47,703	2,38,902	2,58,244	2,36,395	1,71,870	1,47,584	1,18,992	1,14,267	89,516	50,006
Other Assets (net)*	2,16,248	1,43,486	72,451	25,656	35,350	31,166	20,085	11,703	18,955	47,504
Deferred Tax Assets (net)	-	-	-	-	-	-	-	-	-	180
Total	5,63,538	4,60,969	4,19,500	3,54,420	3,06,470	2,81,797	2,41,900	1,93,953	1,73,472	1,66,399
FINANCED BY										
Shareholders' Funds	5,36,262	4,40,911	3,84,118	3,18,840	2,72,369	2,41,643	2,06,085	1,89,627	1,70,728	1,59,183
Borrowings	9,308	2,922	4,396	3,463	2,978	7,490	1,114	4,118	2,672	7,216
Lease Liabilities***	13,896	14,826	30,008	31,913	30,602	31,969	34,459	-	-	-
Deferred Tax Liabilities (Net)	4,072	2,309	978	204	521	695	242	208	72	-
Total	5,63,538	4,60,969	4,19,500	3,54,420	3,06,470	2,81,797	2,41,900	1,93,953	1,73,472	1,66,399
OPERATING PERFORMANCE**										
Gross Revenue	9,58,321	7,30,779	5,66,468	4,42,529	3,32,582	3,04,344	3,15,102	2,67,103	2,93,027	4,44,281
Excise Duty	2,72,983	1,15,647	88,503	69,733	54,104	43,609	19,144	11,499	56,509	2,00,923
Depreciation	11,584	14,844	14,268	15,065	14,216	13,845	15,238	9,592	9,565	9,413
Profit Before Taxation	1,92,142	1,33,438	1,08,656	78,961	56,160	46,495	51,590	36,264	23,429	19,777
Profit After Taxation	1,50,748	1,04,320	88,084	60,838	43,197	35,694	38,788	24,097	16,076	13,635
Total Comprehensive Income	1,50,800	1,04,406	87,701	61,029	43,204	35,558	37,769	23,914	16,551	13,226
Proposed Dividend / Interim Dividend	77,991	49,334	29,117	22,877	14,558	12,479	12,479	5,199	4,159	4,159
Corporate Dividend Tax	-	-	-	-	-	-	2,565	1,069	855	847
INVESTORS' DATA										
Earning Per Equity Share from Continuing operations and Discontinued operation (Rs)@	96.64	66.88	56.47	39.00	27.69	22.88	24.87	15.45	10.31	8.74
Dividend Per Equity Share (%)@	2,500	1,583	933	733	467	400	400	167	133	133
Number of Shareholders	166845	74994	38489	Above 40000	30821	37921	22371	19079	21707	20000

All the figures reported above are Ind-AS compliant.

* Includes net assets/liabilities associated with discontinued operation

** Includes results of discontinued operation

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

@ Previous years figures have been restated pursuant to issue of bonus shares in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each.

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the 89th Annual Report on business and operations along with the Audited Financial Statements of the Company for the financial year ended 31st March 2026.

ECONOMIC ENVIRONMENT

Global macroeconomic conditions in 2026 indicate a steady but moderate growth environment, reflecting stability despite ongoing structural challenges. Global GDP growth is estimated at 2.8% in 2025 and is projected to ease slightly to 2.7% in 2026, remaining below the pre-pandemic average of 3.2%. Economic activity continues to be supported by stable labour markets, easing monetary conditions, and steady consumer demand, although policy uncertainty, geopolitical tensions, and trade frictions continue to affect overall momentum. Growth across advanced economies is expected to remain modest, with the United States, Europe, and Japan maintaining stable expansion supported by fiscal and monetary measures. (Source: UN WESP 2026, Executive Summary pp. VII–VIII; Chapter I p.5)

Emerging and developing economies are expected to maintain relatively stronger growth, supported by domestic demand and targeted policy measures. However, growth is projected to ease slightly, reflecting tighter fiscal conditions, high debt levels, and uneven investment trends. While large economies such as China and India continue to support global growth, many low-income and vulnerable countries face constraints due to limited fiscal space and external financing challenges. Structural issues such as productivity gaps, climate-related disruptions, and uneven access to technology continue to influence growth across regions. (Source: UN WESP 2026, Executive Summary pp. VII–IX)

Inflationary pressures have continued to ease globally, with headline inflation declining from 3.4% in 2025 to a projected 3.1% in 2026. This decline has been driven by lower energy and food prices, improved supply conditions and gradual stabilization in global markets. However, inflation remains above target levels in several economies, mainly due to continued price pressures in services and housing. While many central banks have moved towards monetary easing, policy actions remain careful given ongoing risks from geopolitical developments, supply disruptions and climate-related events that could affect price stability. (Source: UN WESP 2026, Executive Summary pp. XII–XIII)

India continues to remain one of the fastest-growing major economies globally. Growth is estimated at 7.4% in 2025 and is projected to ease to 6.6% in 2026, supported by strong domestic consumption and continued public investment. Economic activity is further supported by policy reforms and easing monetary conditions, which are expected to help near-term growth. While external risks such as West Asian war induced uncertainty around energy prices and global trade uncertainty arising from sanctions and tariff measures imposed by the U.S. administration are cause of concern, India's strong domestic fundamentals, infrastructure investment and demographic profile continue to provide a stable base for long-term growth. (Source: UN WESP 2026, Executive Summary p. XI)

TOBACCO INDUSTRY

India's tobacco industry continues to hold an important position in the country's agricultural and consumer markets. The India tobacco market reached 821.7 thousand tons in 2025 and is projected to grow to 988.8 thousand tons by 2034, at a CAGR of 2.08% during 2026–2034. Growth in the market is supported by increasing tobacco consumption, rising disposable incomes and wider product availability. India also remains the world's second-largest producer of tobacco, with annual production of around 1,037 million kilograms across key states such as Andhra Pradesh, Karnataka, Gujarat, Uttar Pradesh, Telangana and Bihar, producing a wide range of tobacco varieties for domestic and export markets. (Source: IMARC India Tobacco Market Report and Tobacco Fact Sheet India 2026)

India's tobacco exports continue to support the country's trade revenues. India is the second-largest exporter of tobacco globally after Brazil and exports tobacco and tobacco products to nearly 200 countries. In FY25, India exported 146,954 tonnes of FCV tobacco valued at US\$ 895.9 million (Rs. 7,571 crores). Exports of unmanufactured tobacco and tobacco products during FY25 reached 364,575.84 tonnes, valued at Rs. 16,728 crores (US\$ 1.97 billion). Major export destinations include the UAE, Belgium, Indonesia, Egypt, the USA, Turkey, and the Republic of Korea. In FY26, UAE remained the largest importer of Indian tobacco products at around US\$ 134 million of total exports from India. (Source: IBEF Tobacco Industry and Exports India)

India's position in the global tobacco trade continues to be supported by low production costs and a diversified product portfolio. Along with cigarettes, India has a strong export presence in FCV tobacco, unmanufactured non-FCV tobacco, bidis, hookah tobacco, chewing tobacco and other tobacco products catering to different international markets. In FY2026, India exported 19,768.09 tonnes of unmanufactured non-FCV tobacco valued at US\$ 75.30 million (Rs. 642.73 crores). The exports of unmanufactured tobacco and tobacco products during FY26, were 66,984.61 tonnes valued at US\$ 374.9 million (Rs. 3,201 crore). India continues to export tobacco products to nearly 200 countries, supported by steady global demand and expanding market reach. (Source: IBEF Tobacco Industry and Exports India)

The tobacco sector continues to be a major contributor to employment and economic activity in India. The industry provides direct and indirect employment to around 45.7 million people, with nearly 70% engaged in agricultural activities. The sector contributes an estimated Rs. 18 lakh crores to the Indian economy and generates annual tax revenues of more than Rs. 76,000 crores. Tobacco exports earn India over Rs. 17,000 crores annually, with FCV

tobacco contributing nearly 70% of leaf exports. Tobacco cultivation also remains important for semi-arid and rain-fed regions where alternative crops may not provide similar income opportunities. (Source: Tobacco Fact Sheet India 2026)

Despite its economic contribution, the tobacco industry continues to face challenges due to high taxation, health concerns, and increasing illicit trade. Legal cigarettes account for only about 10% of overall tobacco consumption but contribute nearly 80% of tobacco tax revenues. India is among the world's largest illegal cigarette markets, with illicit cigarettes accounting for about 26.1% of the total cigarette market. Illicit cigarettes are estimated to amount to nearly one-third of legal cigarette volumes, resulting in an annual revenue loss of around Rs. 23,000 crores to the government. High taxes and price differences between legal and illegal products continue to support the growth of illicit trade. (Source: Tobacco Fact Sheet India 2026)

CONSUMER INDUSTRY

India's consumer sector continues to play an important role in the country's economic growth. Supported by favourable demographics, rising incomes, increasing urbanisation and wider digital adoption, both sectors continue to expand steadily. Changes in consumer preferences, along with policy support are shaping growth across categories. Demand is becoming more diversified, with consumers seeking convenience, quality and value, while businesses are adapting their strategies to align with these trends. (Source: IBEF FMCG Report, March 2026, Page 1)

The Fast-Moving Consumer Goods (FMCG) sector continues to expand, with the market valued at approximately USD 245 billion in 2024 and projected to reach nearly USD 1.1 trillion by 2033, growing at a CAGR of about 17.3%. The sector is expected to deliver revenue growth of 6–8% in FY26, supported by rising urban demand and steady rural consumption. Digital adoption remains a key driver, with over 270 million online shoppers in 2024 and increasing use of digital platforms for consumption. E-commerce and direct-to-consumer channels continue to expand, while quick commerce is growing at a CAGR of 70–80%, improving access and delivery timelines across cities. Companies are also investing in supply chain improvements, data analytics, and product innovation to meet evolving demand patterns. (Source: IBEF Retail Report, November 2025, Page 4; KPMG FMCG Report, Q3FY26)

At the same time, companies are adapting to evolving challenges. Managing costs and ensuring efficient supply chains remain key priorities amid inflationary pressures and competitive intensity. Food inflation trends have remained volatile, with marginal deflation observed in late 2025. Consumer preferences are shifting toward health, sustainability, and premium products, with premium FMCG categories gaining traction, particularly in rural markets. Companies are responding by investing in sustainable practices, cleaner ingredients, and technology-led product development to remain aligned with consumer expectations. (Source: KPMG FMCG Report, Q3FY26)

As the market continues to evolve, India's consumer sector is expected to benefit from steady demand, digital growth, and supportive policy measures. Continued focus on product innovation, efficient operations, and customer engagement will remain important for sustaining growth and creating long-term value for stakeholders.

SEGMENTWISE PERFORMANCE IN 2025-26

Cigarettes

During the year under report, the Company recorded stable performance, supported by continued consumer demand in the first half of the year and disciplined execution across markets. The Company strengthened its presence in select emerging markets through calibrated brand investments, filling up portfolio gaps, measured pricing actions and focused execution across the value chain.

The performance of the cigarettes business, during the year, was led by the Company's key brands, Four Square and Stellar, which continued to enhance their relevance across consumer segments. Four Square consolidated its position, supported by the performance of its variants, including the Four Square Crush range. Stellar sustained its momentum, with continued focus on higher growth segments and modern retail formats. Legacy brands such as Cavanders and North Pole also recorded steady performance, supported by initiatives aimed at enhancing consumer relevance within permissible frameworks.

However, the change in the indirect tax structure for cigarettes brought about by the Government with effect from 1st February 2026 which has resulted in steep increase in overall incidence of tax, has posed major challenges for the industry in the future, particularly impacting consumer affordability across the segments and price points. The prevalence of illicit and contraband products continued to remain a significant structural concern for the industry.

Also, the operating environment for the cigarettes business remains subject to regulatory and taxation considerations. The Company continues to closely monitor developments in the regulatory landscape and remains focused on prudent cost management, disciplined execution and compliance. The Company's strategy will continue to emphasise strengthening its core brand portfolio, pursuing selective innovation aligned with consumer preferences which already exist and to those which are emerging, and optimising its sales and distribution capabilities. These efforts are expected to support the Company's ability to operate effectively in a dynamic market environment and create long term value for stakeholders.

Confectionary Products

During the financial year 2025-26, the Company's Confectionery Products division, though relatively small in size, achieved robust growth, recording a 31% increase in operating profit, a 26% rise in volume, and a 15% uplift in gross sales value

compared to the previous year. This impressive performance was primarily driven by the hard-boiled segment, notably with the successful launch of our new brand, “Lemon Chaskaa”. The brand has gained significant traction, now available in approximately 450,000 outlets across Pan India.

Looking ahead, the Company is poised to strengthen its digital marketing presence and introduce new product variants in the coming year.

Exports

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

Commodity/Product	2025-26	2024-25
	Value (Rs. in crores)	Value (Rs. in crores)
Unmanufactured Tobacco/ Composite Leaf Blend	1,945	2,010
Cigarettes	50	68
Cut tobacco	19	42
Total	2,014	2,120

During the year under review, the Company strengthened its emphasis on Burley tobacco production to cater to a broader range of customers. This strategy facilitated additional business opportunities, expanded market reach, and supported continued revenue growth. Moreover, the successful implementation of the Integrated Production System (IPS) in the HDBRG 2025 crop enabled the Company to secure new business while reinforcing its commitment to quality and regulatory compliance. The Company has also identified new crop varieties—Sun-Cured Virginia, Kurnool Rustica, Lanka, and Lalchoupadia—to further diversify its existing portfolio.

A strategic and methodical approach, incorporating ongoing procurement monitoring, optimal tobacco utilization, expedited processing and improved yield performance, has resulted in marked advances in supply chain efficiency. Collectively, these initiatives have contributed significant value by enabling enhanced cost management and elevating overall operational effectiveness.

HUMAN RESOURCE DEVELOPMENT

Your Company’s Human Resource strategy continues to be guided by its “People First” philosophy, with a sustained focus on strengthening organizational capability, enhancing employee experience, and fostering a safe, inclusive and future ready workplace aligned with business priorities. During the year, your Company advanced its people transformation journey through the implementation of the latest Oracle Cloud HCM platform, enabling stronger digital integration, workforce transparency and data driven people decisions. Curated learning interventions were conducted to upskill the workforce on emerging technologies, strengthening digital awareness and readiness for evolving roles. The Company maintained its emphasis on leadership development, succession planning and internal talent mobility, supporting career progression and leadership depth. Focused initiatives on diversity, equity and inclusion, alongside enhanced health, safety and wellness interventions, reinforced employee well-being and organizational resilience. Your Company was certified as a Great Place to Work® for the 8th consecutive year, instilling a strong sense of pride and reaffirming its high trust culture. Leadership remained closely connected with employees through increased dialogue, engagement and accessibility, fostering trust and pride while strengthening the organization’s ability to respond with agility to change and growth.

INFORMATION TECHNOLOGY (IT)

Your Company continued to leverage technology as a strategic enabler to strengthen enterprise governance, enhance workforce productivity and support compliant business growth. During the year, focused investments were made in introducing AI productivity platforms, improving information security posture and enhancing efficiency across critical operational and compliance processes.

The enterprise application landscape has been further enhanced through select process improvements in ERP, enabling alignment with evolving tax and regulatory frameworks. There has been a continued emphasis on digitization and governance-led visibility across the organization. IT infrastructure capabilities have been further strengthened to support growing digital adoption and user experience expectations. Network capacity across locations has been enhanced, improving reliability and performance for enterprise applications.

Your Company has also made steady progress in strengthening its information security framework. Security controls across core data platforms have been enhanced, alongside the rollout of centralized security governance dashboards to improve monitoring and oversight. Advanced password-less identity-based authentication mechanisms have been implemented across key enterprise applications to further strengthen access security. These initiatives, coupled with enhanced email security measures, have significantly improved the overall cyber resilience of the organization.

Your Company continues to focus on responsible and secure adoption of emerging technologies. Progress has been made towards enterprise-wide AI enablement to enhance productivity using secure enterprise grade AI platform. Strong IT governance remains a cornerstone of the technology strategy, as reflected in the successful re-certification



of the Information Security Management System to upgraded version ISO 27001:2022, reaffirming the Company's continued commitment towards data security, risk management, and compliance.

TREASURY OPERATIONS

Your Company continues to enjoy the highest rating of 'CRISIL A1+' for short term debt program, 'CRISIL AA+/Stable' for long term loan. With these ratings in place, your Company can raise funds (if needed) at most competitive terms. Following the principles of liquidity, safety and tax efficient returns, your 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

(Rs. in Lakhs)

Continuing operations	2025-26	2024-25
Profit before Depreciation and Tax from continuing operations	203,719	156,175
Less: Depreciation and amortization	11,671	11,970
Profit before tax from continuing operations	192,048	144,205
Less: Provision for tax		
- current tax	39,631	30,673
- deferred tax	1,739	1,154
Profit after tax for the year from continuing operations	150,678	112,378
Discontinued operation		
(i) Profit /(loss) before tax from discontinued operation	94	(10,768)
(ii) Tax (expense)/ benefit from discontinued operation	(24)	2,710
Profit/(loss) for the year from discontinued operation	70	(8058)
Profit for the year	150,748	104,320
Add: Other comprehensive income/(loss)-net of tax	52	85
Total Comprehensive Income	150,800	104,405

During the year, the gross sales value registered a growth of 32.80 % by reaching the level of Rs.9119.02 crores from Rs.6866.64 crores last year. Similarly, the profit after tax is Rs.1507.48 crores as compared to Rs.1043.20 crores last year. *(The figures of revenue for the year ended 31st March 2026 are not comparable with the previous year due to revision of indirect tax structure on cigarettes effective from 1st February 2026.)*

DIVIDEND

Your Directors are pleased to recommend the final dividend of 1650% i.e. Rs.33/- per equity share of face value of Rs.2/- each over and above the interim dividend of Rs.17 per share paid in November 2025. The proposed dividend will absorb Rs.514.74 crores. No amount proposed to be transferred to the general reserves.

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.

BONUS SHARES AND INCREASE IN SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company has been increased from Rs. 25,00,00,000/- (Rupees Twenty-Five Crore) divided into 12,20,00,000 (Twelve Crore Twenty Lakh) Equity Shares of Rs. 2/- (Rupees Two) each and 60,000 (Sixty Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 50,00,00,000/- (Rupees Fifty Crore) divided into 24,70,00,000 (Twenty-Four Crore Seventy Lakh) Equity Shares of Rs. 2/- (Rupees Two) each and 60,000 (Sixty Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of additional 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of Rs. 2/- (Rupees Two) each, ranking pari-passu with the existing Equity Shares.

The Board of Directors of the Company, at its meeting held on 4th August 2025, had approved issuance of Bonus Equity Shares in the proportion of 2:1, i.e. 2 (Two) new fully paid-up Equity Shares of Rs. 2/- each for every 1 (One) existing fully paid-up Equity Share of Rs. 2/- each, by capitalizing a sum of Rs. 20,79,75,680/- (Rupees Twenty Crore Seventy-Nine Lakh Seventy-Five Thousand Six Hundred and Eighty only) out of the amounts standing to the credit of the General reserves and/or Retained earnings of the Company as per the Audited Financial Statement of the Company for the financial year ended 31st March 2025, which was subsequently approved by the Shareholders at the 88th Annual General Meeting of the Company held on 4th September 2025.



Accordingly, the Board of Directors of the Company, at its meeting held on 17th September 2025, approved the allotment of 10,39,87,840 (Ten Crore Thirty-Nine Lakh Eighty-Seven Thousand Eight Hundred Forty) Equity Shares of Rs. 2/- (Rupees Two) each as fully paid-up Bonus Equity Shares to all the eligible members of the Company as on the Record Date and the Bonus Equity Shares so allotted rank pari-passu, in all respects, with the existing Equity Shares of the Company.

Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased to Rs. 31,19,63,520/- (Rupees Thirty-One Crore Nineteen Lakh Sixty-Three Thousand Five Hundred Twenty), divided into 15,59,81,760 (Fifteen Crore Fifty-Nine Lakh Eighty-One Thousand Seven Hundred Sixty) fully paid-up Equity Shares of Rs. 2/- (Rupees Two) each.

The aforesaid Bonus Equity Shares were credited to the respective demat account of the eligible members as on the Record Date. In the case of the eligible members holding Equity Shares in physical form, the Bonus Equity shares have been credited to a separate demat suspense account namely "Godfrey Phillips India Limited-Bonus Suspense Account" in accordance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and only upon submission of the requisite documents, such Bonus Equity Shares will be credited to their respective demat account.

ANNUAL RETURN

As required under Section 134(3)(a) and section 92(3) of the Companies Act, 2013, the Annual Return as on 31st March 2026 has been uploaded on the Company's website and the same can be accessed at <https://godfreyphillips.co.in/sustainability/annual-return>.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31st March 2026, your Company had six operating subsidiaries, two associate companies and a controlled entity. The basic details of these companies form part of the Annual Return as on 31st March 2026, which can be accessed through the link given above.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries and associates is attached as '**Annexure – 1**'. Further, note 47 of the consolidated financial statements shows the share of each subsidiary, associate, and controlled entity 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 (IndAS-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, associate and controlled entities, as approved by their respective Boards.

INTERNAL CONTROL SYSTEMS

Your Company has established a robust system of internal controls including financial controls, commensurate with its size and nature of its operations. These controls ensure that transactions are properly recorded, authorised and reported, while also safeguarding assets against loss arising from wastage, unauthorized use or disposal.

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 (CSR)

During the year under review, the Company continued to strengthen its commitment to Corporate Social Responsibility (CSR) with a focused approach towards environmental sustainability, conservation of natural resources, water management, access to safe drinking water, preventive healthcare and support for good agricultural practices.

In water-stressed and rain shadow regions of Andhra Pradesh, the Company further scaled its water conservation initiatives. During the year, 13 new check-dams were constructed, taking the total number to nearly 60. These structures continue to serve as a reliable source of irrigation, enabling marginalised tobacco farmers to cultivate a secondary crop while also supporting groundwater recharge. In addition, volumetric analysis of 43 existing check-dams built by us was undertaken to assess actual water storage capacity, which indicated that over 2,72,000 kilolitres of water were conserved during the year, directly benefiting farming communities and contributing to ecological balance. To further enhance water conservation capacity, desiltation activities were carried out at 16 sites in the tobacco growing region, improving storage potential of water bodies while also providing farmers with nutrient-rich soil for agricultural use. The Company also undertook rejuvenation and improvement of 2 large natural water tanks, benefitting thousands of community members and supporting local ecosystems. Further expanding its water conservation efforts to new geographies, the Company undertook the construction of 3 rainwater harvesting structures in the water-stressed region of Guldhar, Ghaziabad. These structures are aimed at enhancing groundwater recharge, improving water availability and supporting long-term ecological sustainability in areas surrounding the Company's manufacturing operations. The

Company also conducted multiple community awareness drives and facilitated the formation of water user groups to ensure effective utilisation, ownership, and long-term maintenance of created assets.

In line with its ESG commitment to ensure access to safe drinking water, the Company installed 20 new RO water plants equipped with borewell recharge systems and wastewater management provisions, taking the total number of such installations to over 80 across its areas of operation. These initiatives continue to address challenges related to drinking water quality and availability in rural communities.

To support farmer livelihoods, the Company constructed 122 community agri-sheds during the year. These structures provide safe storage for multiple agricultural produce and shelter for livestock, particularly during adverse weather conditions, thereby reducing post-harvest losses and improving income stability.

The Company continued its efforts towards environmental sustainability through the maintenance of 2 biodiversity parks, with 2 parks already handed over to local communities after achieving self-sustenance. These parks contribute to ecological restoration, support native biodiversity, and create green spaces for community use.

Recognising the importance of preventive healthcare, the Company expanded its health screening initiative for people in the low-income segment, Swasth Pehal 2.0, through deployment of mobile medical units across multiple locations. The programme covered over 100 health parameters, including blood-based diagnostics, non-invasive screening using specialised equipment, and eye testing. During the year, over 6,000 beneficiaries across nearly 200 locations were covered under this initiative, enabling early detection of health issues and promoting awareness on preventive care.

The CSR efforts of the Company are overseen by the CSR Committee of the Board which is constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and is led by Dr. Bina Modi, Chairperson and Managing Director. The composition, terms of reference, and details of the Committee's meetings are provided in the Corporate Governance Report. A brief outline of the CSR Policy, overview of activities undertaken, the amount spent/unspent, reasons for any unspent amount, executive summary of Impact Assessment reports and the Committee's composition are disclosed in '**Annexure - 2**' to this Report.

DIRECTORS

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Sumant Bharadwaj was re-appointed as an Independent Director of the Company for the second term of five consecutive years w.e.f. 13th February 2026, by the Board of Directors at its meeting held on 15th May 2025, which appointment was subsequently approved by the shareholders at the 88th Annual General Meeting held on 4th September 2025.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Paul Norman Janelle was appointed as a Non-Executive Non-Independent Director of the Company with effect from 16th May 2025, by the Board of Directors in its meeting held on 15th May 2025, which appointment was subsequently approved by the Shareholders by way of Postal Ballot on 28th June 2025.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Marco Mariotti was appointed as a Non-Executive Non-Independent Director of the Company with effect from 1st February 2026, by the Board of Directors in its meeting held on 30th January 2026, which appointment was subsequently approved by the Shareholders by way of Postal Ballot on 12th March 2026.

Mr. Atul Kumar Gupta ceased to be the Director of the Company on completion of his term as an Independent Director w.e.f. closure of business hours on 19th June 2025.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations); 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 SEBI Listing Regulations and are competent, experienced, proficient and possess necessary expertise and integrity to discharge their duties and functions as Independent Directors and are independent of the management of the Company.

PERFORMANCE EVALUATION OF THE BOARD, ETC.

Details pertaining to the manner of evaluation of the Board, its committees and individual Directors including Chairperson have been carried out, form part of Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

Dr. Bina Modi, Chairperson and Managing Director, Ms. Charu Modi, Executive Director, Mr. Sharad Aggarwal, Whole-time Director, Mr. Vishal Dhariwal, Chief Financial Officer and Mr. Punit Kumar Chellaramani, Company Secretary of the Company are considered to be Key Managerial Personnel of the Company as on 31st March 2026 as per the provisions of the Companies Act, 2013 and the rules made thereunder.

BOARD MEETINGS

During the financial year 2025-26, the Board of Directors met 5 (five) times. 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. Your Company has a Risk Management Policy in place and is available on the Company's website at <https://godfreyphillips.co.in/sustainability/policies>. The Risk Management Committee reviews the Policy, its effectiveness and adequacy in periodic manner.

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

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

The Company has integrated sustainability into its operational practices. The Board has established a dedicated committee to oversee progress in this area, and a separate Business Responsibility and Sustainability Report offers detailed information on these initiatives.

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 also noted by the Audit Committee at its meeting held on 15th May 2026.

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

The aforesaid details are provided in the financial statements of the Company forming part of the Annual Report. Please refer to Note 52 of the standalone financial statements.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

NOMINATION AND REMUNERATION POLICY

The appointment and remuneration of the Directors is recommended by the Nomination and Remuneration Committee and approved 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 them in pursuit of the overall objectives of the Company.

The remuneration of the Executive Directors including Managing Director and Whole-time Director, may consist of both fixed compensation (which may be subject to annual increments) & variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits, as may be approved by the Board and within the overall limits as may be approved by the shareholders.

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

The remuneration payable to the Directors shall be governed by the ceiling limits specified under section 197 of the Companies Act, 2013 and shareholders' approval taken from time to time.

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.

The Nomination and Remuneration Policy of the Company is available on the Company's website at <https://godfreyphillips.co.in/sustainability/policies>. There is no change in the Nomination and Remuneration policy of the Company during the year.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As mandated by the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") has been included separately, as part of the Annual Report. An independent Assurance Report on the BRSR Core for the financial year 2025-26 from S.R. Batliboi & Co LLP is also included separately and forms part of the Annual Report.

UNCLAIMED SHARES

Status of the unclaimed shares as on 31st March 2026 has been mentioned in the Corporate Governance Report.

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 SEBI Listing Regulations. The Company's objective and that of its management and employees is to manufacture and market its 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 statutory auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, is enclosed.

Certificate from Dr. Bina Modi, Chairperson and Managing Director as the Chief Executive Officer (CEO) and Mr. Vishal Dhariwal, 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, S. R. Batliboi & Co. LLP, Chartered Accountants, (FRN 301003E/E300005) were re-appointed as the Statutory Auditors for another term of five (5) consecutive years until the date of conclusion of the 90th Annual General Meeting, by the Shareholders in the 85th Annual General Meeting of the Company held on 26th August 2022.

Auditors' Report on the financial statements (both standalone as well as consolidated) of the Company forms part of the Annual Report and does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT & COST RECORDS

In terms of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit & maintenance of Cost Records were not applicable on the Company during Financial Year 2025-26.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) and other applicable provisions of the Companies Act, 2013, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholders at the 88th Annual General Meeting of the Company held on 4th September 2025 have approved the appointment of M/s Chandrasekaran Associates, Practicing Company Secretaries (Firm Registration No. P1988DE002500) as the Secretarial Auditors, to conduct the Secretarial Audit of the Company for a period of five consecutive years i.e. from FY 2025-26 to FY 2029-30.

The Secretarial Audit Report from M/s Chandrasekaran Associates, Practicing Company Secretaries, for the year under review is attached as **'Annexure - 4'** and does not contain any qualification, reservation, adverse remark or disclaimer.

REPORTING OF FRAUDS BY AUDITORS

During the year under report, the Statutory Auditors and Secretarial Auditors have not reported any instance of fraud committed against your Company by its officers or employees, to the Audit Committee or the Board, under section 143(12) of the Companies Act, 2013.

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 the Institute of Company Secretaries of India, during the financial year under report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under report, 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.

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 Companies Act, 2013 and as advised, the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 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'**.

DIVIDEND DISTRIBUTION POLICY

As mandated by the SEBI 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://godfreyphillips.co.in/sustainability/policies>

KEY FINANCIAL RATIOS

Key Financial Ratios for the financial year 2025-26 with comparatives for the year 2024-25, are disclosed in **'Annexure - 8'** attached herewith.

EMPLOYEES SHARE PURCHASE SCHEME

As at 31st March 2026, the Company has two Employees Share Purchase Schemes viz: Godfrey Phillips Employees Share Purchase Scheme, 2024 ("ESPS 2024") and Godfrey Phillips Employees Share Purchase Scheme, 2023 ("ESPS 2023") in place. No change has been made in both these schemes during the year under report. The Company has received a certificate from the Secretarial Auditors that the ESPS 2024 and ESPS 2023 have been implemented in accordance with the applicable SEBI Guidelines and the resolutions passed by the shareholders. The Certificate will be placed at the Annual General Meeting for inspection by the Members.

Details of the share based payments made during the year are provided in Note 48 to the financial statements of the Company. Further, the disclosures pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Companies Act, 2013 are available on the website of the Company at <https://www.godfreyphillips.co.in/employee-benefit-scheme-documents>.

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 report, no complaint was filed with the Company.

COMPLIANCE OF MATERNITY BENEFIT ACT, 1961

During the year under report, the Company has complied with the provisions of the Maternity Benefit Act, 1961.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY, WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

No material changes and commitments have occurred between the end of the financial year and the date of this report, affecting the financial position of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under report, no application was made against the Company, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

THE FUTURE

Availability of best in the class manufacturing facilities with right blend of technology, vast distribution network, adequate financial resources and motivated manpower backed by 'people first' policy, will continue to facilitate your Company to drive growth across its various product categories both in domestic and international markets. Your Directors are confident that the Company will continue to create value for its shareholders and other stakeholders.

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.

For and on behalf of the Board

Place: New Delhi
Dated: 15th May 2026

DR. BINA MODI
CHAIRPERSON

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	White Horse Realty Limited
Date since when subsidiary/ trust was acquired	30-Jun-69	1-Feb-94	31-Jan-91	12-Aug-94	10-Jan-07	26-Dec-24
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
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	Not applicable
Share Capital	300	280	33	232	27	10
Reserves and Surplus	6,289	70,680	6,803	(42)	6,433	(607)
Other Liabilities	1,375	11,278	1	-	369	1,329
Total Liabilities	7,964	82,238	6,837	190	6,829	732
Total Assets	7,964	82,238	6,837	190	6,829	732
Investments (other than in subsidiaries/fellow subsidiaries)	-	81,442	-	-	-	-
Turnover/ Total Income	7,343	87	1	4	173	-
Profit/(loss) before taxation	548	(403)	(56)	(3)	23	(585)
Provision for taxation	142	(59)	-	-	(1)	-
Profit/(loss) after taxation	406	(344)	(56)	(3)	24	(585)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	92.20%	66.67%	92.20%	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.



GODFREY PHILLIPS
—INDIA LIMITED—

Part B : Associates and Joint Ventures

Rupees in Lakhs

Particulars	KKM Management Centre Pvt. Limited	Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)
Latest audited Balance Sheet Date	31-Mar-26	31-Mar-26
Shares of Associate/ Joint Venture held by the Company on the year end		
Number of shares	11,02,500	49,60,000
Amount of Investment	110	496
Extent of Holding %	36.75	24.80
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	340	11,361*
Profit for the year	4	1,14,156
Considered in consolidation	1	28,311
Not considered in consolidation	3	85,845

*Adjusted for dividend of Rs.25,841 lakhs received during the year from the Associate company.

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

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR
CHELLARAMANI
Company Secretary

Place: New Delhi
Date: 15th May 2026

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

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN: 07438861)
Whole-time Director

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH
MONGA
(DIN 00418477)

Directors

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 ("CSR") and pledges to sustain its effort towards being always Responsible and Accountable for its business. 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 environmental sustainability, education, healthcare, sustained livelihood, improved quality of life, rural development, and empowerment of marginalised sections of the community.

2. Composition of CSR Committee:

S. 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.	Dr. Bina Modi	Chairperson/ Executive & Non-Independent	1	1
2.	Mr. Atul Kumar Gupta*	Member/ Non-Executive & Independent	1	1
3.	Mrs. Nirmala Bagri	Member/ Non-Executive & Independent	1	1
4.	Mr. Sumant Bharadwaj**	Member/ Non-Executive & Independent	1	Not applicable

* During the year, the meeting of CSR Committee held on 15th May 2025.

** Mr. Atul Kumar Gupta ceased to be the member of the Committee on completion of his term as an Independent Director w.e.f. close of business hours on 19th June 2025 and in his place, Mr. Sumant Bharadwaj was inducted w.e.f. 20th June 2025.

3. 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://godfreyphillips.co.in/sustainability/policies (There is no change in CSR policy during the year)
CSR Committee Composition	https://godfreyphillips.co.in/sustainability/board-of-directors-and-committees
CSR Projects	https://godfreyphillips.co.in/sustainability/corporate-social-responsibility

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. –

The Executive Summary of the impact assessment is enclosed as **Annexure-A** to this report. For detailed reports please visit <https://www.godfreyphillips.co.in/sustainability/annual-reports>.

5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs. 88275.28 Lakhs**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 1765.60 Lakhs**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **NIL**
- (d) Amount required to be set off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year (b + c - d): **Rs. 1765.60 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

(i) Details of CSR amount spent against Ongoing Project:

(Amount in Rupees Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. 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 Un-spent 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	Rainwater harvesting structures	Conservation of natural resources and maintaining quality of water	Yes	Uttar Pradesh	Ghaziabad	Multi Year	33.76	27.01	6.75	No	Development Network & Research Foundation	CSR00000599
2	Promoting Education including Special Education and Employment Enhancing Vocational Skills	Promotion of Education	No	Chhattisgarh	Raipur	Multi Year	607.63	Nil	607.63	No	Modi Innovative Education Society	CSR00012517

(ii) 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)	
S. 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.	Community Support & Development Programs – water management, biodiversity, good agricultural practices, drinking water	Environmental sustainability	Yes	Andhra Pradesh	Prakasam, Palnadu, Markapuram	445.83	No	Eco Foundation for Research & Training (EFFORT)	CSR00000628
2.	Swasth Pehal 2.0- Health Screening	Promoting healthcare including preventive healthcare	Yes	20 states	84 cities	215.69	No	HEAL Foundation	CSR00006457
3.	Water management structures for farming community	Conservation of natural resources and maintaining quality of water	Yes	Andhra Pradesh	Prakasam, Palnadu	81.10	No	Rural Development Trust (RDT)	CSR00003740
4.	Water management structures for farming community	Conservation of natural resources and maintaining quality of water	Yes	Andhra Pradesh	Prakasam, Palnadu	51.28	No	Action for Food Production (AFPRO)	CSR00000747
5.	Community Support & Development Programs – water management, biodiversity, good agricultural practices, drinking water	Environmental sustainability	Yes	Andhra Pradesh	Prakasam, Palnadu, Markapuram	278.78	No	ASSIST	CSR00000031
Total						1072.68			

(b) Amount spent in Administrative Overheads: **Rs. 37.03 Lakhs**

(c) Amount spent on Impact Assessment, if applicable: **Rs. 14.50 Lakhs**

(d) Total amount spent for the Financial Year (a+b+c): **Rs. 1151.22 Lakhs**

(e) 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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1151.22	614.38	27 th April 2026	NA	NA	NA

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

S. No.	Particulars	Amount (Rs. In Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1765.60
(ii)	Total amount spent for the Financial Year	1151.22
(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

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:
(Amount in Rupees Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial Years	Deficiency, if any
					Amount	Date of transfer		
1	2022-2023	354.21	Nil	Nil	NA	NA	Nil	Nil
2	2023-2024	634.84	Nil	Nil	NA	NA	Nil	Nil
3	2024-2025	688.50	688.50	688.50	NA	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

The prescribed CSR expenditure for FY 2025-26 was Rs. 1765.60 lakhs. While the Company had intended to utilise the entire CSR amount during the year, a sum of Rs. 614.38 Lakhs was unspent towards two ongoing projects. As the projects are ongoing in nature, the said amount has been transferred to a separate bank account and will be disbursed in tranches over the duration of the projects, in accordance with the applicable CSR provisions.

Sharad Aggarwal
(Whole-time Director)

Dr. Bina Modi
(Chairperson of the CSR Committee)

Place: New Delhi
Date: 15th May 2026

Annexure-A

EXECUTIVE SUMMARY OF CSR PROGRAM SPEND IMPACT ASSESSMENT

SaathiRe Social Impact Solutions Private Limited was engaged by Godfrey Phillips India Ltd. (GPI) to independently assess impact of spends on five CSR programs undertaken across environment, livelihood, education, water, and health in Andhra Pradesh and Chhattisgarh, by applying the OECD-DAC framework through field visits, quantitative surveys, and key informant interviews.

FY 2022-23 • EFFORT & BALA VIKASA • ANDHRA PRADESH

EFFORT's Biodiversity Conservation & Community Development programs delivered impact through multiple activities. Water tank desiltation exercise extended the water availability from 2–5 months to 9–11 months; with 90.5% of interviewed farmers reported gaining an additional crop cycle. All Agri-shed users reported increased income; health camps identified new conditions in 71% of participants (87.1% of these took to follow up treatment at government hospitals). Child labour awareness program produced durable change - 92% of parents reported improved school attendance of their children and 96% did not allow farm-work related school absenteeism in the past three months. All the interviewed students revealed that they plan to stay in school until class 10.

Bala Vikasa's Farmers Welfare program constructed ~51 community Agri-sheds; 99.5% of interviewed farmers reported reduced post-harvest losses, 98.4% report higher income, and 87.4% of these sheds remain well maintained two years post-exit. Two check dams delivered universal groundwater improvement; 42% of farmers now achieve at least one second crop, up from zero. Tank desiltation doubled the irrigation window, with excavated silt applied by all beneficiary farmers resulting in 15–30% gains in crop yield.

FY 2023-24 • SNIRD & EFFORT • ANDHRA PRADESH

SNIRD's tree plantation program planted ~70,000 saplings across 350 acres of barren common land, achieving ~60% survival against a 35% arid benchmark. Trees now stand 8 to 15 ft high with early natural regeneration confirmed by an independent expert. The program generated 4,628 man-days of employment with participation seen across the community; return of wildlife and community-reported atmospheric cooling reinforces early ecological transformation in this area.

EFFORT's second cycle delivered check dams with universal income impact - 43.5% of interviewed farmers reported a full extra crop cycle, 91.3% reported improved borewell water levels. Fifty-two Agri-sheds serve 265 farmers with 93.3% reporting increased income; four biodiversity parks (24.25 acres) recorded 80% natural regeneration. RO water plants supply safe water to 93.8% of surveyed households; child labour awareness sessions produced a 100% improvement in school attendance as reported by parents.

FY 2022-23 & 2023-24 • KK MODI UNIVERSITY • CHHATTISGARH

GPI's infrastructure grant for KK Modi University located at Durg funded building of five smart classrooms, a digital library, a 10,000+ sq. ft. sports complex, and a common room - all confirmed to be fully functional and used extensively by students. Enrolment of students grew 6.5 times from 2020 to 2024; placement rates of 85–90% are sustained with recruiters including TCS, Deloitte, ITC, and GPI. Female enrolments rose from 31% to 50%, and the university campus anchors employment for 20–25 locals from nearby Mahmara village households.

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 material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	During the year, the Company did not have any material contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Please refer note 46 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	

Place: New Delhi
Date: 15th May 2026

Dr. Bina Modi
Chairperson of the Board

Annexure - 4

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2026

[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]

To,
The Members
Godfrey Phillips India Limited
Macropolo Building, Ground Floor,
Dr. Babasaheb Ambedkar Road,
Lalbaug Mumbai – 400033, Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Godfrey Phillips India Limited (hereinafter referred as 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, 2026, 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, 2026 (**"period under review"**) according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **To the extent Applicable**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 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 (Buy-back of Securities) Regulations, 2018; **Not Applicable**
- (vi) The Management has identified and confirmed the following laws, as specifically applicable to the Company:
 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:

 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
 - (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s), if any;
 - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally 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 a proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes 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. The agenda and detailed notes on agenda were sent atleast 7 days in advance (and at shorter notice for which necessary approvals obtained) 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 were generally carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) 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 period under review, following events have occurred, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (a) The Board of Directors of the Company, at its meeting held on 4th August 2025 and Shareholders of the Company vide Ordinary Resolution at Annual general meeting (AGM) held on 4th September, 2025, approved the increase in the Authorised Share Capital of the Company from Rs. 25,00,00,000/- (Rupees Twenty-Five Crore) divided into 12,20,00,000 (Twelve Crore Twenty Lakh) Equity Shares of Rs. 2/- (Rupees Two) each and 60,000 (Sixty Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 50,00,00,000/- (Rupees Fifty Crore) divided into 24,70,00,000 (Twenty-Four Crore Seventy Lakh) Equity Shares of Rs. 2/- (Rupees Two) each and 60,000 (Sixty Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of additional 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of Rs. 2/- (Rupees Two) each, ranking pari-passu with the existing Equity Shares. Furthermore, pursuant to increase in the Authorized Share Capital of the Company, consequential alteration to existing Clause 5 of the Memorandum of Association of the Company was approved by shareholders at AGM held on 4th September, 2025.



GODFREY PHILLIPS
—INDIA LIMITED—

- (b) The Board of Directors of the Company, at its meeting held on 4th August 2025 and Shareholders of the Company vide Special Resolution at Annual general meeting (AGM) held on 4th September, 2025 approved the Issuance of Bonus Equity Shares in the proportion of 2:1 viz., 2 (Two) new fully paid-up Bonus Equity Shares of Rs. 2/- (Rupees Two) each for every 1 (One) existing fully paid-up Equity Share of Rs. 2/- (Rupees Two) each, by capitalizing a sum of Rs. 20,79,75,680/- (Rupees Twenty Crore Seventy-Nine Lakh Seventy Five Thousand Six Hundred and Eighty only) out of the amounts standing to the credit of the General reserves and/ or Retained earnings of the Company as per the Audited Financial Statement of the Company for the year ended 31st March 2025.

For Chandrasekaran Associates

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 6689/2025

Lakhan Gupta

Partner

Membership No. F12682

Certificate of Practice No. 26704

UDIN: F012682H000363868

Date: 15th May 2026

Place: New Delhi

Note: *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.*

Annexure-A to Secretarial Audit Report

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

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 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 and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on 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: 6689/2025

Lakhan Gupta
Partner
Membership No. F12682
Certificate of Practice No. 26704
UDIN: F012682H000363868

Date: 15th May 2026

Place: New Delhi

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 2025-26 is as follows:

Dr. Bina Modi	685:1
Ms. Charu Modi	1,119:1
Mr. Sharad Aggarwal	160:1
Mrs. Nirmala Bagri	1.59:1 *
Mr. Subramanian Lakshminarayanan	0.91:1 *
Mr. Sumant Bharadwaj	0.80:1 *
Mr. Ajay Vohra	0.45:1 *
Mr. Avtar Singh Monga	1.36:1 *
Mr. Atul Kumar Gupta#	0.57:1 *
Mr. Paul Norman Janelle^	0.45:1 *
Mr. Marco Mariotti^^	Not Applicable

* Ratio has been calculated based on sitting fees paid.

#Mr. Atul Kumar Gupta ceased to be a Director of the Company w.e.f. closure of business hours on 19th June 2025.

^ Mr. Paul Norman Janelle was appointed as a Non-Executive & Non-Independent Director of the Company with effect from 16th May 2025.

^^ Mr. Marco Mariotti was appointed as a Non-Executive & Non-Independent Director of the Company w.e.f. 1st February 2026. No remuneration was paid to him during the year.

- (ii) Percentage increase/ (decrease) in the remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2025-26 is as follows:

<u>DIRECTORS</u>	<u>DESIGNATION</u>	<u>PERCENTAGE</u>
Dr. Bina Modi	Chairperson and Managing Director	33.75%
Ms. Charu Modi\$.	Executive Director	Not comparable
Mr. Sharad Aggarwal	Whole-time Director	(62.12%)*
Mrs. Nirmala Bagri	Independent Director^	(36.36%)
Mr. Subramanian Lakshminarayanan	Independent Director^	(38.46%)
Mr. Sumant Bharadwaj	Independent Director^	(56.25%)
Mr. Ajay Vohra	Independent Director^	(50.00%)
Mr. Avtar Singh Monga\$\$	Independent Director^	Not comparable
Mr. Atul Kumar Gupta#	Independent Director^	Not comparable
Mr. Paul Norman Janelle##	Non-Executive Director^	Not comparable
Mr. Marco Mariotti@	Non-Executive Director	Not Applicable

[^]Remuneration consisting of sitting fees only.

\$ Ms. Charu Modi was appointed as Executive Director of the Company w.e.f. 7th September 2024. Hence, change in remuneration is not comparable.

*During F.Y 2024-25, Mr. Sharad Aggarwal was granted 36,000 Equity Shares under the "Godfrey Phillips Employees Share Purchase Scheme, 2024" at a purchase price of Rs. 1,600/- each. The perquisite value of Rs. 2626.31 Lakhs attributable to the above referred shares was included in his remuneration for FY 2024-25.

\$\$ Mr. Avtar Singh Monga was appointed as a Director of the Company w.e.f. 12th November 2024. Hence, change in remuneration is not comparable.

#Mr. Atul Kumar Gupta ceased to be a Director of the Company w.e.f. closure of business hours on 19th June 2025. Hence, change in remuneration is not comparable.

Mr. Paul Norman Janelle was appointed as a Non-Executive & Non-Independent Director of the Company w.e.f. 16th May 2025. Hence, change in remuneration is not comparable.

@ Mr. Marco Mariotti was appointed as a Non-Executive & Non-Independent Director of the Company w.e.f. 1st February 2026. No remuneration was paid during the year.

KEY MANAGERIAL PERSONNEL (other than Directors):

Mr. Vishal Dhariwal*	Chief Financial Officer	N.A
Mr. Punit Kumar Chellaramani**	Company Secretary	N.A

* Appointed w.e.f. 1st March 2025. Hence, change in remuneration is not comparable.

** Appointed w.e.f. 12th November 2024. Hence, change in remuneration is not comparable.

- (iii) The Percentage increase in the median remuneration of all employees in the financial year 2025-26 was (0.92%).
- (iv) The Company had 942 permanent employees on its rolls as on 31st March 2026.
- (v) The average percentile increases in salaries of employees other than managerial personnel in the financial year 2025-26 was 8.75% in comparison with 14.54% increase in total managerial remuneration paid during the FY 2025-26.
- (vi) The Company confirms that remuneration paid during the year 2025-26 is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place: New Delhi
Date: 15th May 2026

Dr. Bina Modi
Chairperson

Annexure - 6

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

(A) CONSERVATION OF ENERGY

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

1. Replaced 53% of the State Electricity Board's energy consumption with renewable energy via open-access sourcing resulting in annual cost savings of approximately Rs.50 lakhs.
2. Transitioned from rotary UPS system to high-efficiency static UPS system resulting in the elimination of conversion losses, increased reliability, and annual energy savings of approximately 119,000 units.
3. Replaced the conventional vacuum pumps with energy efficient screw vacuum technology compressor.

(B) TECHNOLOGICAL ABSORPTION, ADOPTION, AND INNOVATION

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

1. Introduced an indigenously developed automatic weightment system for measuring and recording CFC weight, including label printing with a QR code for ensuring traceability.
2. Developed in house the SCADA system covering boilers, water treatment plant, energy metering, and cigarette making machines resulting in automated recording of operational parameters and 100 cigarette weight data for improved monitoring, control, and compliance.
3. Developed in house high-speed bundling machine and integrated the same with the newly acquired high speed packing machine.
4. Upgraded the two high-speed cigarette making machines with online detection, and rejection control system for cork tipping paper.
5. Introduced a DRF system based on FIFO technology for improvement in production flow efficiency.
6. Energy efficiency strengthened through addition of a 3150 kVA CRGO based transformer, a 1250 KVA lithium ion battery based static UPS, and energy efficient HT/LT panels.

(C) RESEARCH & DEVELOPMENT

(i) New Product Development

Tobacco Products

1. Extensive efforts continued to be made on product innovations across various cigarette formats and for consistently developing and introducing new products for both domestic and international markets to drive business growth in volume and value.
2. Worked on cost optimization of existing products while keeping the key product parameters intact to improve the margin.
3. Partnered with brand teams to develop a new format product to mitigate the impact of tax regime changes and to strengthen existing products and brand imagery in line with planned initiatives.
4. Created a differentiated new product library aligned with global market trends and domestic consumer preferences.
5. Accelerated the process of speed-to-market by fast-tracking new product development while also upgrading existing products.
6. Updates on new product development projects are regularly maintained in the PLM R&D Database, ensuring easy retrieval at any time and enabling the teams to develop new products with a shorter turnaround time.
7. Enhanced laboratory capabilities by adding new equipment for robust quality testing of raw materials and finished products for supporting ongoing improvements in product quality and consistency for domestic and international markets.
8. Obtained renewal of recognition for the R&D unit at Rabale from the Department of Scientific & Industrial Research (DSIR), Government of India, with validity up to 31st March 2029.

9. The analytical laboratory was assessed for compliance with ISO/IEC 17025 and has been recommended for continuation of accreditation.
10. As part of digital transformation and laboratory automation efforts, the analytical laboratory has initiated implementation of a Laboratory Information Management System (LIMS) to enhance its operational efficiency, data integrity, and reporting robustness.
11. The R&D laboratory participated in multiple international collaborative studies covering key test parameters for cigarette smoke, tobacco, and non tobacco materials and obtained Z scores consistently within ± 2 , indicating good agreement with global reference data.
12. Continued to conduct comprehensive shelf life studies to assess product behavior under diverse climatic conditions and packaging configurations.

Confectionary Products

1. Work continues to explore new flavors, and formats and concepts within the confectionery segment as part of ongoing innovation aimed at meeting evolving consumer preferences and market trends and strengthening the confectionery portfolio in the coming year.
2. In parallel, new product concepts are being incubated with scalability and manufacturability in mind, ensuring faster transition from concept to commercialization while maintaining quality and consistency across volumes.
3. Focused efforts were undertaken on product cost optimization without compromising on product quality and attributes in order to support long term margin improvement.

(ii) Benefits derived as result of these developments:

1. Improved brand imagery.
2. Gained cost competitiveness in the marketplace.
3. Optimized product cost.

(iii) Future plan of action:

1. To enhance innovation in design and development.
2. To persistently pursue the development of innovative and distinctive products across all categories, ensuring the ongoing strength and vitality of the product pipeline.
3. To equip the R&D Laboratory to test new components and ingredients for future regulatory compliance.
4. To continue developing alternative and next-generation products, including reduced-harm options.

(iv) Expenditure incurred on Research & Development

(Rs. Lakhs)

S. No.	Particulars	2025-26	2024-25
a)	Revenue Expenditure	1,303	1,204
b)	Capital Expenditure	50	74
	Total	1,353	1,278

FOREIGN EXCHANGE EARNINGS AND OUTGO

The earnings in freely convertible currency by way of exports and other receipts during the year amounted to Rs. 1742.70 crores (previous year Rs. 2001.77 crores) as against the foreign exchange outgo on imports, dividends and other expenditure aggregating to Rs. 1035.92 crores (previous year Rs. 776.76 crores).

AWARDS AND RECOGNITION

- Conferred the Gold Medal at the National Awards for Manufacturing Competitiveness by IRIM and received the Green Tech Safety Excellence Award.
- Successfully completed surveillance audits for IMS covering ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, and ISO 9001:2015.
- Achieved certification for ISO 26000:2010 (Social Responsibility).

Place: New Delhi
Date: 15th May 2026

Dr. Bina Modi
Chairperson of the Board

Annexure - 7

DIVIDEND DISTRIBUTION POLICY

Background

As per Regulation 43A of SEBI (LODR) Regulations, the top 1000 listed entities based on market capitalization 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.

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]

S. No.	Description	2025-26	2024-25
(i)	Operating Profit Margin (%)	16.10	13.25
(ii)	Net Profit Margin ² (%)	16.54	15.20
(iii)	Debtors Turnover Ratio ¹ – Based on Gross Value	25.82	42.40
(iv)	Inventory Turnover Ratio	4.41	4.14
(v)	Current Ratio	2.37	2.01
(vi)	Return on net worth ² (%)	30.86	25.32

Above ratios are calculated including the financials of discontinued operations.

- 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 2026 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.

Dr. Bina Modi
Chairperson of the Board

Place: New Dehi
Date: 15th May 2026

REPORT ON CORPORATE GOVERNANCE

for the year ended 31st March 2026



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") the Directors present the Company's Report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company views Corporate Governance as a disciplined framework through which long-term value is created and sustained. It is not merely a compliance exercise, but a strategic commitment to fairness, accountability and innovation. The Corporate Governance initiatives of the Company are dedicated towards achieving basic objectives of wealth creation for the benefit of all its stakeholders.

The Company believes in giving its executives ample freedom to operate and secure the Company's objectives 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 and control over the Company's management. The day-to-day management of the Company is vested in the managerial personnel and sufficient authority is delegated at different operating levels, enabling individuals to contribute meaningfully to the Company's growth while ensuring decisions remain transparent.

Our governance practices are continuously benchmarked against evolving standards and best practices, ensuring that our systems of control, delegation and disclosure remain robust. By embedding transparency and ethical conduct into every decision, we strive to transform opportunities into sustainable wealth for all stakeholders.

2. BOARD OF DIRECTORS

i) Composition of the Board:

The Board is composed of a well-balanced blend of Executive and Non-Executive Directors, including Independent Directors and a Woman Independent Director. This optimal mix ensures a judicious combination of business acumen, professionalism, and diverse perspectives, enriched by deep knowledge and experience. Together, the Board embodies both strategic insight and independent judgment, enabling effective governance and sustainable value creation.

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

As on 31st March 2026, the Board comprised Five Independent Directors (including a woman Independent Director), Two Non-Executive Directors and Three Executive Directors.

The Independent Directors of the Company have submitted their declarations affirming their Independence as on 31st March 2026.

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 the Director	Category of the Director	No. of Board Meetings attended	Attendance at last AGM	Directorship/ Chairmanship of Board of other Companies@ as at 31 st March, 2026	Membership/ Chairmanship of other Board Committees@@ as at 31 st March, 2026
1.	Dr. Bina Modi* DIN 00048606	Executive (Promoter)	5 of 5	Yes	6	2
2.	Ms. Charu Modi** DIN 00029625	Executive (Promoter)	3 of 5	Yes	2	Nil
3.	Mr. Sharad Aggarwal DIN 07438861	Executive (Professional)	5 of 5	Yes	2	1
4.	Mrs. Nirmala Bagri DIN 01081867	Non-Executive & Independent	5 of 5	Yes	1	1
5.	Mr. Sumant Bharadwaj^ DIN 08970744	Non-Executive & Independent	4 of 5	Yes	Nil	Nil
6.	Mr. Subramanian Lakshminarayanan DIN 02808698	Non-Executive & Independent	4 of 5	Yes	1	2 (1 as Chairman)
7.	Mr. Ajay Vohra DIN 00012136	Non-Executive & Independent	4 of 5	Yes	Nil	Nil
8.	Mr. Avtar Singh Monga DIN 00418477	Non-Executive & Independent	5 of 5	Yes	4	2
9.	Mr. Paul Norman Janelle# DIN 03489805	Non-Executive & Non-Independent	4 of 4	Yes	Nil	Nil
10.	Mr. Marco Mariotti## DIN 11396596	Non-Executive & Non-Independent	Not Applicable	Not applicable	Nil	Nil
11.	Mr. Atul Kumar Gupta^^ DIN 01734070	Non-Executive & Independent	1 of 1	Not applicable	Not applicable	Not applicable

* Mother of Ms. Charu Modi.

** Daughter of Dr. Bina Modi.

Apart from above, none of the directors are related to any other director.

^ Mr. Sumant Bharadwaj was re-appointed as a Non-Executive & Independent Director for a second term of 5 consecutive years w.e.f. 13th February 2026 at the 88th Annual General Meeting of the Company held on 4th September 2025.

Mr. Paul Norman Janelle was appointed as a Non-Executive & Non-Independent Director of the Company with effect from 16th May 2025.

Mr. Marco Mariotti was appointed as a Non-Executive & Non-Independent Director of the Company with effect from 1st February 2026.

^^ Mr. Atul Kumar Gupta ceased to be a Director of the Company with effect from close of business hours on 19th June 2025.

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

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

(iii) Name of the other listed entities in which the Directors are holding directorship with the category of directorship, as on 31st March 2026:

S.No.	Name of the Director	Name of the other Listed entity	Category of directorship
1.	Dr. Bina Modi	Nil	Not Applicable
2.	Ms. Charu Modi	Nil	Not Applicable
3.	Mr. Sharad Aggarwal	Nil	Not Applicable
4.	Mrs. Nirmala Bagri	APM Industries Limited	Non- Executive & Independent Director
5.	Mr. Sumant Bharadwaj	Nil	Not applicable
6.	Mr. Subramanian Lakshminarayanan	CarTrade Tech Limited	Non- Executive & Independent Director
7.	Mr. Ajay Vohra	Nil	Not applicable
8.	Mr. Avtar Singh Monga	RNFI Services Limited 3I Info-Tech Limited	Non- Executive & Independent Director Non- Executive & Independent Director
9.	Mr. Paul Norman Janelle	Nil	Not applicable
10.	Mr. Marco Mariotti	Nil	Not applicable

(iv) Board Meetings held during the year:

During the financial year 2025-26, the Board of Directors met 5 (Five) times and the meeting dates are given hereunder:

- 15th May 2025
- 4th August 2025
- 17th September 2025
- 3rd November 2025
- 30th January 2026

The requisite quorum was duly present at all the meetings, and the interval between any two meetings was consistently maintained within the statutory limit of one hundred and twenty days.

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

(v) Details of shares/convertible instruments held in the Company by the Non-Executive Directors:

S. No.	Name of the Director	No. of Equity Shares held as on 31 st March 2026
1.	Mrs. Nirmala Bagri	Nil
2.	Mr. Sumant Bharadwaj	Nil
3.	Mr. Subramanian Lakshminarayanan	Nil
4.	Mr. Ajay Vohra	Nil
5.	Mr. Avtar Singh Monga	Nil
6.	Mr. Paul Norman Janelle	Nil
7.	Mr. Marco Mariotti	Nil

(vi) Disclosure about the Directors being appointed/re-appointed:

The brief resume and other information required to be disclosed under this section shall be provided in the Notice of the 89th Annual General Meeting.

(vii) Legal Compliances:

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

(viii) Familiarization Program for Directors:

The Company actively encourages and supports its Directors for continuously enhancing their knowledge and staying abreast with the rapidly evolving regulatory landscape. By fostering ongoing learning and awareness, we ensure that our Board remains well-informed, agile, and equipped to provide effective guidance in a dynamic business environment.

In case of newly appointed Directors, the Chairperson and Managing Director of the Company has one-to-one discussion with them in order to familiarize them with the Company's business operations. Upon appointment, Directors also receive a formal communication describing their roles, functions, duties and responsibilities as a Director. The details of familiarization programme is available on the Company's website at <https://godfreyphillips.co.in/sustainability/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 with the industry in which the Company is operating and the business revenue models and various segments in which the Company has been operating. Further, they were refreshed about their roles, duties and responsibilities.

(ix) 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 identified by the Board 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.	Dr. Bina Modi	Leadership and Entrepreneurship skills
2.	Ms. Charu Modi	Leadership and Entrepreneurship skills
3.	Mr. Sharad Aggarwal	Expertise in Manufacturing, Research & Development, Innovation, Technology and Supply Chain functions and Leadership skills
4.	Mrs. Nirmala Bagri	Financial acumen and Administrative skills
5.	Mr. Sumant Bharadwaj	Legal acumen
6.	Mr. Subramanian Lakshminarayanan	Administration and Public Relations skills
7.	Mr. Ajay Vohra	Financial and Legal acumen
8.	Mr. Avtar Singh Monga	Financial acumen and Leadership and Entrepreneurship skills
9.	Mr. Paul Norman Janelle	Management and Business Development skills
10.	Mr. Marco Mariotti	Management and Business Development skills

(x) The Board of Directors of the Company are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

(xi) 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 the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 ('the Act').

The terms of reference of the Audit Committee covers all the areas specified in Section 177 of the Act as well as those specified in Part C of Schedule II to the SEBI Listing Regulations, 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, and reviewing and approving including any material modification of the related party transactions of the Company. The Audit Committee also reviews from time to time the information relating to financial position of the Company and results of its business operations, letters of internal control weaknesses, if any, issued by the statutory auditors and the reports issued by the internal auditors of the Company.

As on 31st March 2026, the Audit Committee comprised of Mr. Avtar Singh Monga as its Chairman and Dr. Bina Modi, Mrs. Nirmala Bagri and Mr. Subramanian Lakshminarayanan as its other members. All the members of the Committee are financially literate, and the Chairman possesses the required accounting and financial management expertise.

Mr. Punit Kumar Chellaramani, Company Secretary, acts as the Secretary to the Committee.

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 4th September 2025 to answer the shareholders' queries.

Audit Committee meetings are also attended by the Chief Financial Officer, the Internal Auditors and the Statutory Auditors as invitees.

(ii) Details of meetings and attendance of each member of the Committee:

Audit Committee met 4 (Four) times during the financial year 2025-26, on the dates given hereunder:

- i. 15th May 2025
- ii. 4th August 2025
- iii. 3rd November 2025
- iv. 30th January 2026

S. No.	Name	No. of meetings attended
1.	Mr. Avtar Singh Monga*	4 of 4
2.	Dr. Bina Modi	4 of 4
3.	Mrs. Nirmala Bagri	4 of 4
4.	Mr. Atul Kumar Gupta**	1 of 1
5.	Mr. Subramanian Lakshminarayanan***	1 of 1

*Appointed as the Chairman of the Committee with effect from 20th June 2025.

**Ceased to be the Chairman and Member of the Committee w.e.f. close of business hours on 19th June 2025.

***Inducted as a member of the Committee with effect from 3rd November 2025.

4. NOMINATION AND REMUNERATION COMMITTEE

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 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 senior management personnel;

- v) To recommend to the Board all remuneration, in whatever form, payable to the senior management personnel;
- vi) Any other matter(s) as specified in Part D of the Schedule II of the SEBI Listing Regulations and/or matter(s) that may be assigned by the Board from time to time.

As on 31st March 2026, the Nomination and Remuneration Committee comprised of Mr. Subramanian Lakshminarayanan as its Chairman and Mrs. Nirmala Bagri, Mr. Sumant Bharadwaj and Mr. Avtar Singh Monga as its other members.

Mr. Punit Kumar Chellaramani, Company Secretary, acts as the Secretary to the Committee.

The Committee met 2 (Two) times during the financial year 2025-26, on the dates and the details of attendance given hereunder:

- i. 15th May 2025
- ii. 3rd November 2025

S. No.	Name	No. of meetings attended
1.	Mr. Subramanian Lakshminarayanan	1 of 2
2.	Mrs. Nirmala Bagri	2 of 2
3.	Mr. Sumant Bharadwaj	2 of 2
4.	Mr. Avtar Singh Monga	2 of 2

Performance evaluation:

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

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

Independent Directors in their separate meeting held on 24th March 2026 evaluated the replies/ feedback received in response to the above referred questionnaire and expressed their satisfaction with the evaluation process.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March 2026, the Stakeholders Relationship Committee comprised of Mrs. Nirmala Bagri as its Chairperson and Dr. Bina Modi and Mr. Sharad Aggarwal as its other members.

Mrs. Nirmala Bagri was appointed as the Chairperson of the Committee with effect from 20th June 2025 by the Board of Directors in its meeting held on 15th May 2025, in place of Mr. Atul Kumar Gupta who ceased to be the Chairman and Member of the Committee on completion of his term as an Independent Director on 19th June 2025.

Further, Mr. Sharad Aggarwal was inducted as a member of the Committee with effect from 20th June 2025 by the Board of Directors in its meeting held on 15th May 2025.

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 is as specified in Part D of the Schedule II of the SEBI Listing Regulations and Section 178 of the Act.

Mr. Punit Kumar Chellaramani, Company Secretary, is designated as the Compliance Officer of the Company.

During the year, one meeting of the Committee was held on 4th August 2025 and all the members attended it.

40 complaints were received during the year from the Shareholders. Out of this, 38 complaints were disposed of during the year itself and 2 complaints were pending for resolution as at 31st March 2026 but were subsequently resolved within the statutory timelines.

6. 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 the respective businesses.

The terms of reference of the 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) All functions specified in Part-D of Schedule II of the SEBI Listing Regulations and any other function as may be assigned by the Board from time to time.

As on 31st March 2026, the Risk Management Committee comprised of Mr. Subramanian Lakshminarayanan as its Chairman and Mr. Sharad Aggarwal and Mr. Siddharth Chawla as its other members.

Details of meetings held and attendance:

Two meetings of the Committee were held on 15th May 2025 and 10th December 2025.

S. No.	Name	No. of meetings attended
1.	Mr. Atul Kumar Gupta*	1 of 1
2.	Mr. Subramanian Lakshminarayanan**	1 of 1
3.	Mr. Sharad Aggarwal	2 of 2
4.	Mr. Kusumakar Pandey***	2 of 2
5.	Mr. Siddharth Chawla****	Not applicable

* Ceased to be the Member and Chairman of the Committee w.e.f. close of business hours on 19th June 2025.

**Appointed as the Member and Chairman of the Committee with effect from 20th June 2025.

***Ceased to be a Member of the Committee w.e.f. close of business hours on 31st January 2026.

****Appointed as a Member of the Committee with effect from 1st February 2026. No meeting was held during his tenure.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As on 31st March 2026, the CSR Committee comprised of Dr. Bina Modi as its Chairperson and Mrs. Nirmala Bagri and Mr. Sumant Bharadwaj as its other members.

Mr. Sumant Bharadwaj was inducted as the Member of the Committee with effect from 20th June 2025 by the Board of Directors in its meeting held on 15th May 2025, in place of Mr. Atul Kumar Gupta who ceased to be the Member of the Committee on completion of his term as an Independent Director on 19th June 2025.

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 Act;
- (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 on 15th May 2025 and all the members attended its meeting.

8. INDEPENDENT DIRECTORS' MEETINGS

The Independent Directors of the Company met on 24th March 2026, inter-alia to deliberate on the following:

- (i) Performance of Non-Independent Directors and the Board as a whole;
- (ii) Performance of the Chairperson of the Board, taking into account the views of the Executive and Non-Executive Directors; and
- (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.

9. SENIOR MANAGEMENT

As per Regulation 26(5) of the SEBI Listing Regulations, all members of the senior management team of the Company 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.

All members of the senior management team of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

Particulars of senior management personnel and changes, if any, during the financial year 2025-26:

S. No.	Name of the Senior Management Personnel (SMP)	Designation	Changes, if any, during the Financial Year 2025-2026. (Yes/No)	Nature of change and effective date.
1.	Mr. Biswajit Deb	Head- Operations	No	-
2.	Mr. Harmanjit Singh	VP- Corporate Affairs	Yes	Superannuated w.e.f. close of business hours on 15 th June 2025
3.	Ms. Jaishree Tolani	General Counsel	Yes	Appointed w.e.f. 1 st July 2025
4.	Mr. Jithendra D S	Senior VP - Leaf	No	-
5.	Mr. Kusumakar Pandey	Senior VP and Head - IBD	No	-
6.	Mr. Lokesh Kumar Singh	VP & Head – Sales & Distribution	No	-
7.	Mr. Mohd. Irfan	GM & Head- IT	No	-
8.	Mr. Nikhilesh Kedari	VP & Head – Cigarette Business	No	-
9.	Mr. Punit Kumar Chellaramani	Company Secretary and Compliance Officer	No	-
10.	Mr. Rajeev Kapoor	Senior VP – Corporate Finance	Yes	Demise on 1 st May 2025
11.	Mr. Rajesh Nair	VP- Legal	Yes	Resigned w.e.f. close of business hours on 31 st August 2025
12.	Mr. Ritesh Srivastava	VP & Head – CIMR & Growth Office	No	-
13.	Mr. Rohit Sahni	Head - Sales Transformation	No	-
14.	Ms. Sakshi Anand	Senior VP & Chief Human Resource Officer & Head - ESG	No	-
15.	Mr. Siddharth Chawla	Chief Operating Officer and Chief Risk Officer	No	-
16.	Mr. Sunil Agrawal	Executive VP	No	-
17.	Mr. Vishal Dhariwal	Chief Financial Officer	No	-

10. REMUNERATION OF DIRECTORS

i) Remuneration policy:

The appointment and remuneration of Executive Directors viz. Managing Director, Executive 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. The Nomination and Remuneration Policy is available on the website of the Company viz. <https://godfreyphillips.co.in/sustainability/policies>.

ii) Criteria of Making Payment to Non-Executive Director:

In accordance with the provisions of the Articles of Association of the Company and the Act, sitting fees @Rs. 1,00,000 per meeting is paid to the Non-Executive 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/share purchase scheme for Non-Executive Directors/ Independent Directors/Promoter Directors.

iii) Details of remuneration paid/payable to the Directors: (Amount in Lakhs)

S. No.	Name of the Director	Salary and Other Allowances@	Perquisites	Commission	Sitting Fees for Board/ Committee Meetings \$	Total
1.	Dr. Bina Modi	-	25	6,002	-	6,027
2.	Ms. Charu Modi	240	294	9,309	-	9,843
3.	Mr. Sharad Aggarwal	1,205	205	-	-	1,410
4.	Mr. Atul Kumar Gupta*	-	-	-	5	5
5.	Mrs. Nirmala Bagri	-	-	-	14	14
6.	Mr. Sumant Bharadwaj	-	-	-	7	7
7.	Mr. Subramanian Lakshminarayanan	-	-	-	8	8
8.	Mr. Ajay Vohra	-	-	-	4	4
9.	Mr. Avtar Singh Monga	-	-	-	12	12
10.	Mr. Paul Norman Janelle**	-	-	-	4	4
11.	Mr. Marco Mariotti***	-	-	-	-	-
Total		1,445	524	15,311	54	17,334

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

\$ Excluding GST paid under reverse charge.

*Mr. Atul Kumar Gupta ceased to be the Director of the Company with effect from close of business hours on 19th June 2025.

**Mr. Paul Norman Janelle was appointed as a Non-Executive & Non-Independent Director of the Company with effect from 16th May 2025.

***Mr. Marco Mariotti was appointed as a Non-Executive & Non-Independent Director of the Company with effect from 1st February 2026.

iv) Details of any other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company are given below:

S. No.	Name of the Director	Amount involved (Rs. in Lakhs)	Nature of transactions
Nil			

v) Details of service contract, notice period, severance fees, etc. of Directors:

The Company has service contract with Dr. Bina Modi, Chairperson and Managing Director for a period of five years w.e.f. 14th November 2024. The notice period is six calendar months by either party. No severance fee is payable to her.

The Company has service contract with Ms. Charu Modi, Executive Director for a period of five years w.e.f. 7th September 2024. The notice period is three calendar months by either party. No severance fee is payable to her.

The Company has service contract with Mr. Sharad Aggarwal, Whole-time Director for a period of five years w.e.f. 1st October 2022. The notice period is three calendar months by either party. No severance fee is payable to him.

11. 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 Resolution(s) passed
2022-23	1 st September 2023	1:00 P.M.	Meeting held through Video Conferencing (VC)/ Other Audio Video Means (OAVM)	(1) Re-appointment of Mrs. Nirmala Bagri (DIN: 01081867) as Non-Executive Independent Director of the Company for a second term of five Years from 1 st April 2024 till 31 st March 2029. (2) Appointment of Mr. Ajay Vohra (DIN 00012136) as Non-Executive Independent Director of the Company for a term of five Years from 1 st July 2023 till 30 th June 2028.
2023-24	6 th September 2024	2:30 P.M.	Meeting held through Video Conferencing (VC)/ Other Audio Video Means (OAVM)	(1) Re-appointment of Dr. Bina Modi (DIN: 00048606) as Managing Director of the Company for a period of 5 (five) years w.e.f. 14 th November 2024 and approval of payment of remuneration to her. (2) Appointment of Ms. Charu Modi (DIN: 00029625) as Executive Director of the Company for a period of 5 (five) years w.e.f. 7 th September 2024 and approval of payment of remuneration to her.
2024-25	4 th September 2025	2:30 P.M.	Meeting held through Video Conferencing (VC)/ Other Audio Video Means (OAVM)	(1) Re-appointment of Mr. Sumant Bharadwaj (DIN 08970744) as Non-Executive Independent Director of the Company for a second term of five years from 13 th February 2026 till 12 th February 2031. (2) Issuance of Bonus Equity Shares in the proportion of 2:1 by capitalizing the reserves of the Company.

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

During the year, no special resolution was passed by the Company through postal ballot.

Currently, there is no special resolution proposed to be passed through postal ballot.

12. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published by the Company in Business Standard (English) and in Nav Shakti (Marathi). The quarterly, half yearly and yearly results are also available on the Company's website: www.godfreyphillips.co.in as well as on BSE Limited and National Stock Exchange of India websites www.bseindia.com and www.nseindia.com. The half-yearly results are not sent to the shareholders separately.

The Earnings Presentation relating to the Quarters ended on 31st March 2025, 30th June 2025, 30th September 2025 and 31st December 2025 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 2026 will be filed in due course.

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

13. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date and Time : Shall be separately intimated in due course.
Venue : Shall be separately intimated in due course.

ii) Financial Year

: From 1st April to 31st March

Financial Calendar for 2026-27

First Quarter Results : Latest by 14th August 2026
Second Quarter Results : Latest by 14th November 2026
Third Quarter Results : Latest by 14th February 2027
Annual Results : Latest by 30th May 2027

iii) Dividend Payment Date

: Shall be separately intimated in due course.

iv) Listing on the Stock Exchanges:

The Company's Equity Shares are listed on the National Stock Exchange of India Limited and BSE Limited:

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

The Company has paid the requisite listing fees to the above Stock Exchanges for the financial year 2025-26.

v) Registrar and Share Transfer Agents:

MUFG Intime India Private Limited
C-101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400083
Telephone No: 022-49186270
Fax: 022-49186060
E-mail id: investor.helpdesk@in.mpms.mufg.com

vi) Share Transfer System:

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

SEBI has, vide its circulars from time-to-time mandated companies to issue its securities in dematerialized form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website viz. www.godfreyphillips.co.in/sustainability/investor-information and RTA's website viz. www.in.mpms.mufg.com

Further, SEBI has mandated that the transfer/trading of securities of the Company shall only be in dematerialised form. Regulation 40 of the SEBI Listing Regulations, as amended, stops the Company from accepting any fresh transfer requests for securities held in physical form.

As a measure towards Ease of doing Investment, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2nd July 2025, opened a 'Special Window' from 7th July 2025 to 6th January 2026 and further vide circular no. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated 30th January 2026 opened another 'Special Window' from 5th February 2026 to 4th February 2027 for transfer and dematerialization ("demat") of physical securities which were sold/purchased prior to 1st April 2019. The 'Special Window' is available only for those transfers deeds which were executed before 1st April 2019 and were either not lodged or where lodged were rejected/returned/not attended due to deficiency in the documents.

Shareholders who wish to avail the opportunity of 'Special Window' may contact the Company's

Registrar and Transfer Agent, MUFG Intime India Private Limited and can get their shares issued in demat form only with a mandatory lock-in period of one year. The aforesaid circulars are available at the Company's website at <https://www.godfreyphillips.co.in/sustainability/shareholder-communications>

In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialization.

vii) Distribution of shareholding as on 31st March 2026:

Range of Shareholding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-5000	1,71,116	99.61%	1,44,39,879	9.26%
5001-10000	381	0.22%	25,45,845	1.63%
10001-20000	125	0.07%	17,50,618	1.12%
20001-30000	43	0.03%	10,54,895	0.68%
30001-40000	18	0.01%	6,26,263	0.40%
40001-50000	15	0.01%	6,75,996	0.43%
50001-100000	32	0.02%	22,33,262	1.43%
100001 and above	54	0.03%	13,26,55,002	85.05%
TOTAL	1,71,784	100%	15,59,81,760	100%

viii) Categories of shareholding as on 31st March 2026:

Category of Shareholder	Number of Shares	Percentage of Holding
A. Promoter and Promoter Group	11,32,12,437	72.58%
B. Public Shareholding		
Individuals	2,07,91,731	13.33%
Foreign Portfolio Investors (CAT I & II)	1,23,40,687	7.91%
Mutual Funds	47,00,004	3.01%
Investor Education & Protection Fund (IEPF)	15,27,264	0.98%
Bodies Corporate	7,02,186	0.45%
NRIs & Foreign Nationals	8,30,524	0.53%
Unclaimed Suspense Account and Bonus Suspense Account	6,48,337	0.42%
Insurance Companies	1,44,464	0.09%
Central Government/ State Government(s)	24,000	0.02%
Financial Institutions/Banks	63,729	0.04%
Alternative Investment Funds	2,25,918	0.14%
Foreign Banks	4,500	0.01%
Others including Directors & KMPs	7,65,979	0.49%
Total Public Shareholding (B)	4,27,69,323	27.42%
Total Shareholding (A+B)	15,59,81,760	100%



During the year under report, the Company allotted 10,39,87,840 (Ten Crore Thirty-Nine Lakh Eighty-Seven Thousand Eight Hundred Forty) Equity Shares of Rs. 2/- (Rupees Two) each as fully paid-up Bonus Equity Shares, in the proportion of 2:1, i.e., 2 (Two) new fully paid-up Equity Share of Rs. 2/- each for every 1 (One) existing fully paid-up Equity Share of Rs. 2/- (Rupees Two) each held, to the eligible members of the Company whose names appeared in the Register of Members/Register of the Beneficial Owners as on 16th September 2025.

Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased to Rs. 31,19,63,520/- (Rupees Thirty-One Crore Nineteen Lakh Sixty-Three Thousand Five Hundred Twenty), divided into 15,59,81,760 (Fifteen Crore Fifty-Nine Lakh Eighty-One Thousand Seven Hundred Sixty) fully paid-up Equity Shares of Rs. 2/- (Rupees Two) each.

ix) Dematerialization of shares and liquidity:

The shares of the Company are compulsorily traded in the dematerialized form and are available for trading under both the Depository Systems- NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). As on 31st March 2026, a total of 15,57,15,354 equity shares of the Company, which forms 99.83% of the share capital, stood dematerialized.

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.

The Company's shares are liquid and are actively traded on both the Stock Exchanges in India viz. BSE and NSE.

x) Outstanding GDRs/ADRs/Warrants or other Convertible Instruments:

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

xi) 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.

xii) Plant Locations:

The Company's plants are situated at Rabale (Navi Mumbai) & Ongole 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.

Ongole : Plot No. 289 to 300, APIIC Growth Centre, Gundlapally Ongole, (Reconstituted Tobacco) Prakasam Dist., Andhra Pradesh - 523 001.

xiii) Address for Correspondence:

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

MUFG Intime India Private Limited

Unit: Godfrey Phillips India Limited

C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083

Telephone No: 022-49186270

Fax: 022-49186060

E-mail id: investor.helpdesk@in.mpms.muvg.com

Or at

MUFG 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@in.mpms.mufg.com

xiv) Credit Ratings:

CRISIL Ratings Limited has assigned the Credit Rating on the bank facilities availed by the Company during the year ended 31st March 2026, which is specified below:

Rating Agency	Rating	Bank Loan Facilities rated (Cash Credit, Letter of Credit, Bank Guarantee & Bank Loan Facility)	Change during the year
CRISIL Ratings Limited	CRISIL AA+/Stable (Re-affirmed) CRISIL A1+ (Re-affirmed)	Long-Term Rating Short-Term Rating	There is no change in the ratings during the year.

xv) Corporate Identity Number (CIN): L16004MH1936PLC008587

14. 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 No. 46 to the standalone financial statements for the year ended 31st March 2026 are in the ordinary course of business. Details of these transactions were placed at the Audit Committee meetings held during the year, on quarterly basis. 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 was also ensured that the interested directors neither participated in the discussions nor voted on such matters. Further, only Independent Directors who are members of the Audit Committee approves such related party transactions.

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 2026, 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 2026, whose terms and conditions are not on an arm's length basis.

iv) Policy on materiality of related party transactions and on dealing with related party transactions:

The Company has adopted a policy on materiality of related party transactions and on dealing with related party transactions and the same is available on the website of the Company at <https://godfreyphillips.co.in/sustainability/policies>. During the year, the said policy was reviewed by the Board and suitable amendments were made on the recommendation of the Audit Committee.

(B) Strictures and penalties:

No penalties or strictures were imposed by the Stock Exchanges or SEBI or any other statutory authority on any matters relating to capital markets during the last three years.

(C) Whistle Blower Policy/Vigil Mechanism:

The Company has formulated and communicated the Whistle Blower Policy to all its Stakeholders by posting the same on the Company's Website at <https://godfreyphillips.co.in/sustainability/policies>.

It provides an opportunity to the Directors, Employees and all other stakeholders 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 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.

(D) Details of Compliance with mandatory requirements:

The Company has complied with all applicable mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 read with Schedule V and 46(2) of the SEBI Listing Regulations.

(E) Subsidiary Companies:

- i) The Company has adopted a policy for determining the material subsidiaries and updated the same on the website of the Company at <https://godfreyphillips.co.in/sustainability/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 15th May 2026.
- iv) Copies of the minutes of the board meetings of all the unlisted subsidiaries held during the year 2025-26 were placed at the board meeting of the Company held on 15th May 2026.
- v) As required, the details of significant transactions and arrangements entered into between the Company and its unlisted subsidiaries, if any, 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. The Secretarial Audit of the Company was carried out by Chandrasekaran Associates for the financial year ended 31st March 2026 and their report is annexed to the Directors' report.

(F) 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.

(G) Certificate from Company Secretary in Practice:

Chandrasekaran Associates, Practicing Company Secretaries and the Secretarial Auditors of the Company, have issued a certificate as required under the SEBI Listing Regulations, 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 to this report.

- (H)** There is no instance during the financial year 2025-26 when the Board has not accepted any recommendation of any Committee(s) 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 auditors 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 work)	247
Tax Audit Fees	24
Non-Audit Fees	28
Reimbursement of Out-of-Pocket Expenses	17
Total	316

(J) Disclosures in relation to the Sexual Harassment of Women at Workplace (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, in relation to the Sexual Harassment of Women at Workplace.

(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) 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.

(M) Annual Secretarial Compliance Report:

The Company has undergone an Audit for the financial year 2025-26 for all applicable compliances as per the SEBI Listing Regulations and Circulars/Guidelines issued thereunder.

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

15. ADOPTION OF DISCRETIONARY REQUIREMENTS

- i) The Internal Auditor of the Company reports to the Audit Committee.
- ii) The financial statements of the Company are un-modified.

16. CODE OF CONDUCT

The Company has laid down a Code of Conduct applicable to the Directors and senior management personnel of the Company. The said Code has been communicated to the Directors and senior management personnel and is also posted on the website of the Company at <https://godfreyphillips.co.in/sustainability/code-of-business-conduct>.

All the Directors and senior management 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 2026. A declaration to this effect signed by Dr. Bina Modi, Chairperson and Managing Director and Chief Executive Officer of the Company is annexed to this report.

17. COMPLIANCE CERTIFICATE

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

18. DETAILS OF UNCLAIMED SHARES

Equity Shares in the Suspense Account(s):

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

Particulars	Details of Unclaimed Suspense Account		Details of Bonus Suspense Account#	
	Number of shareholders	Number of equity shares	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 2025	52	30,280	-	-

Number of shareholders and the outstanding shares are transferred to suspense account during the reporting period	51*	60,060	564	6,08,126
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	4	3,340	12	11,154
Shareholders to whom shares were transferred from the suspense account during the year	4	3,340	12	11,154
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Companies Act, 2013	6	4,275	26	31,360
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March 2026	42	82,725	526	5,65,612

**During the year, the Company had declared Bonus Equity Shares in the proportion of 2:1 (i.e. 2 fully paid-up equity shares against 1 Equity Share each). Accordingly, 60,060 Bonus Equity Shares were allotted against 30,030 Equity Shares held in the Unclaimed Demat Suspense Account as on the record date of 16th September 2025 and accordingly, were credited in the Unclaimed Demat Suspense Account.*

#6,08,126 Bonus Equity Shares pertaining to the Shareholders holding Equity Shares in physical mode as on the record date and those Shareholders holding shares in dematerialized mode but to whom Bonus Shares could not be credited for specific reasons, were transferred to a Separate Demat Account viz. Bonus Suspense Account in pursuance of the applicable SEBI Regulations.

All corporate benefits on such shares in the form of rights, bonus, split, etc., are being credited to the above accounts, as applicable. The voting rights in respect of these equity shares are frozen until the rightful owner claims them.

19. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

In terms of clause 5A of paragraph A of part A of schedule III of the SEBI Listing Regulations, there are two subsisting agreements impacting the management or control of the Company or imposing any restriction or created any liability upon the Company, complete details of which including the salient features were furnished to the Stock Exchanges and are also available at <https://godfreyphillips.co.in/sustainability/corporate-announcements-disclosures>.

During the year, no agreements were entered which could have had the effect of impacting the management or control of the Company or imposing any restriction or creating any liability upon the Company, in terms of clause 5A of paragraph A of part A of schedule III of the SEBI Listing Regulations.

20. CEO/CFO CERTIFICATION

A certificate signed by Dr. Bina Modi, Chairperson and Managing Director as the CEO and Mr. Vishal Dhariwal, CFO is attached to this report.

21. REPORT ON CORPORATE GOVERNANCE

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

For and on behalf of the Board

Place : New Delhi

Date : 15th May 2026

Dr. Bina Modi

Chairperson

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, 2026.

DR. BINA MODI
Managing Director
(Chief Executive Officer)

Place: New Delhi
Date : 15th May 2026

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 Vishal Dhariwal, 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, 2026 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, 2026 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, 2026, 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)

VISHAL DHARIWAL
(Chief Financial Officer)

Place: New Delhi
Date : 15th May 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and 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, Maharashtra, India-400033

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Godfrey Phillips India Limited** having CIN: L16004MH1936PLC008587 having its registered office at Macropolo Building, Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug Mumbai, Maharashtra, India-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, clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

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 declaration furnished to us by the Company & its officers and based on declarations received from respective Directors, we hereby certify that none of the Directors on the Board of the Company, as stated below for financial year ended March 31, 2026, 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:

S. NO.	NAME OF DIRECTORS	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Dr. Bina Modi	00048606	07/04/2014
2.	Ms. Charu Modi	00029625	06/07/2024
3.	Mr. Sharad Aggarwal	07438861	01/10/2017
4.	Mrs. Nirmala Bagri	01081867	01/04/2019
5.	Mr. Sumant Bharadwaj	08970744	13/02/2021
6.	Mr. Subramanian Lakshminarayanan	02808698	28/05/2022
7.	Mr. Ajay Vohra	00012136	01/07/2023
8.	Mr. Avtar Singh Monga	00418477	12/11/2024
9.	Mr. Paul Norman Janelle	03489805	16/05/2025
10.	Mr. Marco Mariotti	11396596	01/02/2026

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: 6689/2025

Lakhan Gupta
Partner
Membership No. F12682
Certificate of Practice No. 26704
UDIN: F012682H000363991

Date: 15th May 2026
Place: New 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 and 30(A), 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, 2026 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, 2026 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, 2025 to March 31, 2026:
 - (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, 2026, 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 **Naman Agarwal**
Partner

Membership Number: 502405
UDIN: 26502405EZUUYR2190

Place of Signature: New Delhi
Date: 15th May 2026

Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Godfrey Phillips India Limited's Business Responsibility and Sustainability Report

To the Board of Directors of Godfrey Phillips India Limited

1. We have undertaken to perform a reasonable assurance engagement, for Godfrey Phillips India Limited ("the Company") vide our engagement agreement dated February 2, 2026, in respect of the agreed Sustainability Information listed in the "Identified Sustainability Information" paragraph below in accordance with the criteria stated in the "Criteria" paragraph below. The identified Sustainability Information is included in the Business Responsibility And Sustainability Report ("BRSR") of the Company for the year ended March 31, 2026 pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India's ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"). This engagement was conducted by a multidisciplinary team including assurance practitioners and specialists.

Identified Sustainability Information

2. The Identified Sustainability Information for the year ended March 31, 2026 is BRSR Core (sub-set of BRSR), the attributes of which are summarised in Appendix 1 to this report. The Reporting Boundary for BRSR is on standalone basis as disclosed under Question No. 13 of Section A: General Disclosures of the BRSR.
3. Our reasonable assurance engagement was with respect to the year ended March 31, 2026 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR (i.e. non- BRSR Core attributes) and, therefore, do not express any opinion thereon.

Criteria

4. The Criteria used by the company to prepare the Identified Sustainability Information is as under:
 - i. Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
 - ii. Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated January 30, 2026

Management's Responsibility

5. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information including the reporting boundary of BRSR, taking into account applicable laws and regulations including the SEBI circular, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the BRSR.

Inherent Limitations

6. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.
7. Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint, waste. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our Independence and Quality Control

8. We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India and the SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.
9. We apply 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”, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

10. Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information listed in Appendix 1 based on the procedures we have performed and evidence we have obtained.
11. We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information”, issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India. This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Reporting Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.
12. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Below is the informative summary of the procedures performed by us:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurements of the Identified Sustainability Information.
- Made inquiries of Company’s management, including those responsible for preparing the BRSR report, finance team, human resource team amongst others and those with the responsibility for managing the Company’s BRSR.
- Obtained an understanding and performed an evaluation of the design of the key processes and controls for recording, processing and reporting on the Identified Sustainability Information on sample basis of different offices. This included evaluating the design of those controls relevant to the engagement and determining whether they have been implemented by performing procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Based on the above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures. Performed substantive testing on a sample basis of the Identified Sustainability Information to verify that the data had been appropriately measured with the underlying documents recorded, collated and reported. This includes reconciling the Identified Sustainability Information with the underlying records and recalculation on a sample basis.
- Where applicable, for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2026 and the underlying trial balance.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the management in the preparation of the Identified Sustainability Information.
- Obtained representations from Company’s management.

We also performed such other procedures as we considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions

13. Our assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information.
- Aspects of the BRSR and the data/information (qualitative or quantitative) included in the BRSR other than the Identified Sustainability Information;
- Data and information outside the defined reporting period i.e., April 01, 2025 to March 31, 2026;
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Other Information

14. The Company's management is responsible for the other information. The other information comprises the information included within the BRSR other than Identified Sustainability Information and our independent assurance report thereon.

15. Our opinion on the Identified Sustainability Information does not cover the other information and we do not express any form of assurance thereon. In connection with our assurance engagement of the Identified Sustainability Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Identified Sustainability Information 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.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information listed in Appendix 1 for the year ended March 31, 2026 (as stated under "Identified Sustainability Information") are prepared in all material respects, in accordance with the criteria (as stated under "Criteria").

Restriction on Use

17. Our Reasonable Assurance Report has been prepared and addressed to the Board of Directors of Godfrey Phillips India Limited at the request of the Company solely, to assist the Company in reporting on its sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance Report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

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

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner

Membership Number: 502405
UDIN: 26502405YHJEQV1569

Place of Signature: New Delhi
Date: 30th June, 2026

Appendix-1

Identified Sustainability Information (BRSR Core KPIs)			
S. No	Attribute	Principle and indicator reference	Parameter
1.	Green-house Gas (GHG) footprint	Principle 6, E-7	1. Total Scope 1 and Scope 2 emissions 2. GHG Emission Intensity (Scope 1 +2) per rupee of turnover adjusted for Purchasing Power Parity (PPP) and in terms of physical output or services
2.	Water Footprint	Principle 6, E-3 and E-4	1. Total water consumption 2. Water consumption intensity per rupee of turnover adjusted for PPP and in terms of physical output or services 3. Water Discharge by destination and levels of Treatment
3.	Energy Footprint	Principle 6, E-1	1. Total energy consumed. 2. Percentage of energy consumed from renewable sources 3. Energy intensity per rupee of turnover adjusted for PPP and in terms of physical output or services
4.	Circularity	Principle 6 – E9	1. Total waste generated 2. Waste intensity per rupee of turnover adjusted for PPP and in terms of physical output or services 3. Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations. 4. For each category of waste generated, total waste disposed by nature of disposal method
5.	Enhancing Employee Wellbeing and Safety	Principle 3 – E1(C) Principle 3- E11	1. Spending on measures towards well-being of employees and workers 2. Details of safety related incidents for employees and workers
6.	Enabling Gender Diversity in Business	Principle 5 – E3(b) Principle 5 – E7	1. Gross wages paid to females as percentage of wages paid 2. Complaints on POSH
7.	Enabling Inclusive Development	Principle 8 – E4 Principle 8 – E5	1. Input material sourced from following sources as percentage of total purchases – Directly sourced from MSMEs/ small producers and from within India 2. Job creation in smaller towns
8.	Fairness in Engaging with Customers and Suppliers	Principle 9 – E7 Principle 1 – E8	1. Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9.	Open-ness of Business	Principle 1 – E9	1. Concentration of purchases & sales done with trading houses, dealers, and related parties 2. Loans and advances & investments with related parties.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2025-2026

Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle wise Performance Disclosure
Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identification No. (CIN) of the Listed Entity	L16004MH1936PLC008587
2.	Name of the Listed Entity	GODFREY PHILLIPS INDIA LIMITED
3.	Year of incorporation	1936
4.	Registered office address	Macropolo Building, Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai- 400033, Maharashtra.
5.	Corporate address	14, Omaxe Square, Jasola District Centre, New Delhi, Delhi 110025
6.	E-mail	isc@godfreyphillips.co.in
7.	Telephone	011 -26832155, 61119300
8.	Website	www.godfreyphillips.co.in
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	NSE and BSE
11.	Paid-up Capital	3119.64 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Punit Kumar Chellaramani Company Secretary and Compliance Officer 011-61119428, pchellaramani@godfreyphillips.co.in
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities that form a part of its consolidated financial statements, taken together).	The financial disclosures made in this report are on a standalone basis. The data related to social performance comprises information on the standalone entity and its wholly owned subsidiary - International Tobacco Co. Ltd. The environmental disclosures are of cigarette and tobacco business of the Company and its aforesaid subsidiary.
14.	Name of assurance provider	S.R. Batliboi & Co. LLP
15.	Type of assurance obtained	Reasonable assurance for BRSR core indicators.



II PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY 26)
1.	Manufacturing	Food beverages and tobacco products: GPIL is primarily engaged in the manufacturing and sale of cigarettes and other tobacco product.	76.0%
2.	Trading	Wholesale trading: GPIL is also involved in the trading of unmanufactured tobacco. The Company procures tobacco leaves from farmers and traders and processes them for sale.	22.2%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/services	NIC Code	% of total turnover contributed
1.	Manufacturing of Cigarettes	12003	76.0%
2.	Trading of Unmanufactured Tobacco	46202	22.2%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	3 (Guldhar, Rabale and Ongole)	19	22
International	0	0	0

19. Markets served by the entity:

a. Number of locations:

S. No.	Locations	Number
1.	National (no. of states) *	25
2.	International (no. of countries)	26

*Note: GPIL has a wide network of offices across India to support its business operations. The Company has identified its office locations based on the Goods and Services Tax (GST) numbers for each location. As per the GST registration process, companies must register each office location separately, which allows for easy identification of office locations based on their respective GST numbers.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports constitute **22.2%** of the entity's total turnover.

c. A brief on types of customers:

GPIL caters to a diverse range of customers through its products and services:

- **Cigarette Business:** The Company's primary customers are adult smokers who purchase products directly through retail outlets. Its B2B customers include wholesalers, retailers, distributors, and importers who buy in bulk and resell.
- **Tobacco Trading:** GPIL procures tobacco leaves from farmers and traders, processes them, and sells processed tobacco in the domestic market as well as exports it to manufacturers, traders, and aggregators globally.
- **International Division:** The Company exports cigarettes and cut filler to international manufacturers and traders, serving customers across global markets.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			(B)	% (B / A)	(C)	% (C / A)
Employees						
1.	Permanent (D)	1095	1027	93.8%	68	6.2%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	1095	1027	93.8%	68	6.2%
Workers						
4.	Permanent (F)	26	26	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total workers (F + G)	26	26	100%	0	0%

*Note: Workers include unionised workers.

b. Differently abled employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			(B)	% (B / A)	(C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
Differently Abled Workers						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total diffrently-abled workers (F + G)	0	0	0%	0	0%

21. Participation/inclusion/representation of women:

GPIL has three women directors on the Board, Dr. Bina Modi, Ms Charu Modi and Ms. Nirmala Bagri. Dr. Bina Modi as Chairperson and Managing Director of GPIL, heads the CSR Committee on Board and leads the Company in operational aspect.

	Total (A)	No. and percentage of females	
		(B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel*	5	2	40%

*Comprising of Executive Director, Managing Director, Whole-time Director, Chief Financial Officer, and Company Secretary

22. Turnover rate for permanent employees and workers:

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.1%	13.8%	16.9%	22.1%	27.7%	22.5%	13.6%	6.1%	13.1%
Permanent Workers	32.3%	0.0%	32.3%	38.2%	0.0%	38.2%	22.6%	0.0%	22.6%

V. Holding, subsidiary and associate companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	International Tobacco Company Ltd.	Subsidiary	100	Yes
2.	Chase Investments Ltd.	Subsidiary	100	No
3.	Friendly Reality Projects Ltd.	Subsidiary	92.2	No
4.	Unique Space Developers Limited	Subsidiary	66.7	No
5.	Rajputana Infrastructure Corporate Limited	Subsidiary	92	No
6.	White Horse Realty Limited	Subsidiary	100	No
7.	KKM Management Centre Private Limited	Associate	36.8	No
8.	Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)	Associate	24.8	No

VI. CSR Details:

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)

Yes, CSR is applicable to the Company as per Section 135 of the Companies Act, 2013.

(ii) Turnover (in Rs. lakhs): 9,119,02.0

(iii) Net worth (in Rs. lakhs): 5,36,261.8



VII. Transparency and disclosures compliances

25. Complaints / grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The Company through its Corporate Social Responsibility program engages with communities in the vicinity of their operations.	Nil			None of the complaints received violate any of the nine principles outlined in the BRSR		
Investors (other than shareholders)	NA	GPIL does not have any investors other than shareholders.					
Shareholders	Yes. The Company through its Registrar and Transfer Agent (RTA), provides redressal to shareholder grievances. The Company has e-mail ids earmarked for receiving shareholder complaints. The two email ids available are helpdesk@in.mpms.mufg.com and isc@godfreyphillips.co.in . The web link for Whistleblower Policy is: https://godfreyphillips.co.in/sustainability/policies	40 complaints were received during the year from the Shareholders. Out of which 38 complaints were disposed off during the year. 2 complaints were pending for resolution as of 31st March 2026, which were subsequently resolved within statutory timeline.			None of the complaints received violate any of the nine principles outlined in the BRSR.		
Employees and workers	Yes. Through Grievance Redressal Policy and other related policy such as Whistle Blower Policy, POSH available at https://godfreyphillips.co.in/sustainability/policies The Whistleblower Policy is uploaded on the intranet, the Company's official website and is physically displayed at all the facilities in regional language. The Company also participates in Great Place to Work certification every year where employees receive survey links from external parties to share feedback.	No complaints received.			No complaints received.		

Customers	Yes. There is a mechanism in place to receive and redress customer complaints. The Customer Grievance Cell number +91 22 27646216 and email id cgcell@godfreyphillips.co.in are displayed on the product packaging. GPIL's customers include retailers, for whom there are hawkers assigned by Wholesale Dealers (WD) who service them and are trained to take feedback / complaints and report them. In addition, for WDs who are also customers, there are annual meets besides regular business interaction with Company employees, wherein they can raise queries, provide feedback, etc. The Company's representatives also carry out regular market visits to take feedback and address issues.	None of the complaints received violate any of the nine principles outlined in the BRSR.	None of the complaints received violate any of the nine principles outlined in the BRSR.
Value Chain Partners	Yes. GPIL's Suppliers Code of Conduct for value chain partners allows them to approach managers directly. Such reports are treated confidentially. They can also utilize the Grievance Redressal Policy and Whistleblower Policy or emails present on corporate websites to raise complaints. The policies are also present on the website https://godfreyphillips.co.in/sustainability/policies	1 complaint was received from a supplier, and the complaint has duly been resolved.	None of the complaints received violate any of the nine principles outlined in the BRSR.

The Company's policies are hosted on the corporate website at: <https://godfreyphillips.co.in/sustainability/policies>

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format:

GPIL undertakes a structured materiality assessment to identify sustainability issues most relevant to its business and stakeholders. This year, GPIL conducted a double materiality assessment to determine the significant impact of sustainability issues on GPIL's performance and their importance to stakeholders such as employees, customers, suppliers, communities, and regulators. The assessment is refreshed periodically to remain aligned with evolving global and Indian contexts, ensuring that both financial implications and environmental or social impacts are evaluated. This approach enables GPIL to design effective mitigation strategies and leverage opportunities that strengthen resilience while creating long term stakeholder value.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Transition	Opportunity	Opportunity Perspective: Transitioning to renewable energy and electric fleets reduces dependence on fossil fuels, mitigates exposure to volatile prices and carbon taxes, and enhances ESG performance.	---	Positive Lower OPEX, reduced emissions, improved ESG ratings. Negative Upfront capital costs for infrastructure and technology.
2.	Water Stress	Risk	Risk Perspective: Operations in water stressed regions and tobacco farming are vulnerable to scarcity, impacting yield, quality, and compliance with regulations. Opportunity Perspective: Efficient water management enhances long-term sustainability of operations in water-stressed regions. Investments in check-dams and rainwater harvesting structures (including pits in Guldhar, Ghaziabad), and borewell recharge improve groundwater levels and support agricultural productivity. These measures strengthen resilience of farming communities and industrial locations, stabilize supply chains, and align with ESG commitments and regulatory expectations.	Advanced technologies for water efficiency, recovery and reuse systems, infrastructure upgrades, and farmer training are complemented by CSR initiatives such as construction of check-dams, rainwater harvesting systems and pits in Guldhar near manufacturing operations, borewell recharge integrated with RO plants, desiltation and rejuvenation of water bodies, volumetric analysis of check-dams, expansion of conservation programs across rural and industrial geographies, and community engagement to ensure sustainable utilisation and maintenance.	Positive Improved efficiency, compliance, and community trust. Negative High capital expenditure for technology and infrastructure.
3.	Climate Transition & Physical Risks	Risk	Risk Perspective: Rising temperatures, erratic weather, and extreme events can impact water, soil and nature leading to disruption in crop cycles and agricultural output, resource and labour productivity, and supply chain and operations, and resulting in compliance and regulatory issues that may lead to revenue loss.	Climate risk assessments, adaptation planning, afforestation, resilient infrastructure, investment in technology and supply chain diversification.	Positive Enhanced resilience, continuity, and stakeholder confidence. Negative Increased short term costs for adaptation measures.
4.	Corporate Governance & Ethics	Opportunity	Opportunity Perspective: Strong governance ensures compliance, reduces reputational risks, and enhances stakeholder trust. Robust governance frameworks, transparent disclosures, and adherence to ethical codes of conduct.		Positive Strengthened corporate and brand reputation, reduced compliance risks and talent attrition. Negative Minimal additional costs for governance systems.



5.	Human Capital Development	Opportunity	Opportunity Perspective: Investing in employee growth and well being improves productivity, retention, and innovation, while strengthening GPIL's reputation as an employer of choice.		Positive Higher productivity reduced turnover costs, enhanced reputation. Negative Substantial costs for training and development programs and resource allocation or shift.
6.	Human Rights	Risk and Opportunity	Risk and Opportunity Perspective: Supplier labour practices can expose GPIL to reputational risks, while inclusive hiring improves business performance directly and enhances innovation and employee retention.	ISO 26000 guidance, human rights training, supply chain assessments, and farmer training on labour practices.	Positive Improved compliance, workforce diversity, stronger reputation. Negative Ongoing monitoring, training costs and resource requirement.
7.	Waste & Pollutants	Risk	Risk Perspective: Improper waste disposal can contaminate soil and water, attract regulatory penalties, and damage reputation.	Adoption of circular economy practices (reduce, reuse, recycle), compliance with EPR norms, and onboarding of CPCB/SPCB authorized vendors. As part of these efforts, the Company has initiated the use of compostable inner liners at one of its factories, with plans to scale up implementation across units and/ products	Positive Resource efficiency, reduced compliance costs, stronger ESG performance. Negative Sustained investment in systems and monitoring.
8.	Society & Community Relations	Opportunity	Opportunity Perspective: Investing in community programs builds trust, supports sustainable farming, and enhances GPIL's social license to operate.		Positive Stronger community relations, diversified income sources, enhanced reputation. Negative CSR investments increase short term costs.
9.	Occupational Health & Safety	Risk and Opportunity	Risk and Opportunity Perspective: Farm workers face health risks from pesticide and nicotine exposure, which creates reputational and regulatory risks.	Regular training, awareness camps, PPE distribution, and monitoring of safe practices.	Positive Improved worker well being, productivity, and compliance. Negative Ongoing costs for training, PPE, and monitoring.
10.	Sustainable Products & Services	Risk and Opportunity	Risk and Opportunity Perspective: Post-consumer waste contributes to pollution, while biodegradable materials offer sustainable alternatives and enhance brand differentiation.	R&D for sustainable packaging, onboarding certified vendors, introduction of biodegradable elements	Positive Enhanced brand value reduced environmental footprint. Negative R&D and vendor costs.

11.	Sustainable Raw Material	Risk and Opportunity	Risk and Opportunity Perspective: Agrochemical use and land degradation threaten soil health and biodiversity, while unsustainable sourcing of non tobacco materials (such as packaging) can expose the business to regulatory, reputational, and supply chain risks. Adoption of sustainable farming practices and responsible sourcing of alternative and certified materials reduces environmental footprint and strengthens supply continuity.	Farmer training on GAP, soil and climate assessments, water conservation, exploration of alternate materials. Further, for non-tobacco suppliers, GPIL has onboarded FSC and PEFC certified suppliers to procure packaging material for cigarettes.	Positive Improved sustainability, stronger brand reputation. Negative Costs for training, assessments, and material innovation.
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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

GPIL operates under a comprehensive set of Board-approved policies that encompass NGRBC principles (P1 to P9) and their core elements. GPIL will continue to update these systems and processes in accordance with evolving disclosure standards, locally relevant laws, best industry practices, and Environmental, Social, and Governance (ESG) requirements. The overall responsibility for implementing these policies lies with various committees designated to operationalize them. The policies covering these principles are available on the company's corporate website under the 'Investor Relations' section at www.godfreyphillips.co.in

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web link of the policies, if available**	https://godfreyphillips.co.in/sustainability/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4. Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.	
P1	Quality Management System (9001:2015)
P2	Environmental Management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification NABL certification (R&D) (17025:2017)
P3	Great Place to Work-Certification, Occupational Health and Safety Management System (45001:2018) ISO 26000 – Social Responsibility
P4	ISO 9001 certification
P5	Great Place to Work-Certification, Occupational Health and Safety Management System (45001:2018) ISO 26000 – Social Responsibility
P6	Environmental Management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification ISO 26000 – Social Responsibility
P7	GPIL does not have any codes/ certifications/ labels/ standards aligning with principle 7 of the NGRBCs.
P8	ISO 9001 certification ISO 26000 – Social Responsibility
P9	ISO 9001, Information Security Management System (ISO 27001)
Additional remarks	GPIL's manufacturing facilities have well-defined Environment, Health, and Safety (EHS) and quality management systems in place and are aligned with international standards such as ISO 14001 (Environmental Management System), OHSAS 18001/ISO 45001 (Occupational Health and Safety Management Systems), ISO 9001 (Quality Management System), ISO 50001 (Energy Management System), ISO 27001 (Information Security Management System), and ISO 26000 (Social Responsibility). GPIL is also NABL (ISO 17025) certified, demonstrating its capability to carry out competent R&D. Additionally, GPIL has been certified as a 'Great Place to Work' for the past eight years.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Environment: Energy and Emissions Carbon neutral in operations (cigarette and reconstituted tobacco manufacturing plants) by 2030 50% of the total electricity consumed across manufacturing operations to be from renewable sources by 2030 30% reduction in Greenhouse Gas (GHG) emissions in manufacturing operations by 2030 Water Management - Replenish 30% of water consumed by 2030, and each year thereafter 5% reduction in water consumption per unit of production in cigarette manufacturing by 2030 Waste Management - Zero waste to landfill across manufacturing operations by 2030 Biodiversity Management 100% of the tobacco purchased from GPIL contracted farmers will continue abiding by the prohibition on the use of highly hazardous pesticides (HHPs) as defined by FAO and WHO guidelines (YOY) - Zero net deforestation in supply chain of paper used in cigarette sticks by 2030 Social: Community Development - To ensure 100% of GPIL contracted farmers have access to clean drinking water within 3 km by 2030 Human Capital Development - Zero accidents in factories and offices for more than 10 years; continuous endeavor to maintain zero accidents at factories and office premises (YoY) 100% of contracted farmers are to be trained in a safe working environment and Personal Protective Equipment (PPE) during the usage of Crop Protection Agents (CPA) and handling green leaf - Continue to be an equal opportunity employer (YoY) - Continue to be a 'Great Place to Work' organization (YoY) 20% increase in learning man-hours by FY'25 and sustain thereafter Human Rights - Endeavour to have zero child and no forced labour across operations (YoY)



	Governance: Corporate Governance 1. Established an ESG Committee on Board. 2. Zero tolerance for violation of Company's Code of Conduct and 100% employee training on Code of Conduct 3. Adherence to applicable laws and regulations. Zero tolerance for deviations 4. Obtain ISO 26000 certification (Social Responsibility) for cigarette manufacturing facilities by 2028 5. Ensure year-on-year compliance with ISO 27001 certification (Information Security)
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Environment Energy and Emissions The Company is working towards achieving carbon neutrality in its operations by 2030, and the process of setting up a renewable energy plant is currently underway. Energy efficiency continues to be a key performance metric for the Company. During the year, there was approximately a 3% reduction in energy consumption per unit of cigarettes produced compared to FY 2024–25. The Company is also committed to sourcing 50% of its electricity requirements for its cigarette manufacturing facilities at Rabale and Guldhar from renewable sources. In FY 2025–26, renewable electricity accounted for 33% of the total electricity consumption across its manufacturing sites. Water Management GPIL is committed to reducing the consumption of natural resources, with water being a key focus area, and has implemented several initiatives toward this objective. The Company has already achieved its water reduction targets, recording a 22% reduction in water consumption per unit of cigarette production compared to the respective baseline. In addition, the Company has prioritized water conservation through social programs. Significant investments have been made in check dams, desilting of tanks, and rainwater harvesting structures in the Leaf Division and at one of its factories. In FY 2025–26, 13 additional check dams were constructed, bringing the total to 57. These have facilitated potential water storage of over 3 lakh kilolitres during the year, enabling the Company to not only meet its 30% replenishment target but achieve 112.9% replenishment of water consumed in FY 2025–26. Additionally, three rainwater harvesting structures were constructed at one of the factories. Waste Management GPIL follows a structured waste management hierarchy to ensure efficient and responsible handling of all operational waste. The Company prioritises waste reduction at the source, followed by reuse, recycling, recovery and, finally, safe disposal through CPCB/SPCB-authorized vendors. Both cigarette manufacturing facilities are actively working towards achieving Zero Waste to Landfill status; one of the factories has already achieved this milestone and is currently awaiting certification. Biodiversity Management GPIL continued to meet its set targets in FY 2025–26, while also ensuring that contract farmers did not use highly hazardous pesticides, as defined by FAO and WHO guidelines. With regard to achieving zero net deforestation in the supply chain for paper used in cigarette sticks, the Company has already identified solutions in partnership with its existing vendors to integrate sustainable packaging elements into the supply chain. Social Community Development The Company's Leaf operations are in districts of Andhra Pradesh where potable water quality is poor with high fluoride levels and extreme TDS, posing serious health risks for local communities. Following a comprehensive mapping and geotagging initiative across 839 villages, identifying all functioning RO water plants as well as secondary sources of potable water, the Company has undertaken focused interventions in regions and communities that require the most support. During the year, 20 additional RO units were installed, taking the total number of community RO water plants to 83. In addition to continuing existing projects to drive sustained impact, the Company has initiated a new water conservation project involving the installation of rainwater harvesting pits and injection wells in Guldhar, Ghaziabad.

	Human Capital Development The Company continued to achieve its Human Capital targets in FY 2025–26. Standard operating systems and processes have been established to ensure sustained and consistent performance. The Company has also been certified as a ‘Great Place to Work’ for the eighth consecutive year. Learning man-hours have consistently exceeded the target of 20% over the FY 2022–23 baseline; in FY 2025–26, they were 95% higher than the baseline. The Company remains committed to being an equal opportunity employer and actively promotes workplace diversity and inclusion. Key initiatives include unconscious bias workshops for all employees, a structured women’s leadership development program, facilitated role movements to support women’s career growth and aspirations, and a dedicated women’s mentorship program. Collectively, these efforts aim to create a more inclusive workplace and encourage greater representation across all levels.
	Governance Corporate Governance GPIL’s governance approach is centred on continuous oversight, transparency and accountability across business operations. During FY 2025–26, the Company continued all its governance commitments. The Board’s ESG Committee met during the year to review key areas including stakeholder engagement outcomes, the Double Materiality Assessment, the updated material topics, results of the Life Cycle Assessment and progress against existing targets. During the year, the Company again obtained ISO 27001 certification. Validation against ISO 26000 standards is planned in the coming financial year for both manufacturing units and the Corporate Office to maintain status.

Governance, Leadership and Oversight

7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure):

Dear Stakeholders,

It is our privilege to present Godfrey Phillips India Limited’s Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2025–26. This report reflects our continued and unwavering commitment to sustainability and Environmental, Social, and Governance (ESG) principles as a core pillar of our long-term value creation. It also transparently showcases our progress against key performance indicators.

The report outlines our sustained efforts to manage environmental impact, reduce emissions, waste and water usage, and respond to climate-related challenges, while positively impacting the lives of key stakeholders such as employees, farmers, and local communities. We are pleased to share that our initiatives in responsible business practices have contributed to a significant improvement in our DJSI score, which has increased to 77.

Advancing Our Environmental Commitment

The challenges of climate change, compounded by geopolitical uncertainties, make it imperative for businesses across sectors to take decisive action. At GPIL, we recognize the need to strengthen resilience while contributing to global climate solutions and accelerating the transition to renewable energy.

We are committed to achieving carbon neutrality across our manufacturing operations by 2030. Currently, renewable energy accounts for 25% of our total energy consumption, and we are actively implementing plans to increase this share. We have achieved a 22% reduction in water intensity per unit of cigarette consumption, reaching our target ahead of the 2030 timeline.

We continue to maintain zero liquid discharge at our Leaf factory in Ongole. We have achieved Zero Waste to Landfill for one of our units, Guldhar, and are progressing toward achieving the same for the entire organization.

To better understand and manage water-related risks, we conducted a comprehensive water risk assessment across our operations and supply chain. This has enabled us to identify key vulnerabilities and develop targeted mitigation and adaptation strategies to ensure water security and long-term operational resilience.

Additionally, we conducted a sustainable packaging assessment to evaluate and optimize packaging materials. The outcomes are guiding us in adopting eco-friendly packaging solutions that reduce environmental impact without compromising product integrity, while aligning packaging innovation with our broader sustainability objectives.

Upholding ‘People First’ Principles

Our “People First” philosophy fosters a culture of transparency, ethical business conduct and accountability toward all stakeholders.

Our employees, farmers and their communities remain at the core of our programs and business decisions. We continued our alignment with ISO 26000 standards across our three manufacturing units and Corporate Office. Our people-centric initiatives demonstrate the practical application of these principles.

During the year, employee training hours increased by 95% over the baseline year 2023, significantly exceeding target. A total of 14 open houses were conducted across the organization to understand employee needs, with insights translated into region-specific and organization-wide action plan. To support smooth transitions, a structured 30-60-90-day connect program was implemented for new employees and those transitioning to new roles or locations.

Mandatory training programs on the Code of Business Conduct, Prevention of Sexual Harassment, Whistle Blower Policy and the Grievance Redressal Policy were conducted across 100% of locations. Additionally, a training on unconscious bias covered all management employees, reinforcing an ethical and inclusive workplace culture.

Dedicated engagement sessions with women employees helped identify career aspirations and workplace needs, shaping targeted development programs. Women now represent 6% of our workforce, and we continue to strengthen diversity and inclusion through focused recruitment, retention and advancement initiatives.

Community and Social Impact

Our CSR initiatives continue to create meaningful community impact, particularly for economically marginalised farmers and local populations around our areas of operation. Environmental sustainability remains a key priority.

During the year, we constructed 13 new check dams in Andhra Pradesh. Additionally, desilted and dredged 16 community ponds, and rejuvenated two village-level water tanks, enhancing water storage and agricultural availability. Rainwater harvesting pits with injection wells were installed in Guldhar, Ghaziabad, to support groundwater replenishment in a water-stressed region.

Further strengthening our ESG goals, 20 new community RO water plants with borewell recharge and wastewater management systems were installed to provide safe drinking water for marginalised farming communities. Newer biodiversity parks are being maintained by the Company itself while community is encouraged to maintain the plantation project. The Company has planted over 85 thousand trees in various villages of Andhra.

We continue to support agricultural infrastructure to safeguard our farmers; 122 community agri-sheds were constructed this year, benefiting approximately 650 farmers by providing safe storage for crops and shelter for livestock, thereby reducing post-harvest losses due to climate variability.

We also expanded our social responsibility initiatives by introducing a pan-India healthcare outreach program. 320 health camps were conducted through mobile medical units, benefiting over 6,200 individuals, including daily wage earners and their families. The program provides preventive healthcare through diagnostics, consultations and awareness-building initiatives.

We believe our partnerships with stakeholders extend beyond transactions and are built on trust, respect and shared goals. Our focused and intensive implementation approach ensures community participation, addresses real needs and fosters long-term sustainability, thereby building enduring relationships.

Good Governance for Sustainable Growth

Responsible business conduct is integral to our decision-making processes and our operations. Our governance framework upholds the highest standards of ethical behaviour and accountability across the organization.

This commitment is reflected in our governance performance; 100% of employees completed Code of Conduct training, no complaints were reported during the year, and our ISO 27001 certification was successfully retained, reinforcing our commitment to robust cybersecurity and compliance. We also continue to adhere to ISO 26000 standards.

Supporting our strategic direction, we conducted a robust double materiality assessment during the year. This assessment evaluated both the financial impact of ESG risks on our business and GPII’s environmental and social impact on stakeholders. This dual perspective has strengthened our ability to identify risks and opportunities, enabling a resilient and forward-looking sustainability strategy.

Prepared for the Future

Our journey to integrate and embed sustainability into our business is continuous and evolving. We remain focused on increasing renewable energy adoption, achieving water positivity and plastic neutrality, deepening community engagement and driving innovation to minimise environmental impact.

We recognize that transformative change requires collective effort and we remain committed to collaborating with all stakeholders to build a more sustainable future.

Warm regards,

Sharad Aggarwal

Whole-Time Director & Functional Chief Executive Officer

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies:

The Company has a Board-level ESG Committee, chaired by Mr. Sharad Aggarwal, Whole-Time Director & Functional Chief Executive Officer. The Committee comprises experienced members who guide the integration of business and social responsibilities into the Company's vision and decision-making processes.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? (Yes / No). If yes, provide details:

The Company has established a Board-level ESG Committee that facilitates the integration of ESG principles into business operations by providing strategic guidance on vision and targets. The Committee also reviews long-term ESG investments to steer the organization toward a sustainable future and provide the necessary impetus.

The composition of the Committee is as follows:

1. Mr. Sharad Aggarwal- Whole-Time Director, Functional Chief Executive Officer
2. Mr. Atul Kumar Gupta- Non-Executive, Independent
3. Mr. Subramanian Lakshminarayanan- Non-Executive, Independent

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by Director / Committee of the Board/any other Committee								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against the above policies and follow up action and frequency of review for performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	Annually by Committee of the Board								
Compliance with statutory requirements of relevance to the principles, rectification of any non-compliances, and frequency of review	Indicate whether review was undertaken by the Director / Committee of the Board/ any other Committee								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	Annually by Committee of the Board								

11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency?

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes, GPIL is certified in ISO 14001, ISO 50001, ISO 45001, and ISO 27001, reflecting its commitment to excellence in environmental management, energy management, occupational health and safety, and information security. As part of the certification process, GPIL undergoes regular external audits to review and ensure the effectiveness of its management systems, including the implementation of related policies.								

12. If the answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable, since the policies are aligned with all principles.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that Ethical, Transparent and Accountable

GPIL is committed to upholding the highest standards of integrity and ethical conduct across all aspects of its operations. The Company has established robust governance frameworks, codes of conduct, and compliance mechanisms to ensure transparency and accountability in its business practices. Decision-making processes are guided by principles of fairness, responsibility, and adherence to applicable laws and regulations.

Through continuous monitoring, disclosures, and Board oversight, the Company safeguards stakeholder trust and strengthens its reputation as a responsible corporate citizen.

For a better understanding of disclosures related to this principle, please refer to the detailed question-by-question responses provided below.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

GPIL ensures that its Board of Directors and Key Management Personnel (KMPs) receive regular training and awareness sessions, while senior management is periodically briefed on the Company's sustainability initiatives. The leadership team is kept informed of developments in the local and global business environment, including legislative changes, economic trends, and industry-related issues relevant to the Company.

In addition, GPIL conducts role-specific training programs for employees and workers, enabling them to perform their responsibilities effectively and efficiently.

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	4	Corporate Governance, Social, Regulatory, Business Segment and ESG. Topics covered: Latest Governance / regulatory requirements were discussed along with industry perspective and the impact on the business segment of the Company. Role of Independent Directors and their Obligations as per SEBI LODR Regulations, 2015 and Companies Act, 2013. Impact: A strong governance structure continues to be in place because of all the awareness activities, aiding GPIL in becoming a more focused, successful, and value-creating Company.	100%
Key Managerial Personnel	4	Corporate Governance, Social, Regulatory, Business Segment and ESG. Topics covered: Latest Governance / regulatory requirements were discussed along with industry perspective and the impact on the business segment of the Company. Impact: These subjects help top management be more strategic in future business plans and identify the risks and opportunities, set tangible goals.	100%
Employees other than BoD and KMPs	226	Following are the various topics under which training across Company were held - • Leadership Development • Compliance, Ethics and Governance • Technical and Functional Trainings • Safety, Health and Environment • Systems, Processes and Quality • Cyber Security Training • Awareness of POSH and Human Rights Impact: These activities and initiatives help GPIL employees in their career trajectory, overall development, and achieving the Company's objectives.	98.8%
Workers	39	Training regarding various technical aspects and health and safety measures were provided. Impact: These activities and initiatives empower GPIL workers to enhance their technical skills, fostering overall development and contributing to the Company's objectives.	100%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Compounding Fee	During the financial year 2025–26, no fines, penalties, punishments, awards, compounding fees, or settlements, as specified under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were imposed on the Company or its Directors/KMPs.				
Settlement	Not Applicable				
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the appeal/revision are preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, GPIL has a comprehensive Anti-Bribery and Anti-Corruption (ABAC) Policy. The policy reflects the Company's commitment to conducting business with integrity, transparency and accountability, and explicitly prohibits bribery, corruption and unethical practices in any form.

This zero-tolerance policy applies to Directors, employees and suppliers, with a Supplier Code of Conduct reinforcing these expectations across the value chain. Oversight and effective implementation are ensured through an Ethics Committee, which monitors compliance and addresses concerns.

The policy can be viewed at <https://godfreyphillips.co.in/sustainability/policies>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

During the reporting years, no disciplinary action was taken by any law enforcement agency against the Company's Directors, Key Managerial Personnel (KMPs), employees, or workers for charges of bribery or corruption.

	FY 2025-26	FY 2024-25
Directors	Nil	
KMPs, Employees, Workers	Nil	

6. Details of complaints about conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

8. Number of days of accounts payables (accounts payable * 365) / cost of goods/ services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	51	49

9. Open-ness of business

Provide details of the concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses* as % of total purchases	0.1%	0.2%
	b. Number of trading houses where purchases are made from	1	4
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales[#]	a. Sales to dealers/ distributors as % of total sales	86.5%	80.2%
	b. Number of dealers/distributors to whom sales are made	1349	1194
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	10.7%	12.0%
Share in RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	17.1%	11.9%
	b. Sales (Sales to related parties / Total Sales) #	36.7%	33.2%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	7.2%	8.2%
	d. Investments (Investments in related parties / Total Investments made)	4.4%	4.6%

*Purchase from trading house includes purchase of tobacco leaves from traders

Total sales include sales of products and services.

Note: The comparative information for FY2024-25 has been restated to align with the guidance provided by the Industry Standards Forum.

LEADERSHIP INDICATORS

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

During FY 2025–26, GPIL continued its year-on-year engagement with Burley tobacco farmers in Andhra Pradesh through structured awareness and training programs. These initiatives are anchored in the Agricultural Labour Practices Code, aligned with International Labour Organization (ILO) standards, and focus on key principles including the prohibition of child labour, safe and healthy working conditions, fair treatment, freedom of association, and the prevention of forced labour and human trafficking. Regular workshops, community meetings, and interactive sessions were conducted to reinforce compliance and support the practical adoption of responsible agricultural practices at the farm level.

Building on this engagement, GPIL expanded the scope of its value chain outreach during the year. Awareness programs were extended to include FCV tobacco farmers under the Tobacco Board, with two joint workshops conducted in collaboration with the Board to address ESG risk exposures, fair business practices, and social and environmental compliance. In addition, the Company broadened its focus beyond tobacco farming by extending ESG awareness training to 22 non-tobacco material suppliers and four key logistics partners through dedicated workshops, thereby strengthening responsible sourcing practices across the broader value chain.

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
GPIL conducted 5 awareness programs for its farmers in IPS crops and Fuel Cured Virginia tobacco growing region.	Principle 5: Business should respect & promote human rights. Topics Covered: • Child Labour • Income and Work Hours • Fair Treatment • Forced Labour & Human Trafficking • Safe Work Environment • Freedom of Association • Terms of Employment	The Company currently has awareness programs for the farmer base in IPS crops which comprises of the 8% of the total value chain partners.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same:

Yes. GPIL has put in place robust mechanisms to identify, prevent, and manage potential conflicts of interest at the Board level. The Company's Code of Conduct requires Directors, senior management, and employees to avoid situations where personal interests may conflict with those of the Company, and it sets clear expectations for ethical behaviour in all dealings.

Directors and senior management provide annual declarations confirming compliance with the Code of Conduct. Directors also submit statutory disclosures, including Form DIR-8 in accordance with Section 164(2) of the Companies Act, 2013 and Rule 14(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, to confirm their continued eligibility and absence of disqualification.

In addition, the Board has approved a Policy on Related Party Transactions, under which any transaction involving Directors' interests is placed before the Audit Committee for review and approval, ensuring transparency and regulatory compliance.

Details of the relevant policies are available on the Company's website:

<https://godfreyphillips.co.in/sustainability/policies>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Over the years, GPIL has developed efficient business practices that support sustainable development and growth, informed by feedback from a diverse group of stakeholders. As the Company's operations continue to evolve, GPIL remains committed to further strengthening and enhancing its sustainability strategies.

To gain a better understanding of disclosures related to this principle, please refer to the detailed question-by-question inputs and responses provided below.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	16.8% (226.8 lakhs) Environment: 77.8% (176.6 lakhs) Social: 22.2% (50.3 lakhs)	8.1% (103.8 lakhs) Environment: 78.3% (81.3 lakhs) Social: 21.7% (22.5 lakhs)	GPIL operates a modern Research and Development facility focused on advancing environmentally responsible processes and improving product quality. The R&D team undertakes projects aimed at enhancing operational efficiency and developing innovative solutions that align with sustainability objectives.
Capex	0.5% (172 lakhs) Environment: 82.8% (142.5 lakhs) Social: 17.1% (29.5 lakhs)	0.2% (21 lakhs) Environment: 78.6% (16.5 lakhs) Social: 21.4% (4.5 lakhs)	GPIL has made targeted investments in advanced laboratory and process control infrastructure to strengthen quality assurance and support product development. This includes the installation of an auto-analyser module and automated meters to enable real-time monitoring, ensuring batch integrity and reducing the need for rework. Together, these investments enhance quality control, improve operational efficiency, and contribute to more sustainable manufacturing practices.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, GPIL has put structured processes in place to integrate sustainability principles into its sourcing practices. Preference is given to vendors located near manufacturing facilities to reduce transportation and inventory costs while supporting the local economy. A formal onboarding process ensures compliance with PAN, GST, and TDS requirements, along with an assessment of delivery performance and quality standards. Robust documentation and record-keeping systems ensure transparency, while defined process controls are used to address any non-conformities. All major raw material vendors are ISO-certified, and GPIL actively engages suppliers of raw and packaging materials on sustainability-related topics. ESG-based supply chain assessments are conducted for key suppliers to strengthen oversight and alignment with responsible business practices.

For tobacco leaves (excluding FCV), GPIL sources directly from contract farmers under agreements that require adherence to Sustainable Tobacco Production principles, including compliance with Good Agricultural Practices and Agricultural Labour Practices. Compliance is monitored through a customised digital application, and continuous support is provided to improve productivity, quality, environmental outcomes, and respect for human rights. During the year, in collaboration with the Tobacco Board, the Company also extended training to FCV farmers.

Additionally, selected packaging inputs, such as TOR and gum tapes, are procured using sustainable and compostable materials, supporting the Company's responsible sourcing approach.

b. If yes, what percentage of inputs were sourced sustainably?

The Company's procurement includes 8% of sustainable procurement during FY 2025-26.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposal at the end of life, for (a) plastics (including packaging) (b) e-waste (c) hazardous waste and (d) other waste:

The Company has entered into agreements with CPCB / SPCB – approved recyclers and waste disposal vendors to ensure safe and sustainable disposal of materials such as e-waste, plastics, and hazardous waste. Additionally, certain types of waste are also disposed of through approved incinerators.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, GPIL complies with Extended Producer Responsibility (EPR) norms and the Plastic Waste Management Rules, 2016, as well as regulations prescribed by the Central Pollution Control Board (CPCB)

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or its services (for the service industry)? If yes, provide details in the following format?

NIC Code	Name of product / service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
0115	Burley Tobacco	10%	GPIL has conducted a comprehensive Life Cycle Assessment covering all stages from cultivation to end-use (cradle to grave), ensuring a thorough evaluation of environmental impacts associated with Burley tobacco and cigarettes. GPIL is committed to leveraging the insights gained to implement effective strategies to reduce environmental impact through the product life cycle.		
1200	Cigarette	76.0%			

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

Name of product / service	Description of the risk / concern	Action taken
No significant social and environment impacts have been identified as part of the assessment.		

3. Percentage of recycled or reused input material to total material (by value) used in production (For the manufacturing industry) or providing services (for the service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Not Applicable		

4. Of the products and packaging reclaimed at the end of life of products, the amount (in metric tons) reused, recycled, and safely disposed of:

GPIL's primary product packaging is largely composed of paper-based materials, which are biodegradable in nature. As a result, end-of-life reclamation of packaging materials is not considered applicable.

At present, the Company does not have a dedicated program for the collection and reclamation of cigarette filter waste, given the extensive scale, logistical complexity, and resources required to collect post-consumer filters in meaningful volumes.

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

GPIL's People First Approach: The Company's cultural legacy is rooted in its commitment to the "People First" value. This philosophy extends beyond employees to include key stakeholders such as farmers, dealers, suppliers, retailers, and others within its ecosystem. Recognizing that a high-performing organization is built on strong people practices, effective management, talent development, and employee well-being, GPIL prioritises investments in forward-thinking business practices and the adoption of technology to enhance employee well-being and create a more efficient work environment.

Investing in Value Chain: GPIL acknowledges that every individual within its value chain is integral to its success. The Company actively promotes the development and progress of all stakeholders through various initiatives and programs designed to empower and support individuals across the GPIL ecosystem. To gain a clearer understanding of disclosures related to this principle, please refer to the detailed question-by-question inputs and responses provided below.

ESSENTIAL INDICATORS

1.a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		(B)	% (B/A)	(C)	% (C/A)	(D)	% (D/A)	(E)	% (E/A)	(F)	% (F/A)
Permanent Employees											
Male	1,027	1,027	100%	1,027	100%	0	0%	0	0%	0	0%
Female	68	68	100%	68	100%	68	100%	0	0%	0	0%
Total	1,095	1,095	100%	1,095	100%	68	6%	0	0%	0	0%
Other than Permanent Employees											
Male	Not Applicable										
Female											
Total											



b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		(B)	% (B/A)	(C)	% (C/A)	(D)	% (D/A)	(E)	% (E/A)	(F)	% (F/A)
Permanent Workers											
Male	26	26	100%	26	100%	0	0%	0	0%	0	0%
Female	0	0	0	0	0	0	0%	0	0%	0	0%
Total	26	26	100%	26	100%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	Nil										
Female											
Total											

c. Spending on measures towards the well-being of employees and workers:

	FY 2025-26	FY 2024-25
The cost incurred on well-being measures as a % of the total revenue of the Company*	0.11	0.20

*The total employee well-being expenses were incurred for health insurance, accidental insurance, and other health/medical benefits related expenses.

2. Details of retirement benefits:

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	15.9	0	Yes	9.1	0	Yes
Other (please specify)	1.0	0	Yes*	85.2	0	Yes*

* Deposited in GPIL's Superannuation Fund Trust; Employees have an option to opt out and take the same amount (15% of basic salary) as an allowance and employees have chosen the same this year.

3. Accessibility of workplaces - are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes. Accessibility considerations have been integrated into the design of GPIL's offices and premises to support differently abled employees and visitors. In line with the Rights of Persons with Disabilities Act, 2016, facilities such as ramps, accessible entrances, and other enabling infrastructure have been provided to ensure ease of movement.

The Company regularly reviews its facilities and remains committed to making further improvements, wherever necessary, to strengthen inclusivity and ensure continued compliance with statutory requirements.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Yes, GPIL's Equal Opportunity Policy and Human Rights Policy are aligned with the requirements of the Rights of Persons with Disabilities Act, 2016. These policies ensure that individuals with disabilities are not subjected to any form of discrimination and are provided equal access to opportunities, facilities, and amenities.

GPIL's approach to inclusivity extends beyond disability, with a strong emphasis on fair and equitable treatment in recruitment and employment practices. The Company prohibits discrimination based on age, colour, physical ability, religion, caste, region, marital status, or sexual orientation.

These policies reflect GPIL's commitment to fostering a diverse, inclusive, and respectful workplace culture, aligned with its core values and statutory obligations.

The policies are available on the Company's website: <https://godfreyphillips.co.in/sustainability/policies>

5. Return to work and retention rates of permanent employees and workers who took parental leave:

GPIL places strong emphasis on supporting employees in achieving a healthy work-life balance. While the Company does not have a specific parental leave provision for male employees, it offers a comprehensive leave policy that provides a higher-than-industry-average number of casual leave days. Male employees are encouraged to utilize these provisions to effectively balance their professional and personal responsibilities.

During the reporting year, three female employees availed maternity leave; accordingly, return-to-work and retention rates following parental leave were not applicable for this period

	Permanent Employees		Permanent Workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable			
Female	Nil			
Total	Not Applicable			

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:

	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, GPIL has established a Grievance Redressal Policy, complemented by other relevant policies such as the POSH Policy and Whistleblower Policy, to ensure that grievances are addressed in a fair, transparent, and timely manner. The framework provides all workers and employees with accessible mechanisms to raise concerns, supported by clear procedures for submission, investigation, and resolution. The process can involve mediation or other forms of conflict resolution if required, and strict measures are in place to prevent retaliation against individuals who raise complaints. For permanent workers, there are also periodical physical meetings held where workers, supervisors, and management employees discuss issues that can be addressed at an early stage. Importantly, the grievance system is available not only to permanent workers and employees but also to temporary, contractual, and non-permanent workers, ensuring inclusivity and equal access. Workers also have opportunities to engage with management through regular formal and informal sessions. Besides the Grievance Redressal process that provides an escalation matrix, employees are encouraged to first discuss concerns with their immediate supervisors before escalating matters to senior management. To foster open communication, GPIL promotes interactive dialogue across all levels of the organization through conferences, open houses, team meetings, and planning sessions. This multichannel approach ensures that feedback and grievances are heard, addressed promptly, and resolved fairly, reinforcing the Company's commitment to a respectful and transparent workplace culture. The Grievance Redressal Policy is open to business associates and value chain. The Company also has a Supplier Code of Conduct which also directs vendors, suppliers etc. to Whistleblower or Grievance Redressal Policy for raising any concerns. For retailers, dealers and customers there is a central tele-helpline available where complaints that are logged in are resolved at regional levels, and reports are shared on status.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or unions recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total Permanent Employees	1,095	3	0.3%	1,041	4	0.4%
Male	1027	3	0.3%	979	4	0.4%
Female	68	0	0%	62	0	0%
Total Permanent Workers	26	23	88.5%	36	31	86%
Male	26	23	88.5%	36	31	86%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		(B)	% (B/A)	(C)	% (C/A)		(E)	% (E/D)	(F)	% (F/D)
Employees										
Male	1027	863	84%	802	78.1%	979	751	76.7%	761	77.7%
Female	68	65	95.6%	64	94.1%	62	56	90.3%	59	95.2%
Total	1,095	928	84.7%	866	79.1%	1,041	807	77.5%	820	78.8%
Workers										
Male	26	23	88.5%	26	100%	36	31	86.1%	31	86.1%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	26	23	88.5%	26	100%	36	31	86.1%	31	86.1%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1027	926	90.2%	979	888	90.7%
Female	68	59	86.8%	62	55	88.7%
Total	1,095	985	90.0%	1,041	943	90.6%
Workers						
Male	26	26	100%	36	36	100%
Female	0	0	0%	0	0	0%
Total	26	26	100%	36	36	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes. GPIL has implemented an Occupational Health and Safety (OHS) Management System accredited to ISO 45001:2018, ensuring best practices and compliance across all factory operations. The system is strengthened and overseen by dedicated committees, meticulously documented, and subject to annual audits by certified external auditors to identify gaps and drive improvements. For the corporate office and branches, internal processes and assessment methods have been established, with adherence to ISO 26000 standards that provide guidance on health and safety as a core subject.

In addition, GPIL periodically organizes health screenings, vaccination drives, safety trainings, and sessions on fitness and wellbeing at its manufacturing facilities and offices. These initiatives reinforce a safe, hygienic, and supportive work environment for all employees and workers.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

GPIL's "People First" value places employee health and safety as a top priority. The Company manages work-related hazards through a comprehensive EHS Risk Management framework focused on manufacturing facilities. This framework covers routine and non-routine activities, ensuring regulatory compliance and fostering a safety-oriented culture.

For routine operations, the Company employs hazard identification, suggestion schemes, daily safety briefings, and engages employees through regular EHS committee meetings. Near-miss incidents are meticulously logged, with corrective measures promptly implemented to avoid recurrence. Non-routine tasks undergo systematic evaluation via Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA).

Additionally, adherence to ISO standards, Aspect Impact analysis and Occupational Control Plans complement targeted training programs. Together, these measures integrate proactive hazard management and risk mitigation into everyday processes, reinforcing a safe and sustainable workplace environment.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks:

Yes. GPIL has formal processes in place that allow workers to report work-related hazards and withdraw from unsafe situations. A Near Miss Report form is available to document and communicate incidents to management, ensuring timely corrective action. Workers are encouraged to raise concerns during departmental safety meetings and safety committee sessions, which serve as structured platforms for dialogue. In addition, emergency response procedures and escalation matrix are established across all units, reinforcing the Company's commitment to maintaining a safe and secure workplace environment.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, GPIL provides employees and workers with access to non-occupational medical and healthcare services. First aid facilities are available within factories and premises, supported by regular doctor's visits for easy access. Employees can also utilize the Company's medical benefits for hospitalization expense reimbursements through special sanctions.

Staff grade employees are covered under a Mediclaim policy premium reimbursement scheme up to a specified limit, along with group insurance policies that include accidental benefits and a medical allowance equivalent to one month of basic pay, which can be carried forward if unused. For other categories of employees and workers, statutory benefits under ESIC are available.

This framework ensures that all employees and workers have access to medical support beyond occupational health, reinforcing GPIL's commitment to overall wellbeing.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

GPIL prioritises the health and safety of its workforce through a comprehensive Environment, Health, and Safety (EHS) Policy that fosters ownership and accountability at all organizational levels. The Company actively engages with employees and workers to encourage them to safeguard their own wellbeing as well as that of their colleagues.

Training and awareness form a cornerstone of this commitment. Regular safety training sessions, fire and first aid programs, specialized health camps addressing women's health, and events such as Safety Day and Safety Week are conducted to build a strong culture of safety awareness. Health initiatives include periodic check-ups with gender-specific screenings, vaccination drives, yoga sessions, and fitness programs offered across offices and manufacturing sites. The Corporate Office also provides free access to a professional physiotherapist twice weekly, alongside wellness measures such as scheduled nap times and provision of healthy meals and snacks.

To ensure preparedness for emergencies, GPIL has established a detailed Emergency Response Procedure based on risk management studies. This is supported by regular mock drills, equipment testing, and ready availability of Personal Protective Equipment. Fire safety equipment and evacuation protocols are maintained at all manufacturing units, while office safety procedures are firmly in place.

Employee involvement is encouraged through a Safety Committee comprising representatives from management, employees, and contractors, meeting quarterly to discuss and resolve safety issues. On the shop floor, hazard spotting tours, suggestion schemes, daily safety briefings, and near miss reporting are rigorously practiced maintaining a safe working environment.

The Company also invests in workplace infrastructure that promotes health and comfort, including proper lighting, ventilation, air conditioning, ergonomic furniture, recreational and refreshment areas, safe drinking water, and well-maintained hygienic washrooms designed for employee wellbeing.

Compliance and monitoring play a vital role. GPIL strictly adheres to Work Permit Rules and maintains thorough records of first aid cases and near miss incidents, ensuring appropriate follow-up actions. Annual external audits conducted under ISO 45001:2018 and ISO 26000 standards help sustain continuous improvement and feedback loops.

Through this layered and proactive EHS framework, GPIL demonstrates its strong commitment to creating a safe, healthy, and supportive workplace that underpins operational excellence and employee wellbeing.

13. Number of complaints on the following made by employees and workers:

No complaints were received regarding working conditions and occupational health and safety concerns.

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints were received	0	0	No complaints were received
Health & Safety	0	0	No complaints were received	0	0	No complaints were received

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:

GPIL regularly conducts internal assessments to ensure ongoing safety and compliance. Safety related incidents are carefully recorded through near miss reporting and safety tickets. In the event of an accident, a thorough investigation is carried out, and corrective and preventive measures are implemented based on the findings.

The information and data collected are shared across the organization at regular intervals, ensuring transparency and formal compliance. This systematic approach helps maintain a safe and healthy work environment for all employees. Additionally, all factories are ISO 45001:2018 compliant while both corporate office and factories are ISO 26000 compliant, with a strong focus on the health and safety of employees.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) employee (Y/N) (B) worker (Y/N):

A. Yes, GPIL offers the benefit of group term life insurance to all its employees.

B. No, GPIL does not extend term life insurance to workers; they are covered under a Group Personal Accident Policy, which provides protection in the event of accidental death at work.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

GPIL continuously endeavours to collaborate with vendors who demonstrate a proven track record of compliance with all applicable laws and regulations. The Company has established internal control mechanisms to ensure statutory dues payable by service providers for their employees is deposited accurately and on time. As part of the payment process, GPIL requires contractors and third parties to submit challan copies confirming the deposit of Provident Fund (PF) and Employees' State Insurance (ESI) contributions. In addition, the Company conducts online verification of GST returns and proof of PF and ESI deposits to strengthen compliance oversight.

Further, GPIL enforces a Supplier Code of Conduct, which mandates that all suppliers conduct their business in strict compliance with applicable laws, regulations, and ethical standards. This Code reinforces accountability across the supply chain and ensures that vendors uphold the same principles of integrity, transparency, and responsibility that GPIL applies within its own operations.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0. In the current and previous years, no employees/ workers have suffered any high consequence work-related injury/ ill-health/ fatalities			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

GPIL recognizes the importance of supporting employees during career transitions and provides comprehensive assistance to facilitate continued employability and the effective management of career endings. The Company invests in human capital development programs to enhance, reskill, and upskill employees, including initiatives

focused on new-age skills and evolving industry competencies. These efforts ensure that employees remain relevant and competitive in a rapidly changing business environment.

In cases of layoffs, terminations, or early retirements, supervisors and management provide recommendations to support re-employment, enabling employees to transition smoothly to new opportunities where required.

To support retirement planning and financial security, GPIL offers an optional superannuation fund under which the Company contributes 15% of an employee's basic salary. Upon retirement or separation, employees may utilize the accumulated corpus to subscribe to annuity plans offered by the Life Insurance Corporation of India (LIC), providing a regular post-retirement income. Additionally, all employees are eligible for a monthly pension from the Employees' Provident Fund Organisation (EPFO), based on their contributions and tenure.

When highly skilled or experienced employees retire, critical roles may be retained on a consultancy or retainer basis to facilitate knowledge transfer. These individuals serve as mentors and trainers to new employees, ensuring continuity of expertise within the organization.

GPIL's comprehensive employee support extends across the entire employee lifecycle, including thoughtfully designed retirement transition programs that offer personalized guidance and financial support. This includes assistance with retirement planning, continued access to health insurance benefits (including coverage for pre-existing conditions), and recognition initiatives that celebrate employees' contributions and legacy. The HR team remains actively involved throughout the transition process, ensuring employees receive the necessary support and guidance, reflecting GPIL's commitment to treating every employee with dignity and respect throughout their journey with the Company.

5. Details on assessment of value chain partners:

GPIL is committed to upholding ethical practices across its supply chain. The Company enforces a Supplier Code of Conduct, requiring all supply chain partners to operate in full compliance with applicable laws and regulations.

For GPIL contracted tobacco farmers, adherence to the Agricultural Labour Practices (ALP) Code is mandatory, covering health, safety, and working conditions for self and workers. Compliance is monitored through regular assessments conducted by Field Technicians (FTs) using a digital application to identify and flag any non-compliance.

Other suppliers, governed by signed contracts, undergo periodic compliance checks, including verification of statutory obligations. For non-tobacco suppliers, GPIL also conducts ESG-aligned assessments, including evaluations of health and safety parameters, to ensure responsible and sustainable practices across the value chain

	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety conditions	Approximately 75%
Working conditions	Approximately 75%

**This includes our burley tobacco farmers and non-tobacco suppliers.*

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

No significant risks or violations have been identified during the reporting period. GPIL has established processes across its supply chain to prevent such incidents. For instance, in the tobacco supply chain, farmers under the Integrated Production System (Flue Cured Virginia is assessed by PMI) undergo periodic internal and external assessments, including audits by international organizations such as Control Union, Peterson, Nielson and PwC to evaluate health, safety, and working conditions along with other human and labour rights like child and forced labour, safe working environment. Key risks such as Green Tobacco Sickness and harmful effects of chemicals (CPA application without PPE) are mitigated through workshops, training, education programs, strict monitoring and enforcement of safe practices. Key measures include proper use of PPE, safe handling and disposal of empty CPA containers and fertilizer bags and access to first aid. Farmers are also provided with safe drinking water, emergency assistance, and encouraged to resolve labour issues through local representatives.

This structured approach ensures a safer and healthier environment across the tobacco supply chain.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

GPIL recognizes that long term sustainability depends on building trust and fostering meaningful engagement with both internal and external stakeholders, including employees, workers, customers, suppliers, investors, shareholders, retailers, tobacco farmers and labourers, civil society organizations and local communities in its areas of operation. The Company is committed to listening to stakeholder concerns, addressing them with transparency, and integrating their expectations into decision making. By maintaining open channels of dialogue, ensuring ethical practices across the value chain, and prioritising health, safety, and social well being, GPIL strives to create inclusive and responsible growth.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

GPIL believes that identifying and engaging with stakeholders involves a thorough and iterative process. It is important for the Company to understand and adapt to the interests and needs of groups or individuals impacted by its activities. The process includes:

- **Internal Stakeholder Mapping:** Identifying and categorizing individuals within the organization who play critical roles or interact directly with external stakeholders. This includes employees, managers, executives, and board members.
- **External Stakeholder Mapping:** Recognizing and categorizing individuals or groups outside the organization who have a high level of influence, are affected by or interested in GPIL's sustainability activities. These include customers, bankers, suppliers, investors, tobacco farmers, retailers, hawkers and local communities.
- **Stakeholder Prioritization:** Prioritizing stakeholders based on their level of influence and impact on the business, as well as the effect of business activities on them. This ensures deeper engagement with critical, vulnerable, and marginalised groups.

This structured approach enables GPIL to address sustainability challenges and opportunities by engaging with the right stakeholders in a transparent and accountable manner.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, Notice board, website), other	Frequency of engagement (annually/ half yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Notices, newspapers, email, telecalls, website	Quarterly and annually	Build trust, enhance transparency, secure capital, influence shareholder decisions, comply with regulations. Topics include financial performance and ESG disclosures.
Suppliers	Yes	Emails, onboarding assessments, one-on-one sessions, supplier surveys, training programs and workshops, grievance redressal mechanism, conferences and meetings	Continuous	Strengthen relationships, ensure reliable supply chains, manage risks, foster innovation. Focus on sustainable supply chain practices and human rights concerns.
Customers	No	Emails, town hall meetings, conferences and events, annual reports and sustainability reports, website	Depending on the medium, it occurs weekly.	The Company periodically interacts with its customers to foster trust, gain insights into their needs, innovate new products, boost sales, and strengthen its reputation.



Senior Employees	No	Periodical emails, open houses & townhalls, intranet, meetings, conferences and events, team-building activities, workshops and training sessions, employee surveys company social media handles, website, engagement and well-being programs and one-on-one meetings with HR and leadership	Continuous	Retain talent, cultivate leadership, boost productivity, and drive innovation. Engagement focuses on creating a positive work environment.
Other Employees	No	Periodical emails, open houses & townhalls, intranet, meetings, conferences and events, team-building activities, workshops and training sessions, employee surveys company social media handles, website, engagement and well-being programs and one-on-one meetings with HR and leadership	Continuous	GPIL prioritises engagement and interaction with its other employees to enhance morale, retain talent, boost performance, foster innovation, and improve customer experience. Discussions during these engagements focus on wellbeing, work-life balance, fair wages, and recognition and rewards.
Community (Retailers, Farmers, Hawkers)	Yes (farmers and retailers)	Surveys, field visits, telecalls, community meetings, local programs, workshops, trainings,	Continuous	GPIL is deeply committed to fostering positive relationships with the communities in its operating areas. GPIL's engagement with the communities is aimed at addressing community needs, creating shared value, and building trust among the community and the Company. The main issues addressed during these engagements pertain to community health and safety and extending adequate support to vulnerable and marginalised sections.
Government Bodies	No	Industry association evidence and data-based advocacy, direct engagement through industry bodies, annual report, compliance reporting, website	Need Based	Engage proactively with authorities through evidence and data-based advocacy, directly or via industry bodies, to address sectoral impacts on stakeholders and livelihoods.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

GPIL has established structured processes to ensure stakeholder perspectives on economic, environmental, and social topics are integrated into Board deliberations. A materiality assessment was conducted in FY 2022-23 to identify and prioritize issues significant to both stakeholders and the business.

Building on it, in FY 2024-25 the Company undertook a double materiality assessment, evaluating both financial and non financial impacts. This exercise involved direct engagement with key stakeholder groups through surveys and workshops. Insights were consolidated and formally reported to senior management and the Board through review meetings, and periodic updates.

The Company has also established a governance structure that ensures a two-way flow of information on ESG programs, enabling feedback from stakeholders to reach the Board and guiding decisions to be communicated back to stakeholders. GPIL intends to continue conducting such assessments periodically to strengthen transparency and accountability.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Yes. Surveys with stakeholders who influence, and impact GPIL's sustainability strategy and priorities are conducted at an organizational level. The Company strives to include the viewpoints of all groups of stakeholders in its policy development, business decisions, and activities.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups:

GPIL is committed to support vulnerable and marginalised stakeholder groups, particularly farmers, retailers, and hawkers within its community. Through its CSR programs, the Company has implemented targeted initiatives to address their concerns and improve livelihoods.

Key actions include:

- **Climate resilience projects** focused on conserving water, soil, and the environment to mitigate climate change risks.
- **Health and education initiatives** promote awareness on better health practices, access to safe drinking water, elimination of child labour, and encouraging children's education.
- **Good Agricultural Practices (GAP) training** covering sustainable farming methods, mechanization, and health and safety awareness, including prevention of green tobacco sickness, use of PPE, and safe disposal of empty CPA containers.
- **Community workshops** on labour rights, dispute management, and other relevant social topics.

By engaging directly with these groups and prioritising their needs, GPIL fosters a more sustainable, equitable, and supportive environment across its value chain.

Principle 5: Businesses should respect and promote human rights

GPIL places the highest priority on human rights and has established a robust framework of policies, including its Human Rights Policy, Code of Business Conduct, Equal Opportunity Policy, Health & Safety Policy, Prohibition of Sexual Harassment Policy, Suppliers' Code of Conduct, Whistle Blower Policy and Grievance Redressal Policy. These policies, supported by training, monitoring and grievance mechanisms, ensure fair treatment, safe working conditions and respect for labour rights across operations and the value chain. The Company also complies with all applicable national and regional laws, reinforcing its commitment to dignity, equality, and accountability for all stakeholders.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy/ies of the entity, in the following format:

GPIL is deeply committed to upholding human rights and ensures that all employees and workers are made aware of its Human Rights Policy and related frameworks such as the Equal Opportunity Policy, Code of Business Conduct, and POSH Policy. New employees undergo an intensive induction program where these policies are introduced and shared, with copies made available on the intranet and corporate website. The Whistleblower Policy is also accessible in regional languages both online and physically on notice boards to ensure awareness and inclusivity. Awareness is also reinforced throughout the year through periodic trainings and workshops, enabling employees and workers to understand their rights, responsibilities and the Company's expectations for ethical conduct.

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1,095	1,067	97.4	1,041	640	61.5%
Other than Permanent	0	0	0	0	0	0
Total Employees	1,095	1,067	97.4%	1,041	640	61.5%
Workers						
Permanent	26	26	100%	36	0	0%
Other than Permanent	0	0	0%	0	0	0%
Total Workers	26	26	100%	36	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		(B)	% (B/A)	(C)	% (C/A)		(E)	% (E/D)	(F)	% (F/D)
Employees										
Permanent										
Male	1027	0	0%	1027	100%	979	0	0%	979	100%
Female	68	0	0%	68	100%	62	0	0%	62	100%
Other than Permanent										
Male	Nil									
Female										
Workers										
Permanent										
Male	26	0	0%	26	100%	36	0	0%	36	100%
Female	0	0	0%	0	100%	0	0	0%	0	100%
Other than Permanent										
Male	Nil									
Female										

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages in INR:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	7,00,000	3	60,26,50,217
Key Managerial Personnel (other than BoD)	2	2,25,33,390	-	-
Employees other than BoD and KMP	1024	8,61,557	68	9,91,529
Workers	26	11,08,302	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages*	7.3%	5.8 %

*The gross wages excludes remuneration paid to the members of the promoter group.

Note: The comparative information for FY2024-25 has been restated to align with the guidance provided by the Industry Standards Forum.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, GPIL has designated focal points responsible for addressing human rights impacts and issues. The Audit Committee, Ethics Committee and Internal Committees for Prevention of Sexual Harassment collectively oversee these matters, supported by policies such as the Human Rights Policy, Code of Business Conduct, Equal Opportunity Policy, POSH Policy, Whistle Blower Policy, and Grievance Redressal Policy. This governance framework ensures that concerns are addressed promptly and effectively, while reinforcing the Company's commitment to safeguarding human rights across its operations and value chain.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

GPIL is committed to providing clear and accessible grievance mechanisms for its employees, workers, and supply chain partners. The Company has a Grievance Redressal Policy along with supporting frameworks such as the POSH Policy, Equal Opportunity Policy and Whistle Blower Policy, which outline procedures for reporting and resolving concerns. These mechanisms are available in regional languages to ensure inclusivity and awareness.

Employees and workers are empowered to raise issues confidentially through committees such as the Audit Committee, Ethics Committee and Internal Complaints Committee, with all grievances investigated promptly and fairly. In addition, GPIL monitors its tobacco supply chain under the Agriculture Labour Practices (ALP) code to identify and address human rights violations. Based on the severity of the concern, appropriate corrective actions are undertaken to safeguard rights and uphold ethical practices.

6. Number of complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	No complaints were received regarding sexual harassment by employees and workers	0	0	No complaints were received regarding sexual harassment by employees and workers
Discrimination at workplace	0	0	No complaints were received regarding discrimination at workplace by employees and workers	0	0	No complaints were received regarding discrimination at workplace by employees and workers
Child Labour	0	0	No complaints were received regarding child labour by employees and workers	0	0	No complaints were received regarding child labour by employees and workers
Forced Labour/ Involuntary Labour	0	0	No complaints were received regarding forced labour by employees and workers	0	0	No complaints were received regarding forced labour by employees and workers
Wages	0	0	No complaints were received regarding sexual harassment by employees and workers	0	0	No complaints were received regarding wages by employees and workers
Other human rights related issues	0	0	No complaints were received regarding discrimination at workplace by employees and workers	0	0	No complaints were received regarding any human rights issues by employees and workers

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/ workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

GPIL is committed to maintaining a safe, respectful, and harassment free workplace with zero tolerance for inappropriate conduct. The Company encourages employees to report any concerns and ensures timely responsiveness to complaints. Committees such as the central and local Internal Committees and Ethics Committee are constituted to enquire into cases of sexual or other forms of harassment and recommend appropriate action. GPIL also safeguards complainants by ensuring protection in their normal working environment and preventing any discrimination during performance appraisals or work allocation.

Further information about the policy can be found here <https://www.godfreyphillips.co.in/sustainability/policies>.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, GPIL ensures that human rights requirements form an integral part of its business agreements and contracts. These requirements are embedded within the Company's standard terms and conditions and stated in the Suppliers' Code of Conduct, which all service providers are required to sign. In addition to upholding human rights, suppliers are mandated to comply with applicable laws, labour standards, and environmental regulations, while adhering to principles of ethics and integrity in their operations. This framework ensures that GPIL's supply chain consistently aligns with its commitment to responsible and sustainable business practices.

10. Assessments of the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above:

No significant risks/ concerns have been identified in the assessment.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced because of addressing human rights grievances/ complaints:

GPIL has strengthened its internal processes to ensure effective handling of human rights grievances. The Code of Business Conduct, Human Rights Policy, Equal Opportunity Policy and POSH Policy have been implemented across the Company, supported by the Grievance Redressal Policy and Whistle Blower Policy which provide clear and accessible mechanism for not only employees and workers, but also external stakeholders to raise concerns. The Ethics Committee and Internal Committee meet periodically to check if any grievances or complaints have been raised. While no human rights violation complaints have been received to date, the Company has institutionalized this process to ensure preparedness, transparency and accountability. This framework reinforces GPIL's commitment to safeguarding rights and ensures that any future grievances can be addressed promptly and effectively.

2. Details of the scope and coverage of any human rights due diligence conducted:

GPIL is committed to upholding human rights and conducting periodic assessments across its operations and tobacco supply chain. Within the IPS framework, the Company follows the Agricultural Labour Practices (ALP) Code, which addresses key issues such as child and forced labour, minimum wages, employee benefits, grievance redressal, and workplace safety. Due diligence is carried out through workshops, farmer training, and monitoring by field technicians to ensure compliance.

The ALP Code emphasizes three core principles, child labour, income and work hours and a safe working environment, along with the following:

- ALP Code Principle 1: Child labour
- ALP Code Principle 2: Income and work hours
- ALP Code Principle 3: Fair treatment
- ALP Code Principle 4: Forced labour and human trafficking
- ALP Code Principle 5: Safe work environment
- ALP Code Principle 6: Freedom of association
- ALP Code Principle 7: Terms of employment

Audits by international organisations like Control Union, Nielson, Peterson, PwC have highlighted positive impacts such as zero incidences of child labour, improved workplace safety and heightened awareness of occupational risks. Additionally, in FY25, GPIL conducted a Human Rights assessment covering 100% of its operations and part of supply chain that included tobacco farmers, women workers and labourers during the year. The assessment had no violations reported. This reinforces GPIL's commitment to ethical, transparent, and sustainable practices across its value chain.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, GPIL strives to create an inclusive workplace environment by having adequate policies that protect and support differently abled persons and has ensured accessible infrastructure wherever necessary.

4. Details on assessment of value chain partners:

GPIL is committed to ethical practices and sustainability across its value chain. The Supplier Code of Conduct guides all partners, requiring adherence to human rights, labour standards and environmental regulations. Within the IPS framework, tobacco farmers are mandated to comply with the Agricultural Labour Practices (ALP) Code, which covers child labour, forced/involuntary labour, discrimination, wages and safe working conditions. Compliance is ensured through periodic assessments by Field Technicians, regular awareness and training programs conducted by supervisors and managers and third party audits. In FY25, GPIL conducted Human Rights Assessment for farmers and daily wage labourers under IPS, reinforcing its commitment to responsible sourcing and sustainable supply chain practices.

	% of value chain partners (by value of business done with such partners) that were assessed*
Sexual harassment	8%
Discrimination at workplace	8%
Child labour	8%
Forced/involuntary labour	8%
Wages	8%

**This is in relation to tobacco farmers under Integrated Production System.*

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

No risk/ concerns were identified during the assessment process; and no corrective/mitigation measures were necessitated.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

GPIL is committed to environmental stewardship and integrates sustainability into its operations and value chain. The Company emphasizes efficient resource utilization, reduction of emissions, and compliance with environmental regulations. Initiatives include promoting sustainable agricultural practices under the IPS framework, monitoring energy and water usage, and implementing waste management systems to minimize ecological impact. GPIL also invests in awareness programs and training to encourage employees, farmers, and partners to adopt ecofriendly practices. Through these measures, the Company strives not only to protect the environment but also to contribute to its restoration, ensuring long term resilience and sustainability.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
From renewable sources	Megajoule		
Total electricity consumption (A)	Megajoule	3,37,45,993.2	2,31,27,897.6
Total fuel consumption (B)	Megajoule	0	0
Energy consumption through other sources (C)	Megajoule	0	0
Total energy consumed from renewable sources (A+B+C)	Megajoule	3,37,45,993.2	2,31,27,897.6
From non-renewable sources	Megajoule		
Total electricity consumption (D)	Megajoule	7,28,22,066.3	7,15,76,999.5
Total fuel consumption (E)	Megajoule	2,78,08,842.7	2,63,34,636.7
Energy consumption through other sources (F)	Megajoule	0	0
Total energy consumption from non-renewable sources (D+E+F)	Megajoule	10,06,30,908.9	9,79,11,636.2
Total energy consumed (A+B+C+D+E+F)	Megajoule	13,43,76,902.1	12,10,39,533.8
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	KJ/INR	1.47	1.79
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (USD)	KJ/USD	29.97	37.00
Energy intensity in terms of physical output	GJ/ million cigarette sticks	5.63	5.81
Energy intensity (optional) – the relevant metric may be selected by the entity			

In FY 2024-25, Diesel and other fuels (LDO, Petrol, and PNG) were reported separately, However, this year, we have reported the consolidated number under "Total Fuel Consumption".

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N), if yes, name of the external agency: **Yes**, please refer to the assurer of core BRSR elements of this report

For PPP, 20.34 National currency units/US dollar has been used. Source: IMF (2026), Purchasing power parities (PPP) indicator.

Energy intensity in terms of physical output has been restated to align with the guidance provided by the Industry Standards Forum. Further, it includes only cigarettes that account for substantial part of the total revenue of the Company.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water:	0	0
(ii) Groundwater	34,983.3	29,970.9
(iii) Third party water (Municipal water supplies)	43,282.9	46,392.3
(iv) Seawater / desalinated water	0	0
(v) Others – Rain water	2,148	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv)	80,414.3	76,363.2
Total volume of water consumption (in kilolitres) (Total water consumption is calculated by deducting total water discharge from total water withdrawal)	77,134.3	69,561.4
Water intensity per rupee of turnover (Water consumed / revenue from operations) (Litres / K INR)	0.85	1.03
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) – Litres / K USD	17.20	21.26
Water intensity in terms of physical output (KL/ million cigarette sticks)	3.23	3.34
Water intensity (optional)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**, please refer to the assurer of core BRSR elements of this report

*Water withdrawal and consumption data for the previous year is updated due to change in reporting categories.

For PPP, 20.34 National currency units/US dollar has been used. Source: IMF (2026), Purchasing power parities (PPP) indicator.

Water intensity in terms of physical output has been restated to align with the guidance provided by the Industry Standards Forum. Further, it includes only cigarettes that account for substantial part of the total revenue of the Company.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water:		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	1,825.8
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	1,127.4 (Tertiary Treatment)	753.5 (Tertiary Treatment)
(v) Others		
- No treatment	2,152.6	4,222.5
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	3,279.9	6,801.8

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**, please refer to the assurer of core BRSR elements of this report

Water discharge data for FY 2024-25 have been restated to align with the guidance provided by the Industry Standards Forum.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, the Reconstituted Tobacco Manufacturing facility of GPIL operates as a Zero Liquid Discharge facility. Other GPIL facilities have implemented various water management practices, including recycling and reusing wastewater, reducing water discharge rates, and adhering to Consent to Operate (CTO) conditions set by respective pollution boards.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
NO _x	Kg	792.4	1,050.5
SO _x	Kg	309.06	382.9
Particulate Matter (PM)	Kg	1165.1	4,237.0
Persistent Organic Pollutants (POP)	Kg	0	0
Volatile organic Compounds (VOC)	Kg	0	0
Hazardous air pollutants (HAP)	Kg	0	0
Others- please specify	Kg	0	0

*Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**, please refer to the assurer of core BRSR elements of this report*

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,622.5	2,460.01
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	14,362.7	14,454.6
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Tonne per Crore INR	1.86	2.50
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for PPP (USD)	Tonne per million USD	3.79	5.17
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Emission tCO₂e/ million cigarette sticks	0.71	0.81
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Yes**, please refer to the assurer of core BRSR elements of this report*

For PPP, 20.34 National currency units/US dollar has been used. Source: IMF (2026), Purchasing power parities (PPP) indicator.

Emission intensity in terms of physical output has been restated to align with the guidance provided by the Industry Standards Forum. Further, it includes only cigarettes that account for substantial part of the total revenue of the Company.

8. Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details:

Yes. GPIL has launched multiple initiatives aimed at reducing greenhouse gas emissions through energy efficiency, renewable energy augmentation, and afforestation projects.

Energy efficiency and process improvements:

- Achieved over 33% renewable energy share cumulatively across Guldhar and Rabale sites, advancing organizational ESG commitments.
- Installed modular UPS systems to optimize energy use and minimize losses.
- Upgraded two belt driven vacuum pumps (75 kW) to high efficiency screw driven systems (37 kW), delivering ~51% energy savings.
- Integrated IE3 rated energy efficient motors in new DRF systems and chiller installations, enhancing overall efficiency and reducing long term energy consumption.
- Optimized condensate recovery systems, improving recovery rates from 49% to 55%.
- Modernized air conditioning infrastructure by replacing R22 based 20 TR PAC units with R410A inverter technology and adding 75 TR R410A inverter PAC capacity at the ring site.

Afforestation and biodiversity projects:

- Plantation of 5,000 trees within the Thane Municipal Corporation area.
- Maintenance of biodiversity parks in Andhra Pradesh with over 9,000 trees.
- Afforestation project of 70,000 saplings .
- Distribution of 310,000 eucalyptus saplings to farmers as part of wood sustainability

Through these measures, GPIL actively contributes to carbon sequestration, reduced emissions, and long-term environmental sustainability, reinforcing its commitment to climate responsibility.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	33.8	21.7
E-waste (B)	1.04	2.12
Bio-medical waste (C)	0.16	0.15
Construction and demolition waste (D)	135.8	35.8
Battery Waste (E)	16.8	0.35
Radioactive waste (F)	0	0
Other Hazardous waste. Used oil and sludge (G)	38.7	18.8
Other Non-hazardous waste generated (H). Paper waste, wood waste, etc. (Break-up by composition i.e., by materials relevant to the sector)	4,255.4	3,511.9
Total (A + B + C + D + E + F + G + H)	4,481.7	3,590.9
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)—MT/Lakh INR	0.0049	0.005
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / million USD)	1.00	1.09

Waste intensity in terms of physical output – MT/million cigarette sticks	0.19	0.17
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,683.5	2,843.1
(ii) Re-used	1,753.9	725.4
(iii) Other recovery operations	0	1.5
Total	4,437.4	3,569.9
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	32.6	10.8
(ii) Landfilling	3.7	3.8
(iii) Other disposal operations	8.1	2.6
Total	44.4	17.1

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Yes**, please refer to the assurer of core BRSR elements of this report

For PPP, 20.34 National currency units/US dollar has been used. Source: IMF (2026), Purchasing power parities (PPP) (indicator).

Waste intensity in terms of physical output has been restated to align with the guidance provided by the Industry Standards Forum. Further, it includes only cigarettes that account for substantial part of the total revenue of the Company.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

GPIL manufacturing process does not fall under hazardous category, so no toxic chemicals are used during manufacturing process. The hazardous waste generated is consistently and continuously monitored at its manufacturing units. The Company has established processes to manage waste within regulatory limits and ensured safe disposals. It has also implemented standard measures across all units, offices to minimize waste, segregate waste at the source, and ensure disposal through authorised recyclers.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The entity does not have any offices or plants in ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not applicable, as GPIL is not required to conduct these assessments as it is in orange category					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or courts	Corrective action taken if any
Yes, GPI's operations and offices comply with applicable environmental regulations, and the Company follows the regulations and guidelines mandated by the Central and State Pollution Control Boards. We have Consent to Operate (CTO) as per all applicable Acts, and these are renewed as required.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Guldhar, Meerut Road, Ghaziabad 201003

(ii) Nature of operations: Cigarette Manufacturing

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	25,401.6	26,163.4
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others (Recycled) Recovered water from Treated Effluent	0	0
Total volume of water withdrawal (in kilolitres)	25,401.6	26,163.4
Total volume of water consumption (in kilolitres)	24,274.2	25,410
Water intensity per rupee of turnover (Litre/ K INR)	0.28	0.39
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	1,127.4 Tertiary Treatment	753.5 Tertiary Treatment
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	1,127.4	753.5

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

GPIL is in the process of calculating its Scope 3 emissions.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent	-	-

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:

This indicator is not applicable to GPIL, as all its operating units are located in industrial estates or business districts. No GPIL operating units are in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy Efficiency	- Optimized in house condensate recovery system, improving recovery rates from 49% to 55%. - Strengthened conservation practices through precise O&M controls and adoption of an enthalpy based HVAC system. - Upgraded two belt driven vacuum pumps (75 kW) to high efficiency screw driven pumps (37 kW), achieving ~51% energy savings. - Installed modular UPS systems to optimize energy use and reduce losses. Integrated IE3 rated energy efficient motors in DRF systems and chillers, enhancing efficiency and reducing long term consumption. Installed an IE3 motor for Cooling Tower fans and converted from belt to direct drive, reducing transmission losses and delivering substantial savings.	Collectively, these initiatives enhanced energy efficiency, reduced overall consumption and losses, and strengthened long term operational sustainability while supporting GHG emission reduction efforts.
2.	Waste Management	- Onboarded vendor for plastic waste disposal thereby leading to a tangible benefit from responsible disposal, against previous procedure involving safe disposal with charges being incurred. - For new supplier locations, packaging of blanks has changed to wooden pallets instead of boxes - eliminating paper board waste altogether and ensuring pallets are being recycled. - Plastic tie rope has been substituted with jute tie ribbon for incoming CFC bundles, again eliminating corresponding plastic waste generation. - Have used technology to reuse PP straps in incoming material - Recycling activity of wooden pallets & pallet tops has been extended to additional supplier locations for some incoming packaging material.	GPIL is systematically encouraging recycling and reuse of intermediary packaging which is reducing the over all waste in supply chain. This is part of process.

3.	Water Management Practices	- Created an annual water recharge potential of ~65,000 KL through development of ponds in two villages. - Adopted adiabatic cooling towers for compressed air system heat rejection, saving 1,030 KL of water. - Replaced conventional water ring vacuum pumps with high efficiency screw pumps, eliminating continuous water consumption. - Reduced Cooling Tower sump operating level by 10%, lowering water usage without impacting performance. - Implemented waterless urinals in sections of manufacturing facilities. - Upgraded float valve systems in cooling towers to arrest overflow. - Replaced RO water with soft/raw water where feasible, reducing reject water and wastage.	These measures reinforce long term water sustainability and support the Company's water positive objectives.
4.	Green Initiative	5000 trees planted in Thane Municipal Corporation area as an initiative by the Rabale facility. - Addition of green refrigerant system for capacity augmentation (75 TR unit of R-140A installed for new requirement) at a cigarette production site. - CSR program continues to maintain plantations in Andhra	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Yes, GPIL has a dedicated Business Continuity and Disaster Management Policy supported by a robust framework to identify risks, analyse processes, and prepare mitigation strategies across all functional areas. The plan evaluates potential worst case scenarios and defines clear action steps to ensure operational resilience. It includes periodic reviews, and training to strengthen preparedness.

Further, in FY25, GPIL also conducted a climate risk assessment to evaluate the impact of climate related events on its operations and value chain, further integrating environmental considerations into its continuity planning.

For more details, visit policies at: <https://www.godfreyphillips.co.in/sustainability/policies>

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

GPIL recognizes that its value chain, particularly the Leaf operations, can have environmental impacts such as fertilizer and Crop Protection Agent (CPA) use, which may release greenhouse gases and affect ecosystems. To mitigate these risks, GPIL places IPS farmers and workers at the core of its sustainability efforts and has implemented the following measures:

- **Farmer training and monitoring:** Guidance on proper dosage of fertilizers and CPAs, elimination of Highly Hazardous Pesticides (HHPs), safe disposal of empty CPA containers in collection bins, recycling of plastics and hazardous waste, incorporation of crop residues into soil which further improves soil fertility. Field monitoring ensures containers are not left in fields or homes.
- **Environmental testing:** Quarterly ambient air and wastewater quality tests by authorized laboratories to ensure pollutants remain within permissible limits.
- **Sustainable agriculture practices:** Promotion of Good Agricultural Practices (GAP) to preserve, reuse, and recycle soil, water, air, and wood resources.
- **Wood sustainability and afforestation:** Distribution of eucalyptus saplings annually, and biodiversity parks in Andhra Pradesh (Darsi, Kurichedu, Parchur, Sangapuram, P. Venkatapuram, and Kalavalapalle) with over 25,000 local species.
- **Infrastructure improvements:** Construction of permanent community sheds and burley tobacco curing barns using iron frameworks and reducing reliance on wood.
- **Water conservation:** Development of farm ponds, check dams, and desilting of tanks to restore capacity, recharge groundwater, and improve soil health.

These initiatives collectively reduce environmental impact, enhance resilience against climate risks, and promote sustainable livelihoods for farmers while safeguarding ecosystems and biodiversity.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

5 % farmers were assessed for environmental impact through a third party assurance exercise conducted by PwC on FCV farmers' wood sustainability practices. The primary objective of the study was to demonstrate that annual firewood harvesting rates in plantations and Tree Outside Forest (TOF) areas across tobacco growing and wood sourcing districts do not exceed the annual potential growth rate of forests, while meeting wood demand for tobacco curing and other industries. The study confirmed that fuel sourcing districts in both Andhra Pradesh and Karnataka are compliant with PMI's Zero Deforestation Manifesto (ZDM). Importantly, no farmer or vendor was found sourcing wood from restricted forest areas. Findings further highlighted that TOF cover increased by 9% between 2018 and 2025, indicating stable to improving wood resource availability. Current assessments confirm wood sufficiency for the next six years in Andhra Pradesh and eight years in Karnataka. The majority of farmers sourced wood through vendors, with a smaller proportion relying on their own or fellow farmers' plantations.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

GPIL adheres to all applicable government regulations and ensures responsible product marketing. The Company engages constructively with relevant authorities to balance stakeholder expectations with its stringent governance standards. GPIL also participates in industry forums that address governance, economic reforms, environmental safety, energy security, sustainable business principles, taxation, and water management. These forums provide a platform for evidence based advocacy, ensuring that GPIL's positions are represented responsibly and transparently, while reinforcing its commitment to ethical conduct and sustainable development.

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations:

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	PHD Chamber of Commerce and Industry	National
3	ASSOCHAM (The Associated Chambers of Commerce & Industry of India)	National
4	Public Affairs Forum of India	National
5	The Tobacco Institute of India	National
6	The Advertising Standards Council of India	National
7	Indo American Chamber of Commerce	National
8	International Chamber of Commerce India	National
9	Indian Chamber of Commerce & Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Not applicable as GPIL does not have any adverse orders against it.		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable*					

Note: In strict compliance with legislation for our industry, GPIL does not engage in any public policy advocacy activities.

Principle 8: Businesses should promote inclusive growth and equitable development.

GPIL is committed to fostering inclusive growth by embedding equity, sustainability and community development into its business practices. The Company prioritises responsible sourcing, fair labour standards, and opportunities for smallholder farmers and local enterprises within its value chain. Through initiatives such as skill development programs, afforestation projects, water conservation structures, and sustainable agriculture practices, GPIL supports livelihood enhancement while safeguarding natural resources. CSR interventions further strengthen rural infrastructure, education, and health, ensuring that communities benefit directly from the Company's operations. By aligning business success with social progress, GPIL contributes to equitable development and long-term resilience.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
No project requiring SIA was undertaken in the reporting year, thus this question is not applicable to us.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the 2025-26 (In INR)
GPIL does not have any projects/activities that would necessitate R&R.						

3. Describe the mechanisms to receive and redress grievances of the community:

Building strong partnerships with local communities is central to GPIL's commitment to sustainable development. The Company recognizes the vital role of tobacco farmer communities in its operations and places emphasis on cultivating collaborative and transparent relationships that foster long-term trust and resilience.

Under the Integrated Production System (IPS), GPIL organizes regular engagements and workshops. These sessions provide farmers with a platform to share challenges, exchange ideas, and strengthen awareness of preferred labour practices across social, health, and safety dimensions. They also reinforce adherence to best agricultural practices, ensuring productivity and sustainability across farming operations.

For dispute resolution, GPIL adopts a harmonious and inclusive approach. Guidance is sought from village elders, progressive farmers, and local representatives to ensure that issues are resolved constructively and with community consensus. This collaborative model strengthens social cohesion while maintaining fairness and transparency.

Acknowledging the unique social needs of farming communities, GPIL implements targeted interventions aligned with its CSR policy. These programs empower communities to raise concerns in open forums, enhance transparency in decision-making, and build progressive relationships that advance both community well-being and sustainable business growth.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	42%	50%
Directly from within India	82%	85%

* Total purchases include the total expenditure on the purchase of goods and services by the organization.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2025-26	FY 2024-25
Rural	0.0%	0.0%
Semi-urban	0.0%	0.4%
Urban	1.9%	5.2%
Metropolitan	98.1%	94.4%

Note: Places are categorized as per RBI Classification System – rural/semi-urban/urban/metropolitan

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable, as there were no projects that required SIA as per law in the current year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
GPIL's CSR programs are not located in any aspirational districts.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

GPIL does not have a dedicated preferential procurement policy. Within its contracted farmer base, the Company identifies small farmers, defined as those cultivating less than one hectare of land, as a marginalised and vulnerable group. GPIL also recognizes women farmers as underrepresented contributors to the agricultural sector. The Company regularly sources from both small and women farmers, ensuring their inclusion in the supply chain and reinforcing its commitment to equity, sustainability, and community empowerment.

(b) From which marginalised /vulnerable groups do you procure?

GPIL sources part of its raw material from small tobacco farmers, defined as those with less than one hectare of landholding, including women farmers identified as marginalised and vulnerable groups. As part of the Integrated Production System (IPS), these farmers receive support through training on Good Agricultural Practices (GAP) and Agricultural Labour Practices (ALP), along with participation in environmental initiatives that help improve yields and enhance earnings.

(c) What percentage of total procurement (by value) does it constitute?

3% of the total procurement is from marginalised communities (farmers).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable, since GPIL has not acquired any intellectual property based on traditional knowledge.				

Note: Traditional Knowledge refers to any indigenous, technical, ecological, scientific, medical, or cultural knowledge that is not necessarily documented but is in use by or generally known to communities. Typical examples include antiseptic properties of neem, turmeric, etc.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the case	Corrective action taken
Not applicable, since GPIL does not use traditional knowledge.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects*	% of beneficiaries from vulnerable and marginalised groups
1.	Biodiversity parks	1900	33%
2.	Check dams	3810	28%
3.	Desilting of community ponds	1188	62%
4.	Tank management program	2804	63%
5.	Installation of community RO Plants to provide safe drinking water	17417	81%
6.	Borewell recharge installation	17417	81%
7.	Health camps	6248	13%
8.	Community agri-produce sheds	622	56%
9.	Plantation	NA	NA
10.	Rainwater harvesting structures	500	30%

**The numbers include the cumulative beneficiaries of the CSR projects.*

GPIL views Corporate Social Responsibility as a key channel for engaging with communities and addressing local development priorities, while reinforcing responsible business practices. Over the years, the Company has implemented a focused portfolio of CSR initiatives across water conservation, agricultural infrastructure, environmental sustainability and social welfare, delivering measurable outcomes. In FY26, these programs continue to strengthen community resilience through targeted, high-impact interventions.

The Company has further expanded its water conservation efforts in the water-stressed and rain shadow regions of Andhra Pradesh. During the year, 13 new check-dams were constructed, bringing the total to 60 structures. These structures support irrigation, enable marginalised tobacco farmers to cultivate secondary crops, and contribute to groundwater recharge. Volumetric analysis of 45 of the existing check-dams indicated that more than 2,72,954 kilolitres of water were conserved during the year, directly benefiting farming communities and reviving ground water levels.

To enhance storage capacity, desiltation activities were undertaken at 16 sites in tobacco-growing regions, improving water retention while providing farmers with nutrient-rich soil. GPIL also completed the rejuvenation of two large natural water tanks, benefitting hundreds of community members and supporting local ecosystems.

The Company continued its environmental stewardship through the maintenance of two biodiversity parks, with two parks already handed over to local communities after achieving self-sustenance. These spaces support native biodiversity, ecological restoration, and community engagement. The Company had also undertaken an afforestation project planting 70000 trees across three villages, Sangapuram, P. Venkatapuram, and Kalavalapalle. The areas identified were mostly barren land with the objective of reviving the soil quality and strengthen water holding capacity to impact nearby farming land.

Aligned with its ESG commitment to improving access to safe drinking water for farmer communities, the Company installed 20 new RO water plants with borewell recharge and waste-water management systems, taking the total installations to over 80 across its operational areas. These initiatives continue to address the issue of drinking water quality and availability in rural communities.

To support farmer livelihoods, 122 community agri-sheds were constructed during the year, providing secure storage for agricultural produce and shelter for livestock, particularly during extreme weather conditions. These interventions help reduce post-harvest losses and improve income stability.

Expanding its water stewardship efforts to new geographies, GPIL constructed 3 rainwater harvesting structures in the water-stressed Guldhar region of Ghaziabad. These structures are intended to improve groundwater recharge and long-term water availability in areas surrounding the Company's manufacturing operations.

Recognising the importance of preventive healthcare, the Company scaled its health screening initiative, Swasth Pehal 2.0, through mobile medical units deployed across multiple locations. The program covered over 100 health parameters, including blood diagnostics, non-invasive screening, and eye examinations. During the year, more than 6,000 beneficiaries across nearly 200 locations were reached, supporting early detection of health conditions and promoting preventive healthcare awareness.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

The Company prioritises its customers, including channel partners and value chain partners, in all its decisions, aiming to deliver top-quality products, services, and experiences to foster customer satisfaction and loyalty. Operating in strict compliance with the Cigarette and Other Tobacco Products Act (COTPA), the Company responsibly adheres to all relevant rules and regulations. It ensures that all mandatory information is clearly displayed on product labels, as required by applicable laws governing product packaging and labelling.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

Ensuring customer satisfaction is a top priority for GPIL. The Company has established a structured complaint redressal system, with contact details printed on all products and available on its website for easy access. Complaints are received via email and telephone, managed through Standard Operating Procedures. Retailer and consumer grievances are logged at the grievance cell number, acknowledged by telecallers, and forwarded to the respective Area Manager for investigation and resolution. Once resolved, complaints are documented and closed, with monthly reports reviewed by the Regional Sales Manager. For Wholesale Dealers (WD), GPIL runs a dedicated WD Performance Management program, under which Area Sales Managers visit WD points quarterly to discuss performance, address concerns, and capture feedback. WDs can also escalate issues directly to the Sales Manager, Regional Sales Manager, or Head Office Sales Team. In addition, GPIL has policies such as the Whistle Blower Policy and Grievance Redressal Policy that provide further avenues for addressing complaints and ensuring transparency.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	GPIL propagates responsible usage and disposal on product packaging, going beyond mandated requirements. 100% of domestic cigarette products carry pictorial health warnings and the "not for sale to minors" message as required by law. In addition, the cigarette brand FSS carries an awareness message on all its packs in a specific market to promote safe disposal, accounting for 6% of total turnover. The Company also mobilizes retailers from time to time to educate consumers about responsible disposal of used packs. In its non-tobacco segment, GPIL promotes sustainable post-purchase behaviour through candy packaging. These packs carry pictorial information encouraging consumers to dispose responsibly and keep surroundings clean, along with disclosure of the percentage of recycled material used in the packaging. Currently, these products account for about 1% of total turnover.

Safe and responsible usage	100% of the domestic cigarette products carry pictorial health warning and not for sale to minors' message, as mandated by law. Signages for same are also placed on all point-of-sale outlets and retailers are communicated to not permit sale to minors or minors to be present at or operating the outlet. All domestic cigarette packs carry information about safe and responsible usage, and these amount to 75% of total turnover.
Recycling and/or safe disposal	GPIL promotes sustainable post purchase behaviour across both tobacco and non tobacco segments, going beyond mandated requirements. The cigarette brand FSS carries an awareness message on all its packs in a specific market to promote safe disposal, accounting for 6% of total turnover. In its non tobacco segment, GPIL promotes sustainable post purchase behaviour through candy packaging. These packs carry pictorial information encouraging consumers to dispose responsibly and keep surroundings clean, along with disclosure of the percentage of recycled material used in the packaging. Safe disposal messaging is also integrated to reinforce consumer awareness. Currently, these products account for about 1% of total turnover.

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	-	-
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

GPIL recognizes that delivering high quality products is crucial for enhancing customer experience, corporate reputation and sustaining long term success. To achieve this, the Company has implemented a robust Quality Management System aligned with ISO 9001 standards across its operations. This ensures that all products meet best in class industry standards, guaranteeing safety and quality. As a result of these stringent processes, GPIL has reported zero product recalls due to safety issues (DND stock) in the current reporting year.

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. GPIL places a high priority on data privacy and cybersecurity and is ISO27001 compliant. The Company's Information Security Policy provides a comprehensive framework for managing information security and raising awareness among stakeholders about IT infrastructure risks. This policy designates key roles for personnel such as the Head of IT and the Head of Cybersecurity.

In addition, the Cyber Crisis Management Plan complements the policy by detailing a response strategy for cyberattacks and cyberterrorism. This plan focuses on the rapid identification of threats, information sharing, and swift action to mitigate and recover from cyber incidents that impact critical business functions. Both the Information Security Policy and the Cyber Crisis Management Plan are readily accessible on the Company's intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of consumers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

GPIL operates fully in compliance with applicable laws. There have been no instances or cases that relate to corrective action on issues relating to advertising, delivery of services, cyber security and data privacy of consumers or relating to product recall or any penalty/ action by regulatory authorities.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

During the reporting year under consideration, there have been zero instances of data breaches.

b. Percentage of data breaches involving personally identifiable information of customers

Not applicable

c. Impact, if any, of the data breaches

Not applicable

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

In compliance with applicable legislation for both domestic and international markets, complete information about the organization's products and services is available on its corporate website at www.godfreyphillips.co.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

The Company strictly adheres to all applicable laws and legislations, especially the COTPA (Cigarettes and Other Tobacco Products Act, 2003 (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution)). This legislation, along with its associated rules and regulations, mandates that all tobacco products display pictorial health warnings and in adherence all cigarette packs manufactured by the Company feature the required statutory pictorial health warnings.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Not applicable as tobacco and cigarette products do not fall under the criteria of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

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 financial statements of Godfrey Phillips India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, 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 financial statements, including a summary of material 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 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, 2026, 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 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 4.1.1 and 26 of the standalone financial statements)	
For the year ended March 31, 2026 the Company has recognized Revenue from operations of Rs. 911,902 lakhs. 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 recognized before the control is transferred. This give rise to the risk that revenue is not recognized in the correct period.	Procedures included the following: - 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 to evaluate whether revenue was recognised in the correct period by either examining third party supporting documents such as bill of lading and lorry receipts or analyzing delivery lead time.

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 financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 the Management and Those Charged with Governance for the Standalone 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2026 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, based on our audit, 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 to the extent applicable, 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 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 standalone 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, 2026 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 financial statements – Refer Note 37 to the standalone 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 performed that have been 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.
- The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- As stated in note 18 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks and as explained in Note 51 of the Standalone Financial Statements, the Company has used accounting software, Oracle EBS for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company for transactions recorded on or after November 18, 2024 for Oracle EBS and has not been preserved for transactions recorded in SAP S4 Hana.

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

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner

Membership Number: 502405
UDIN: 26502405UYTAX07540

Place: New Delhi
Date: May 15, 2026

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.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (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, 2026.
- (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, 2026 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 provided loans to companies as follows:

	Loan Amount (in Rs. Lakhs)
Aggregate amount granted/ provided during the year - Subsidiary Companies	200
Balance outstanding as at balance sheet date in respect of above cases - Subsidiary Companies	804

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

(b) During the year, the terms and conditions of the grant of all loan to companies are not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loan granted to companies which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) Loans in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable have been complied with by the Company. The Company has not made any investments and has not given any loans /guarantees/ provided security to which the provisions of section 186 apply 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. The provisions relating to sales-tax and value added tax are not applicable to the Company.
- (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
CGST ACT 2017	GST	40,092	1,114	2017-18 to 2022-23	Commissioner (Appeals)
		3,006	60	2017-18 to 2021-22	GST Tribunal
		2,440	114	2017-18 and 2021-22	Deputy Commissioner (Appeals)
UP VAT Act,2008	VAT	69	69	2007-08	High Court
Central Excise Act,1944	Excise Duty	22	3	2010-11 and 2013-14	Additional Commissioner
		557	9	2009-10 to 2017-18	Customs, Excise and Service tax Appellate Tribunal
Income Tax Act,1961	Income Tax	187	187	1979-80 to 1982-83	High Court
		15	15	2009-10	ITAT
		6,106	1,469	2012-13 to 2018-19 , 2020-21 to 2023-24	CIT (Appeals)

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
Central Excise Act, 1944	Excise Duty	13,867	2002-03 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal
CGST Act 2017	GST	5	2020-21	Assistant Commissioner
Income Tax Act, 1961	Income Tax	209	1969, 1974 to 1977; 1991-92 and 1992-93	High Court

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) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(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 or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries 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) 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) 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 50 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 **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 26502405UYTAX07540

Place: New Delhi

Date: May 15, 2026

**Annexure 2 referred to in paragraph 2(g) under the heading
“Report on other legal and regulatory requirements” of our
report of even date on the standalone 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 financial statements of Godfrey Phillips India Limited (“the Company”) as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, 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 issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 26502405UYTAX07540

Place: New Delhi

Date: May 15, 2026



GODFREY PHILLIPS
—INDIA LIMITED—

STANDALONE BALANCE SHEET

as at March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

Particulars	Note No.	As at 31.3.2026	As at 31.3.2025
ASSETS			
Non-current assets			
Property, plant and equipment	6	61,713	51,804
Capital work-in-progress	6	16,730	2,123
Investment properties	7	3,750	3,855
Right of use assets	43	11,103	12,354
Intangible assets	8	763	1,197
Intangible assets under development	8	-	15
Financial assets			
- Investments	9	1,91,126	2,21,009
- Loans	10	2,478	3,406
- Other financial assets	15	646	519
Non current tax assets (Net)	24	2,319	2,319
Other non-current assets	16	12,598	13,213
Total non-current assets		3,03,226	3,11,814
Current assets			
Inventories	12	2,18,849	1,93,165
Financial assets			
- Investments	9	56,577	17,893
- Trade receivables	13	90,743	51,635
- Cash and cash equivalents	14	19	284
- Other bank balances	14	1,500	1,368
- Loans	10	652	513
- Other financial assets	15	31,672	2,459
Other current assets	16	30,940	21,637
Total current assets		4,30,952	2,88,954
Assets associated with discontinued operation	49	279	685
Total assets		7,34,457	6,01,453
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	3,120	1,040
Other equity	18	5,33,142	4,39,871
Total equity		5,36,262	4,40,911
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	19	10,313	12,034
- Other financial liabilities	20	95	107
Employee benefits obligations	21	1,574	2,113
Deferred tax liabilities (Net)	11	4,072	2,309
Total non-current liabilities		16,054	16,563
Current liabilities			
Financial liabilities			
- Borrowings	22	9,308	2,923
- Lease liabilities	19	3,583	2,793
- Trade payables	23		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		2,751	2,356
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		51,778	48,691
- Other financial liabilities	20	31,921	11,382
Other current liabilities	25	80,185	73,699
Employee benefits obligations	21	1,183	609
Income tax liabilities (Net)	24	1,268	447
Total current liabilities		1,81,977	1,42,900
Total liabilities		1,98,031	1,59,463
Liabilities associated with discontinued operation	49	164	1,079
Total equity and liabilities		7,34,457	6,01,453
Notes forming part of the financial statements	1-53		

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**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

VISHAL DHARIWAL
Chief Financial Officer

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

NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)
SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)
AVTAR SINGH MONGA
(DIN 00418477)

Directors

per **Naman Agarwal**
Partner
Membership No.: 502405

PUMIT KUMAR CHELLARAMANI
Company Secretary

CHARU MODI
(DIN 00029625)
Executive Director

Place: New Delhi
Date: 15th May, 2026

Place: New Delhi
Date: 15th May, 2026

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director



GODFREY PHILLIPS
—INDIA LIMITED—

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

Particulars	Note No.	Year ended 31.3.2026	Year ended 31.3.2025
Continuing operations			
I Revenue from operations	26	9,11,902	6,75,849
II Other income	27	46,412	41,394
III Total income (I+II)		9,58,314	7,17,243
IV Expenses			
Cost of materials consumed	28	1,89,243	1,51,144
Purchases of stock-in-trade	29	1,90,061	1,84,222
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(25,031)	(10,095)
Excise duty		2,72,983	1,15,647
Employee benefits expenses	31	43,142	39,011
Finance costs	32	1,158	1,216
Depreciation, impairment and amortisation expenses	6	11,671	11,970
Other expenses	33	83,039	79,923
Total expenses		7,66,266	5,73,038
V Profit before tax from continuing operations (III-IV)		1,92,048	1,44,205
VI Tax expense:	11		
- Current tax		39,631	30,673
- Deferred tax charge/(credit)		1,739	1,154
		41,370	31,827
VII Profit for the year from continuing operations (V-VI)		1,50,678	1,12,378
Discontinued operation	49		
(i) Profit/ (Loss) before tax from discontinued operation		94	(10,768)
(ii) Tax (expense)/ benefit from discontinued operation		(24)	2,710
VIII Profit/(Loss) for the year from discontinued operation (i-ii)		70	(8,058)
IX Profit for the year (VII+VIII)		1,50,748	1,04,320
X Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
(a) Gain on remeasurements of the defined benefit/contribution plans	42	69	114
(ii) Tax relating to items that will not be reclassified to profit or loss	11	(17)	(29)
Total other comprehensive income, net of tax (a+b)		52	85
XI Total comprehensive income for the year (IX+X)		1,50,800	1,04,405
Basic and Diluted Earnings per share for continuing operations in Rs.	35	96.60	72.05
(Face value of share - Rs. 2 each)			
Basic and Diluted Earnings per share for discontinued operation in Rs.	35	0.04	(5.17)
(Face value of share - Rs. 2 each)			
Basic and Diluted Earnings per share for continuing operations and discontinued operation in Rs.	35	96.64	66.88
(Face value of share - Rs. 2 each)			
Notes forming part of the financial statements	1-53		

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**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

VISHAL DHARIWAL
Chief Financial Officer

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

NIRMALA BAGRI
(DIN 01081867)
SUMANT BHARADWAJ
(DIN 08970744)
SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)
AVTAR SINGH MONGA
(DIN 00418477)

Directors

per **Naman Agarwal**
Partner
Membership No.: 502405

PUMIT KUMAR CHELLARAMANI
Company Secretary

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

Place: New Delhi
Date: 15th May, 2026

Place: New Delhi
Date: 15th May, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

(a) Equity share capital (Note 17)

Equity Shares of Rs.2 each issued, subscribed and fully paid	Amount
Balance at April 1, 2024	1,040
Changes in equity share capital during the year	-
Balance at March 31, 2025	1,040
Issue of bonus shares during the year	2,080
Balance at March 31, 2026	3,120

(b) Other equity (Note 18)

	Reserves and surplus			Other Reserve	
	General reserves	Capital redemption reserve	Retained earnings	Employee share based payment reserve	Total
Balance at April 1, 2024	37,431	30	3,45,162	455	3,83,078
Profit for the year	-	-	1,04,320	-	1,04,320
Other comprehensive income for the year, net of income-tax	-	-	85	-	85
Total comprehensive income	-	-	1,04,405	-	1,04,405
Payment of dividends (Rs.56 per equity share)	-	-	(29,117)	-	(29,117)
Payment of Interim dividend (Rs.35 per equity share)	-	-	(18,137)	-	(18,137)
Recognition of employee share based payment expense (Refer Note No.48)	-	-	-	402	402
Exercise of shares under ESPS 2023	-	-	(305)	(455)	(760)
Balance at March 31, 2025	37,431	30	4,02,008	402	4,39,871
Profit for the year	-	-	1,50,748	-	1,50,748
Other comprehensive income for the year, net of income-tax	-	-	52	-	52
Total comprehensive income	-	-	1,50,800	-	1,50,800
Payment of dividends (Rs. 60 per equity share)	-	-	(31,196)	-	(31,196)
Payment of Interim dividend (Rs.17 per equity share)	-	-	(26,517)	-	(26,517)
Transfer to Share Capital from General Reserves for bonus issue	(2,080)	-	-	-	(2,080)
Recognition of employee share based payment expense (Refer Note No.48)	-	-	-	3,005	3,005
Exercise of shares under ESPS 2024	-	-	990	(1,731)	(741)
Balance at March 31, 2026	35,351	30	4,96,085	1,676	5,33,142

Notes forming part of the financial statements 1-53

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR CHELLARAMANI
Company Secretary

Place: New Delhi
Date: 15th May, 2026

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(DIN 00048606)
Chairperson, Managing Director & CEO

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Executive Director

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Whole-time Director

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LAKSHMINARAYANAN
(DIN 02808698)

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(DIN 00418477)

Directors



GODFREY PHILLIPS
—INDIA LIMITED—

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

Particulars	For the year ended 31.3.2026	For the year ended 31.3.2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	1,92,048	1,44,205
Profit/(Loss) before tax from discontinued operation	94	(10,768)
Profit before tax from continuing operations and discontinued operation	1,92,142	1,33,437
Adjustments to reconcile profit before tax to net cash flows		
Depreciation, impairment and amortisation expenses	11,671	14,844
Interest income from:		
- Debts, deposits, loans and advances, etc.	(439)	(554)
- Non-current investments	(969)	(993)
Dividend income	(25,917)	(19,409)
Net gain on sale/redemption/fair value of long term investments	(12,633)	(14,693)
Net gain on sale/redemption/fair value of short term investments	(2,731)	(1,838)
Unrealised foreign exchange loss (net)	1,598	760
Interest expenses		
- On borrowings	32	44
- On lease liabilities	1,041	1,513
- Others	49	62
Bad debts and advances written off	82	220
Liabilities and provisions no longer required, written back	(6)	(145)
Provision for doubtful debts and advances (net)	-	25
Property, plant and equipment and intangible assets written off	458	1,754
(Gain)/Loss on sale of property, plant and equipment (net)	(116)	544
Gain on termination/concession in leases	(20)	(3,263)
Employee share based payment expense	3,005	402
	(24,895)	(20,727)
Operating profit before working capital changes	1,67,247	1,12,710
Working Capitals Adjustments:		
Increase in Trade receivables, loans, other financial assets and other assets	(51,344)	(44,399)
Increase in Inventories	(52,260)	(55,604)
Increase in Trade payables, other financial liabilities, other liabilities and provisions	26,299	25,486
	(77,305)	(74,517)
Cash generated from operating activities	89,942	38,193
Income taxes paid (net of refund)	(38,775)	(26,724)
Net cash generated from operating activities	51,167	11,469
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work in progress, investment properties, intangible assets and intangible assets under development	(30,838)	(16,113)
Proceeds from sale of property, plant and equipment, capital work in progress, investment properties, intangible assets and intangible assets under development	871	719
Loan repaid from/(paid to) subsidiary company (Refer Note No.46)	196	(1,000)
Purchase of other current and non-current investments	(12,43,750)	(7,60,000)
Investment made in subsidiary company	-	(10)
Proceeds from sale/redemption of other current and non-current investments	12,50,313	7,95,883
Dividend received	25,917	19,409
Interest received	1,465	1,539
Short term fixed deposits/released (made) (net)	56	(172)
Net cash generated from investing activities	4,230	40,255
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,118)	(1,619)
Dividend paid	(57,525)	(47,045)
Payment of lease liabilities	(3,216)	(3,336)
Refund from Godfrey Phillips ESPS Trust (net) (Refer Note No. 46)	-	1,059
Net cash used in financing activities	(61,859)	(50,941)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(6,462)	783
Cash and cash equivalents at the beginning of the year	(1,794)	(2,577)
Cash and cash equivalents at the end of the year (Refer Note 1 below)	(8,256)	(1,794)
Note 1:		
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
	As at 31.3.2026	As at 31.3.2025
Cash and cash equivalents (Refer Note No.14)	19	284
Earmarked unpaid dividend accounts* (Refer Note No.14)	1,033	845
Overdraft	(9,308)	(2,923)
Total	(8,256)	(1,794)
**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

1-53

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

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Membership No.: 502405

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Place: New Delhi
Date: 15th May, 2026

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Directors

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

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 and tobacco products and trading of cigarettes, 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 standalone financial statements were approved for issue by the Board of Directors on May 15, 2026.

2. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (as amended) herein after referred to as "the Act" read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III of the Act, as amended from time to time and Ind AS compliant Schedule III as applicable to these standalone financial statements.

3. Basis of preparation and presentation

3.1. Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and employee share based payments that are measured at fair values, 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. The financial statements are presented in rupees lakhs except when otherwise indicated. "0" denotes value of transactions and balances less than Rs.0.50 lakhs.

3.2. Use of estimates

The preparation of these standalone 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. Material accounting policies information

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 0-180 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).

(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. 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.

4.2.1. 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.

4.2.2. 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.

4.2.3 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 (Refer Note 43) and the estimated useful life of the underlying asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 4.9. 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.

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

4.3. Foreign currencies

4.3.1. Functional and presentational currency

The Company's standalone 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.

4.3.2. 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.

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).

4.4. Taxation

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

4.4.1. 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.

4.4.2. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

1. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
2. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

1. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
2. In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

4.4.3. 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.

4.5. Employee benefits

4.5.1. 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.

4.5.2. 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.

As per the policies of the Company, there are restrictions on the number of leaves an employee can avail or encash during the year. Leaves where either the employee has unconditional right to utilise the same or encash or the management intends to allow the employees to utilise them in the next twelve months are categorised as current and the balance as non-current.

4.5.3. 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.

4.5.4. 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.

4.5.5. 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.

4.6. Property, plant and equipment

4.6.1. 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.

4.6.2. 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.

4.6.3. Depreciation

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

Depreciation on property, plant and equipment is recognised on straight-line method to allocate their cost, net of residual values, over their estimated useful lives based on management assessment, which is the same as the lives as prescribed under Schedule II of the Companies Act, 2013 as given below:

Buildings	30 - 60 years
Leased office buildings and warehouses	2 - 18 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	3 - 8 years
Leasehold land	45 - 99 years

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

Freehold land is not amortised.

The ROU assets are depreciated on a straight line basis over the shorter of the lease term (Refer Note 43) and the estimated useful life of the underlying asset (Refer Note No. 4.2.3).

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%.

4.7. Investment properties

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.

4.8. Intangible assets

4.8.1. 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.

4.8.2. 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.



4.8.3. 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. 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.

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.

4.10. 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.

4.11. Provisions and contingencies

4.11.1. 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.

4.11.2. 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.

4.12. 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.

4.12.1. Financial assets

4.12.1.1. Initial recognition and measurement

All financial assets are recognised initially at fair value and in the case of financial assets not subsequently measured at fair value through profit or loss, includes 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.

4.12.1.2. 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 amortised 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:

Financial assets at fair value through OCI (FVTOCI) (debt instruments) A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation for the issuer and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity investment which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the P&L when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at FVTPL:

Financial assets at fair value through profit or loss Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income on equity investments are recognised in the P&L as other income when the right of payment has been established.

4.12.1.3. 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.

4.12.1.4. 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.

4.12.1.5. 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.

4.12.2. Financial liabilities

4.12.2.1. Initial recognition and measurement

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

4.12.2.2. 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.

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.

4.12.2.3. 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.

4.13. 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.

4.14. 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 overdraft as they are considered an integral part of the company's cash management and balance in unclaimed dividend accounts and corporate social responsibility unspent account.

4.15. 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.

4.16. Fair value measurement

The Company measures financial instruments 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 standalone 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 standalone 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.

4.17. 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.

4.18. 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.

4.19. Employee share based payment

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

4.20. Discontinued Operation

Discontinued operation is a component of the Company that has been disposed of and represents a major line of business.

Discontinued operation is excluded from the results of continuing operations and presented separately as profit or loss from discontinued operation, tax expense/ (benefit) of discontinued operation and profit or loss after tax from discontinued operation, in the statement of profit and loss.

Additional disclosures are provided in Note No. 49. All other notes to the standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

4.21. Application of new Standards and amendments

The Company has adopted, with effect from April 01, 2025, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 21- The Effects of Changes in Foreign Exchange Rates, regarding assessment of exchangeable currency, determination of spot exchange rate when exchangeability is lacking and related disclosures.
2. Amendments to Ind AS 7- Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures, regarding supplier finance arrangements.
3. Amendments to Ind AS 1- Presentation of Financial Statements, regarding classification of liabilities as current or non-current and non-current liabilities with covenants.
4. Amendments to Ind AS 12- Income Taxes, regarding international tax reform- pillar two model rules.

4.22. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Second Amendment Rules, 2025 dated August 13, 2025 resulting in amendments in Ind AS 1- Presentation of Financial Statements and Ind AS 10- Events after the reporting period, whereby any waiver of a breach of a debt covenant received after the reporting date would be treated as a non-adjusting event

These amendments are effective from April 01, 2026 retrospectively in accordance with Ind AS 8. The 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 standalone financial statements requires management of the Company to make judgements, estimates and assumptions that involves measurement uncertainty and 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 standalone financial statements:

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 standalone 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.



(All amounts are in Rs. lakhs unless otherwise stated)

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

	As at 31.3.2026	As at 31.3.2025								
Carrying amount of:										
Property, plant and equipment	61,713	51,804								
Capital work-in-progress	16,730	2,123								
Property, plant and equipments and capital work in progress	Freehold land**	Buildings */**	Leasehold building improvements	Plant and machinery	Electrical installation and equipments	Computers and information technology equipments	Furniture, fixtures and office equipments	Motor vehicles	Capital work-in- progress	Total
Cost										
Balance at April 1, 2024	959	20,396	8,559	82,656	1,032	2311	8,966	3,516	954	1,29,349
Additions	-	156	14	9,125	17	265	316	205	10,042	20,140
Capitalised	-	-	-	-	-	-	-	-	(8,781)	(8,781)
Reclassification#	-	(1,074)	-	-	-	-	-	-	-	(1,074)
Disposals	-	-	(3,426)	(3,834)	(137)	(392)	(1,444)	(70)	-	(9,303)
Discontinued operations (Refer Note No. 49)	-	(16)	(1,705)	(887)	(506)	(653)	(378)	(35)	(92)	(4,272)
Balance at March 31, 2025	959	19,462	3,442	87,060	406	1,531	7,460	3,616	2,123	1,26,059
Additions	-	8	-	17,576	1	292	319	482	26,274	44,952
Capitalised	-	-	-	-	-	-	-	-	(11,667)	(11,667)
Disposals	-	-	(1)	(327)	(7)	(191)	(1,398)	(1,718)	-	(3,642)
Balance at March 31, 2026	959	19,470	3,441	1,04,309	400	1,632	6,381	2,380	16,730	1,55,702
Accumulated depreciation										
Balance at April 1, 2024	-	6,008	4,718	54,004	550	1,502	4,218	1,539	-	72,539
Depreciation expense	-	622	412	5,400	39	267	1,081	362	-	8,183
Reclassification#	-	(407)	-	-	-	-	-	-	-	(407)
Impairment**	79	904	-	-	-	-	-	-	-	983
Eliminated on disposals of assets	-	-	(1,977)	(3,046)	(64)	(339)	(842)	(39)	-	(6,307)
Discontinued operations (Refer Note No. 49)	-	(5)	(1,328)	(573)	(237)	(518)	(166)	(32)	-	(2,859)
Balance at March 31, 2025	79	7,122	1,825	55,785	288	912	4,291	1,830	-	72,132
Depreciation expense	-	569	258	5,155	21	287	988	278	-	7,556
Eliminated on disposals of assets	-	-	(1)	(273)	(7)	(174)	(982)	(992)	-	(2,429)
Balance at March 31, 2026	79	7,691	2,082	60,667	302	1,025	4,297	1,116	-	77,259
Net book value										
Balance at March 31, 2026	880	11,779	1,359	43,642	98	607	2,084	1,264	16,730	78,443
Balance at March 31, 2025	880	12,340	1,617	31,275	118	619	3,169	1,786	2,123	53,927

Notes:

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

**1. The Hon'ble Supreme Court had in an earlier year held that the land at Satbari, New Delhi had been acquired by the Delhi Development Authority (DDA). Consequently, the Company during the year ended March 31, 2025, impaired the carrying value of land and building thereupon.

2. The Company had provided an office space situated at one of its properties in New Delhi to Mr. Samir Kumaar Modi in his capacity as an Executive Director of the Company to carry out his official duties as a director of the Company. Even though Mr. Samir Kumaar Modi ceased to be a director of the Company w.e.f close of business on September 6, 2024, he has not vacated the said office space and continues to be in possession of the same. The Company is pursuing the matter with Mr. Samir Kumaar Modi for gaining peaceful possession of the same along with compensation for use of the assets by him beyond his tenure of employment.

Office building located in Delhi reclassified to Investment property based on future expected use as per IndAS 40, Investment Property.

For lien or charge against property, plant and equipment, refer Note No. 22.

Depreciation, amortisation and impairment expenses

	Continuing Operations		Discontinued Operation		Total	
	Note no.	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2025
a) Depreciation and amortisation expenses						
Property, plant and equipment	6	7,556	7,891	-	292	8,183
Investment properties	7	105	68	-	-	68
Intangible assets	8	449	439	-	16	455
Right of use assets	43	3,561	2,589	-	1,107	3,696
Total		11,671	10,987	-	1,415	12,402
b) Impairment expenses						
Property, plant and equipment and capital work-in-progress	-	-	983	-	1,393	2,376
Intangible assets	-	-	-	-	66	66
Total		11,671	11,970	-	2,874	14,844

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	1,951	90	76	6	2,123
Balance as at March 31, 2025	1,951	90	76	6	2,123
Projects in progress	15,634	195	2	6	15,837
Projects temporarily suspended	-	823	70	-	893
Balance as at March 31, 2026	15,634	1,018	72	6	16,730

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



(All amounts are in Rs. lakhs unless otherwise stated)

7. Investment Property

Cost	Freehold Land	Building	Total
Balance as at April 1, 2024	2	3,686	3,688
Reclassification (Refer Note No. 6)	-	1,074	1,074
Balance as at March 31, 2025	2	4,760	4,762
Balance at March 31, 2026	2	4,760	4,762
Accumulated depreciation and impairment			
Balance as at April 1, 2024	-	432	432
Depreciation expense	-	68	68
Reclassification (Refer Note No. 6)	-	407	407
Balance as at March 31, 2025	-	907	907
Depreciation expense	-	105	105
Balance at March 31, 2026	-	1,012	1,012
Carrying amount			
Balance at March 31, 2026	2	3,748	3,750
Balance as at March 31, 2025	2	3,853	3,855

Information regarding income and expenditure of investment properties

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, New Delhi and Bazpur, Uttarakhand.

	Year ended 31.3.2026	Year ended 31.3.2025
Rental income derived from investment properties	35	-
Direct operating expenses (including repairs and maintenance) arising from investment properties that generate rental income	-	-
Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income	510	148
Loss arising from investment properties before depreciation and indirect expenses	(475)	(148)
Depreciation expense	(105)	(68)
Loss arising from investment properties before indirect expenses	(580)	(216)

Fair valuation of the properties

The following table provides an analysis of investment properties and their fair values:

Fair Valuation of the properties	Year ended 31.3.2026	Year ended 31.3.2025
Located in Delhi	2,731	2,571
Located in Maharashtra	59,605	43,188
Located in Uttarakhand	1,394	1,337
	63,730	47,096

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, 2026	As on March 31, 2025
Located in Delhi				
Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	1,70,000	1,60,000
Located in Maharashtra				
Factory Land and Building (including Godown)	Market Value Method	Industrial rate for sales (Rs./Sq. Ft.)	16,000 to 26,000	16,000 to 18,000
Residential Land and Building	Market Value Method	Residential rate for sales (Rs./Sq. Ft.)	32,000 to 80,000	31,000 to 76,000
Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	31,000	31,000
Located in Uttarakhand				
Factory Land and Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	4,500 to 6500	4,000 to 7,100

Significant increases / (decreases) in the assumptions in isolation or with combined effect would accordingly result in significantly higher / (lower) fair value of the properties.



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025	
8. Intangible assets and Intangible assets under development			
Carrying amount of:			
Intangible assets	763	1,197	
Intangible assets under development	-	15	
	763	1,212	
Intangible assets	Computer Software	Intangible assets under development	Total
Cost			
Balance at April 1, 2024	3,508	6	3,514
Additions	92	100	192
Capitalised	-	(91)	(91)
Disposals	(5)	-	(5)
Discontinued Operation* (Refer Note No.49)	(558)	-	(558)
Balance at March 31, 2025	3,037	15	3,052
Additions	15	-	15
Capitalised	-	(15)	(15)
Balance at March 31, 2026	3,052	-	3,052
Accumulated amortisation			
Balance at April 1, 2024	1,882	-	1,882
Amortisation expense	455	-	455
Disposals	(5)	-	(5)
Discontinued Operation* (Refer Note No.49)	(492)	-	(492)
Balance at March 31, 2025	1,840	-	1,840
Amortisation expense	449	-	449
Balance at March 31, 2026	2,289	-	2,289
Net book value			
Balance at March 31, 2026	763	-	763
Balance at March 31, 2025	1,197	15	1,212

*Impairment of intangible assets attributable to discontinued operation is Rs.Nil (previous year Rs.66 lakhs) (Refer Note No.49)

Intangible assets under development ageing schedule

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15	-	-	-	15
Balance as at March 31, 2025	15	-	-	-	15
Projects in progress	-	-	-	-	-
Balance as at March 31, 2026	-	-	-	-	-

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

9. Financial assets - Investments	As at 31.3.2026	As at 31.3.2025
Non-current		
Investment in equity instruments (carried at cost)		
- Subsidiary Companies (Refer Note No. 9.1)	10,334	10,334
- Associate Companies (Refer Note No. 9.2)	606	606
Contribution in Godfrey Phillips ESPS Trust (Refer Note 48) (Rs.10,000 (previous year Rs.10,000))	0	0
Investment in mutual funds	1,74,942	2,02,505
Investment-others	5,244	7,564
Current	1,91,126	2,21,009
Investment in mutual funds	54,280	13,083
Investment-others	2,297	4,810
	56,577	17,893
Aggregate value of unquoted investments non-current	10,940	10,940
Aggregate value of quoted investments non-current	1,80,186	2,10,069
Aggregate value of quoted investments current	56,577	17,893
Market value of quoted investments non-current	1,80,264	2,10,111
Market value of quoted investments current	56,575	17,801

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
Classification of investments as per Ind AS 109		
Investments carried at fair value through profit or loss (FVTPL)	2,29,296	2,15,685
Investments carried at amortised cost	7,467	12,277
	2,36,763	2,27,962
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	3,250	3,250
Chase Investments Limited		
2,01,210 Equity shares of Rs.100 each fully paid up	360	360
1,58,490 Equity shares of Rs.100 each Rs.50 paid up	79	79
Friendly Reality Projects Limited		
25,605 Equity shares of Rs. 100 each fully paid up	6,635	6,635
White Horse Realty Limited		
1,00,000 Equity shares of Rs. 10 each fully paid up	10	10
	10,334	10,334
9.2 Investment in associates		
Break-up of investment in associates (carrying amount at cost)		
Unquoted investment		
Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)		
49,60,000 Equity shares of Rs. 10 each fully paid up	496	496
KKM Management Centre Private Limited		
11,02,500 Equity shares of Rs.10 each fully paid up	110	110
	606	606
	10,940	10,940
10. Financial assets - Loans (carried at amortised cost) (unsecured considered good unless otherwise stated)		
	As at 31.3.2026	As at 31.3.2025
Non-current		
Loans to related parties (Refer Note No.46)		
- Loan to Subsidiary	804	1,000
Loans to employees		
- Loan to key managerial personnel (Refer Note No.46)	490	630
- Loan to other employees	1,184	1,776
	2,478	3,406
Current		
Loans to employees		
- Loan to key managerial personnel (Refer Note No.46)	140	129
- Loan to other employees	512	384
	652	513
Total	3,130	3,919

(All amounts are in Rs. lakhs unless otherwise stated)

11. Income taxes	Year ended 31.3.2026	Year ended 31.3.2025
The major components of Income tax expenses are:		
Statement of profit and loss:		
Current income tax expense/(credit)		
Continuing operations	39,631	30,673
Discontinued operation (Refer Note No. 49)	-	(2,887)
Deferred tax		
Continuing operations	1,739	1,154
Discontinued operation (Refer Note No. 49)	24	177
Total income tax expense recognised in the statement of profit and loss	41,394	29,117
Statement of Other Comprehensive Income:		
Current income tax		
In respect of the current year	17	29
Income tax expense to OCI	17	29
The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:		
Profit before tax from continuing operations	1,92,048	1,44,205
Profit/(Loss) before tax from discontinued operation	94	(10,768)
Profit before tax from continuing operations and discontinued operation	1,92,142	1,33,437
Income tax expense calculated at corporate tax rate of 25.168%	48,358	33,584
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	(1,091)	(963)
Effect of items that are not deductible in determining taxable profit (net)	726	1,209
Deduction under section 80M of Income Tax Act, 1961	(6,523)	(4,885)
Others	(76)	172
At the effective income tax rate of 21.54% (Previous year: 21.82%)	41,394	29,117

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, 2026				
Deferred tax assets in relation to:				
Provisions for compensated absences	685	9	-	694
Accrued expenses deductible on payment basis	342	(74)	-	268
Other financial assets (Net)	60	(32)	-	28
Provision for doubtful debts and advances	85	-	-	85
Right of use asset (net on lease liabilities)	730	78	-	808
	1,902	(19)	-	1,883



(All amounts are in Rs. lakhs unless otherwise stated)

	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	(4,306)	(1,467)	-	(5,773)
Property, plant and equipments, intangible assets and investment properties	95	(277)	-	(182)
	(4,211)	(1,744)	-	(5,955)
Net deferred tax liabilities	(2,309)	(1,763)	-	(4,072)
For the year ended March 31, 2025				
Deferred tax assets in relation to:				
Provisions for compensated absences	735	(50)	-	685
Accrued expenses deductible on payment basis	410	(68)	-	342
Other financial assets (Net)	164	(104)	-	60
Provision for doubtful debts and advances	79	6	-	85
Right of use asset (net of lease liabilities)	1,472	(742)	-	730
Provision for employee benefits - Others (Refer Note No. 21)	228	(228)	-	-
	3,088	(1,186)	-	1,902
Deferred tax liabilities in relation to:				
Investment in mutual funds and market linked debentures fair valued through profit or loss	(3,082)	(1,224)	-	(4,306)
Property, plant and equipments, intangible assets and investment properties	(984)	1,079	-	95
	(4,066)	(145)	-	(4,211)
Net deferred tax liabilities	(978)	(1,331)	-	(2,309)

	As at 31.3.2026	As at 31.3.2025
12. Inventories		
(Lower of cost and net realisable value)		
Raw and packing materials (Net of provision of Rs.172 lakhs; previous year Rs.Nil)	1,64,808	1,64,585
Work-in-process	1,573	940
Finished goods*	33,814	14,941
Stock-in-trade	16,958	11,433
Stores and spare parts (Net of provision of Rs.423 lakhs; previous year Rs. 529 lakhs)	1,696	1,266
	2,18,849	1,93,165
Inventories include in-transit inventory of:		
Raw and packing materials	2,939	4,297
Finished goods	964	111
Stock-in-trade	13	5,444
Stores and spare parts	188	-

Pursuant to amendment in indirect tax structure during the year, finished goods and stock-in-trade as at March 31, 2026 are not comparable with the previous year. (Refer Note No.26)

Inventories of the Company have been pledged as security against borrowings (Refer Note No. 22)

*Includes excise duty of Rs. 28,086 lakhs (Previous year Rs. 6,652 lakhs)

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
13. Financial assets - Trade receivables (at amortised cost)		
Unsecured - considered good	59,953	42,442
Unsecured - considered good - receivable from Associate (Refer Note No.46)	30,790	9,193
Unsecured - doubtful	188	188
	90,931	51,823
Less: Impairment allowance	188	188
Total	90,743	51,635

The average credit period on sale of goods ranges upto 180 days. Generally no interest is charged on trade receivables.
The total trade receivable as at April 1, 2024 were Rs. 17,287 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	86,257	4,052	389	45	-	-	90,743
(b) Undisputed trade receivables							
- doubtful	-	-	-	25	-	163	188
Balance as at 31 March, 2026	86,257	4,052	389	70	-	163	90,931
(a) Undisputed trade receivables							
- considered good	47,593	4,038	1	2	-	1	51,635
(b) Undisputed trade receivables							
- doubtful	-	10	15	-	-	163	188
Balance as at 31 March, 2025	47,593	4,048	16	2	-	164	51,823

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

	As at 31.3.2026	As at 31.3.2025
14. Financial assets - Cash and bank balances		
Cash and cash equivalents		
Cash on hand	7	8
Balances with banks		
- In current accounts	12	276
	19	284
Other bank balances:		
In earmarked accounts for		
- Margin money*	465	521
- Unpaid dividend**	1,033	845
- Fixed deposit receipts lodged with government authorities	2	2
	1,500	1,368
Cash and bank balances	1,519	1,652

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

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

	As at 31.3.2026	As at 31.3.2025
15. Other financial assets (at amortised cost) (unsecured considered good unless otherwise stated)		
Non-current		
Security deposits	646	519
	646	519
Current		
Security deposits	136	174
Interest accrued on bank and other deposits	343	452
Insurance claim receivable*	28,436	-
Other receivables (Refer Note No. 46)	2,757	1,833
	31,672	2,459

* On October 10, 2025, a fire broke out in the tobacco processing plant and inventory warehouse operated by a third-party, located at District Prakasam in Andhra Pradesh. The Company has filed a claim with the insurance company against the loss of inventories and input tax credits aggregating to Rs.28,436 lakhs besides additional claim of loss of profit. The process of assessment of entire claim settlement is underway. The Company expects to fully recover its losses occurred in the fire accident.

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
16. Other assets		
(unsecured considered good unless otherwise stated)		
Non-current		
Capital advances	5,528	7,232
Prepaid expenses	1,633	2,559
Prepayment to suppliers	5,437	3,422
	12,598	13,213
Current		
Balance with government authorities (net of impairment allowance of Rs. 151 lakhs; previous year Rs. 151 Lakhs)	26,461	16,958
Prepaid expenses	2,857	1,384
Export incentives accrued/available	18	17
Prepayment to suppliers	1,389	2,954
Others (Also refer Note No. 46)	215	324
	30,940	21,637
17. Equity share capital	As at	As at
Authorised	31.3.2026	31.3.2025
60,000 preference shares of Rs. 100 each	60	60
24,70,00,000 (Previous Year 12,20,00,000) equity shares of Rs. 2 each	4,940	2,440
	5,000	2,500
Issued, subscribed and fully paid up		
15,59,81,760 (Previous Year 5,19,93,920) equity shares of Rs. 2 each	3,120	1,040

- (i) During the financial year ended March 31, 2026, the authorised share capital was increased by Rs.2500 lakhs i.e 125,000,000 equity shares of Rs.2 each and the issued, subscribed and fully paid up share capital was increased by 103,987,840 equity shares as fully paid up bonus equity shares were allotted in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each. There were no other shares issued for consideration other than cash or shares brought back in the last five years.

Reconciliation of number of equity shares outstanding	As at 31.3.2026		As at 31.3.2025	
	Number of shares	Rs. lakhs	Number of shares	Rs. lakhs
As at beginning of the year	51993920	1,040	51993920	1,040
Add: Issue of Bonus Shares	103987840	2,080	-	-
As at end of the year	155981760	3,120	51993920	1,040

- (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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

- (iii) Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31.3.2026		As at 31.3.2025	
	Number of shares	% holding	Number of shares	% holding
a) K K Modi Investment & Financial Services Pvt. Ltd.	46553748	29.85%	15517916	29.85%
b) Philip Morris Global Brands Inc.	39151425	25.10%	13050475	25.10%
c) Good Investment (India) Ltd.	12927660	8.29%	4309220	8.29%

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, 2026

Name of the promoter	Number of shares as at 01.4.2025	Change during the year*	Number of shares as at 31.3.2026	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15517916	31035832	46553748	29.85%	0.00%
b) Philip Morris Global Brands Inc	13050475	26100950	39151425	25.10%	0.00%
c) Good Investment (India) Ltd.	4309220	8618440	12927660	8.29%	0.00%
d) Quick Investment (India) Ltd.	2235800	4471600	6707400	4.30%	0.00%
e) Super Investment (India) Ltd	527260	1054520	1581780	1.01%	0.00%
f) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Offices) Welfare Trust	386280	772560	1158840	0.74%	0.00%
g) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Welfare Trust	380000	760000	1140000	0.73%	0.00%
h) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	617120	925680	0.59%	0.00%
i) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	617120	925680	0.59%	0.00%
j) K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	282720	424080	0.27%	0.00%
k) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	216440	324660	0.21%	0.00%
l) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	201120	301680	0.19%	0.00%
m) Longwell Investment Pvt Ltd	80000	160000	240000	0.15%	0.00%
n) Swasth Investment Pvt Ltd	80000	160000	240000	0.15%	0.00%
o) Motto Investment Pvt Ltd	34000	68000	102000	0.07%	0.00%
p) HMA Udyog Private Ltd	122228	244456	366684	0.24%	0.00%
q) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	45680	68520	0.04%	0.00%
r) Divya Modi Tongya	11500	23000	34500	0.02%	0.00%
s) Ritika Nikhil Rungta	5440	10880	16320	0.01%	0.00%
t) Bina Modi	3000	6000	9000	0.01%	0.00%
u) Ruchir Kumar Lalit Modi	2000	4000	6000	0.00%	0.00%
v) Samir Kumaar Modi	2250	4500	6750	0.00%	0.00%
w) Charu Modi	10	20	30	0.00%	0.00%
Total	37737479	75474958	113212437	72.58%	0.00%

* Change pursuant to bonus issue in the ratio of 2:1

(All amounts are in Rs. lakhs unless otherwise stated)

As at March 31, 2025

Name of the promoter	Number of shares as at 01.4.2024	Change during the year	Number of shares as at 31.3.2025	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15517916	-	15517916	29.85%	0.00%
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) Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
n) Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o) Motto Investment Pvt Ltd	34000	-	34000	0.07%	0.00%
p) HMA Udyog Private Ltd	122228	-	122228	0.24%	0.00%
q) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
r) Divya Modi Tongya	11500	-	11500	0.02%	0.00%
s) Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
t) Bina Modi	3000	-	3000	0.01%	0.00%
u) Ruchir Kumar Lalit Modi	2000	-	2000	0.00%	0.00%
v) Samir Kumaar Modi	2000	250	2250	0.00%	12.50%
w) Charu Modi	10	-	10	0.00%	0.00%
Total	37737229	250	37737479	72.58%	0.00%



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
18. Other equity		
Capital redemption reserve	30	30
General reserve	35,351	37,431
Retained earnings	4,96,085	4,02,008
Employee shared based payment reserve (Refer Note No. 48)	1,676	402
	5,33,142	4,39,871

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. During the current year Rs.2080 lakhs has been transferred to Share Capital pursuant to issue of bonus equity shares.

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, 2026, the directors have in the board meeting held on May, 15, 2026, proposed a dividend of Rs. 33 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. 51,474 lakhs.

Employee share based payment reserve:

Share based payment reserve is created to recognise on fair value, the expense of equity shares granted to eligible employees of the Company under Employee Share Purchase Scheme.

	As at 31.3.2026	As at 31.3.2025
19. Financial liabilities - Lease liabilities		
Non-current		
Lease liabilities (Refer Note No.43)	10,313	12,034
	10,313	12,034
Current		
Lease liabilities (Refer Note No.43)	3,583	2,793
	3,583	2,793

	As at 31.3.2026	As at 31.3.2025
20. Other financial liabilities		
Non-current		
Security deposits - at amortised cost	95	107
	95	107
Current		
Interest accrued but not due on borrowings	5	1
Payable to related parties (Refer Note No.46)	13,395	51
Unclaimed dividends	1,033	845
Payable to gratuity fund (Refer Note No.42)	424	238
Liability towards suppliers of property, plant & equipments and intangible assets	1,167	424
Security deposits - at amortised cost	13	14
Employee payables	15,884	9,809
	31,921	11,382

	As at 31.3.2026	As at 31.3.2025
21. Employee benefit obligations		
Non-current		
-Provision for compensated absences	1,574	2,113
	1,574	2,113
Current		
-Provision for compensated absences	1,183	609
	1,183	609

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
22. Financial liabilities - Borrowings		
Current borrowings-carried at amortised cost		
Secured		
Bank overdraft*	9,308	2,923
Total current borrowings	9,308	2,923

Details of security and terms of above loans:

*The above current borrowing carries interest ranging from 7.85% to 10.10% per annum and is secured against hypothecation of entire stocks and book debts and second charge on all movable property, plant and equipment of the Company. The quarterly statements of current assets filed by the Company with the banks are in agreement with the books of accounts.

Change in liability arising from financing activities as per IND AS-7

Particulars	Borrowings due within 1 year
Balance at April 1, 2024	4,396
Cash Flow (net)	(1,473)
Balance at March 31, 2025	2,923
Cash Flow (net)	6,385
Balance at March 31, 2026	9,308

	As at 31.3.2026	As at 31.3.2025
23. Financial liabilities - Trade payables		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No.39)	2,751	2,356
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,751	2,356
- Others	31,942	32,509
- Payables to subsidiaries (Refer Note No.46)	1,923	1,577
- Payables to associates (Refer Note No.46)	17,913	14,605
	51,778	48,691

The Company generally pays its vendors within 30-180 days and interest, if any, payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006 is recognised.

The Company has financial risk management policies in place to ensure all payables are paid within the agreed credit term. For explanation on the Company's liquidity risk management process, refer Note No.44.

Trade payables ageing schedule

	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	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	-	2,546	198	7	-	-	2,751
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	10,722	27,940	12,973	118	7	18	51,778
Balance as at March 31, 2026	10,722	30,486	13,171	125	7	18	54,529
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	-	2,265	90	1	-	-	2,356
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	13,167	27,403	8,066	9	46	-	48,691
Balance as at March 31, 2025	13,167	29,668	8,156	10	46	-	51,047



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
24. Income tax assets and liabilities		
Non Current		
Income tax assets (net)		
Income tax recoverable (net of provisions)	2,319	2,319
Total income tax assets	2,319	2,319
Current		
Income tax liabilities (net)		
Income tax payable (net of advance tax and TDS recoverable)	1,268	447
Total income tax liabilities	1,268	447
	As at 31.3.2026	As at 31.3.2025
25. Other liabilities		
Current		
Statutory liabilities	68,152	67,263
Advances from customers (Contract liabilities)*	11,234	5,622
Liability towards expenditure on Corporate Social Responsibility (Refer Note No. 34)**	614	688
Others	185	126
	80,185	73,699

*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	5,622	7,187
Revenue recognised from amounts included in Advances from customers at beginning of the year	5,622	7,187

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 2025-26 as notified by Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020.

26. Revenue from operations

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:

Disaggregated revenue information	Year ended 31.3.2026	Year ended 31.3.2025
Cigarettes*	6,92,880	4,55,939
Unmanufactured tobacco	2,02,391	2,06,456
Cut tobacco	1,931	4,223
Confectionery	10,609	6,719
Others	435	156
Total (A)	9,08,246	6,73,493

*includes incremental revenue of Rs.29,029 lakhs (previous year Rs. 25,819 lakhs) arising from resale of Marlboro cigarettes manufactured by the Company.

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.

(All amounts are in Rs. lakhs unless otherwise stated)

Particulars	Year ended 31.3.2026	Year ended 31.3.2025
Revenues by Geography		
Within India	7,06,848	4,61,453
Outside India	2,01,398	2,12,040
Total	9,08,246	6,73,493

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 contracted price	9,32,246	6,75,881
Adjustments:		
Sales return	(22,853)	(1,248)
Discounts, rebates, etc.	(1,147)	(1,140)
Revenue from contracts with customers	9,08,246	6,73,493

During the current year, the Government of India has revised the indirect tax structure on cigarettes by reducing compensation cess to "Nil" and simultaneously increasing GST and excise duty effective from February 01, 2026. Consequent to such amendments, the composition of indirect taxes included in revenue from contract with customers, excise duty expense and inventory valuation has a significant change. Accordingly, the figures of revenue from contract with customers and excise duty for the year ended March 31, 2026 and value of inventory as at March 31, 2026 are not comparable with the previous year.

	Year ended 31.3.2026	Year ended 31.3.2025
ii) Other operating revenues		
Export incentives	301	312
Receipts from sale of scrap and ancillary products	1,808	794
Other receipts	1,547	1,250
Total (B)	3,656	2,356
Total revenue from operations (A+B)	9,11,902	6,75,849

	Year ended 31.3.2026	Year ended 31.3.2025
27. Other income		
Interest income from:		
- Debts, deposits, loans and advances, etc. (at amortised cost)	387	220
- Subsidiary company (Refer Note No. 46)	110	4
- Long term investments*	859	989
- Income tax refund	52	-
Dividend income (Refer Note No. 46)	25,917	19,409
Rent and hire charges from:		
- Subsidiary company (Refer Note No. 46)	5	5
- Others	349	422
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	12,633	14,693
- Short term investments fair valued through profit or loss	2,731	1,838
Liabilities written back	6	123
Foreign currency fluctuation (net)	2,355	2,027
Gain on sale of property, plant and equipment (net)	22	16
Gain on termination/concession in leases (Refer Note No. 43)	20	898
Miscellaneous Income	966	750
	46,412	41,394
*includes interest income calculated in relation to financial assets valued on amortised cost basis.	858	985



(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
28. Cost of materials consumed		
Cost of raw and packing materials consumed	1,89,243	1,51,144
	1,89,243	1,51,144
	Year ended 31.3.2026	Year ended 31.3.2025
29. Purchases of stock-in-trade		
Unmanufactured tobacco	1,42,164	1,60,724
Other traded goods (including cigarettes purchased for resale)	47,897	23,498
	1,90,061	1,84,222
	Year ended 31.3.2026	Year ended 31.3.2025
30. Changes in Inventories of finished goods, stock-in-trade and work-in-process		
Opening stock:		
Work-in-process	940	601
Finished goods	14,941	10,544
Stock-in-trade	11,433	6,074
Opening stock (A)	27,314	17,219
Closing stock:		
Work-in-process	1,573	940
Finished goods	33,814	14,941
Stock-in-trade	16,958	11,433
Closing stock (B)	52,345	27,314
(Increase) in inventories (A-B)	(25,031)	(10,095)
Pursuant to amendment in indirect tax structure during the year, finished goods and stock-in-trade as at March 31, 2026 are not comparable with the previous year. (Refer Note No.26)		
	Year ended 31.3.2026	Year ended 31.3.2025
31. Employee benefits expenses		
Salaries and wages	36,203	34,887
Employee share based payment expense (Refer Note No. 48)	3,005	402
Provident fund expense (Refer Note No. 42)	1,418	1,349
Gratuity and superannuation expense (Refer Note No.42)	596	559
Workmen and staff welfare expenses	1,920	1,814
	43,142	39,011
During the year, the Central Government notified the implementation of four Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, which subsume existing labour laws and introduce changes including definition of 'wages' and provisions relating to leave encashment. The final rules under these Codes are yet to be notified by state governments. The Company has performed an assessment of the impact of these changes and no material effect was observed on account of the implementation of the rules that have been notified upto the reporting date. The Company will continue to monitor regulatory developments and assess the impact, if any, upon notification of the balance rules.		
	Year ended 31.3.2026	Year ended 31.3.2025
32. Finance costs		
Interest expenses on:		
- Borrowings	32	44
- Lease liabilities (refer Note No.43)	1,041	1,062
- Others	49	62
Other borrowing costs	36	48
	1,158	1,216



(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
33. Other Expenses		
Manufacturing charges paid to a subsidiary company for cigarette manufactured on our behalf (Refer Note No. 46)	7,310	7,000
Consumption of stores and spare parts*	109	110
Power and fuel	2,274	2,170
Rent (Refer Note No. 43)	949	681
Repairs and maintenance		
- Buildings	432	281
- Plant and machinery	1,757	1,236
- Others	1,415	1,412
Insurance	2,019	1,017
Rates and taxes	681	333
Freight and cartage	9,255	6,051
Legal and professional expenses	3,943	3,226
Auditors' Remuneration (net of GST)		
- For standalone financial statements	129	129
- For tax audit	21	21
- For limited review of unaudited financial statements	90	90
- For consolidated financial statements	7	7
- For other services and certificates	28	15
- Reimbursement of expenses and expenses incurred	17	16
Commission paid to other than sole selling agents	152	537
Advertising and sales promotion	16,053	18,590
Selling and distribution expenses	13,041	11,814
Travelling and conveyance	2,952	2,535
Donations	24	70
Contributions/expenses towards Corporate social responsibility (Refer Note No.34)	1,714	1,371
Bad debts and advances written off	82	52
Property, plant and equipment and Intangible assets written off	458	1,336
Technical services fee and royalty (Refer Note No. 46)	2,137	1,804
Consumer research activity	535	841
Contract labour expenses	2,239	2,481
Machine and material handling expenses	51	42
Provision for doubtful debt and advances	-	25
Miscellaneous expenses	13,165	14,630
	83,039	79,923

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

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. 1,766 lakhs (Previous year Rs. 1,406 lakhs) and the details of amount spent are as under:



(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
a) Gross amount required to be spent by the Company during the year	1,766	1,406
b) Amount approved by the board to be spent during the year	1,766	1,406
c) Amount spent during the year on :-#		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	1,152	718
d) Details related to spent/unspent obligation		
(i) Contribution to implementing agencies	1,100	684
(ii) Administrative expenses incurred (restricted to 5% of amount spent during the year)	37	34
(iii) Impact assessment expenses incurred (restricted to 2% of amount spent during the year or Rs.50 lakhs, whichever is higher)	15	-
(iv) Unspent amount in relation to :-		
- ongoing project	614	688
- other than ongoing project	-	-
	1,766	1,406

e) Details of ongoing project

	Opening Balance*		Amount required to be spent during the year	Amount spent during the year		Closing Balance*	
	With Company	In CSR Unspent A/c		From Company's Bank A/c	From CSR unspent A/c	With Company	In CSR unspent A/c
March 31, 2026	688	-	1,766	1,152	688	614	-
March 31, 2025	635	242	1,406	718	877	688	-

*Refer foot note to Note No. 25

Amount spent during the year in cash Rs.1,152 lakhs (previous year Rs.700 lakhs) and yet to be paid in cash Rs.Nil (previous year Rs.18 lakhs)

	Year ended 31.3.2026	Year ended 31.3.2025
35. Earnings per share		
Profit attributable to Continuing operations (A)	1,50,678	1,12,378
Profit/(Loss) attributable to Discontinued operation (B)	70	(8,058)
Profit attributable for basic and diluted earnings (C)	1,50,748	1,04,320
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (D)*	155981760	155981760
Basic and Diluted Earnings per share for continuing operations (Rs.), computed based on profit from continuing operations [A/D] (Face value of Rs. 2 each)	96.60	72.05
Basic and Diluted Earnings per share for discontinued operation (Rs.), computed based on profit/(loss) from discontinued operation [B/D] (Face value of Rs. 2 each)	0.04	(5.17)
Basic and Diluted Earnings per share for continuing and discontinued operations (Rs.) [C/D] (Face value of Rs. 2 each)	96.64	66.88

*Pursuant to issue of bonus share during the current year, previous year figures have been restated for the purpose of computation of Earnings Per Share (EPS), in accordance with the 'Ind AS 33 – Earnings per Share'.

	Year ended 31.3.2026	Year ended 31.3.2025
36. Managerial remuneration		
Included in expenses are:		
Salaries*	1,445	1,219
Monetary value of benefits (as per Income Tax Rules)	524	3,341
Commission	15,311	10,526
Sitting fees (excluding GST paid under reverse charge)	54	98
	17,334	15,184

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

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
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 @	18,743*	21,011*
b) Uncalled liability on shares partly paid (including share premium)	79	79
c) Guarantee given to a bank on behalf of subsidiary company: – International Tobacco Company Limited	-	36

*includes Rs.1,993 lakhs (Previous year - Rs. 1,993 lakhs) relating to demands received by the subsidiary company – International Tobacco Company Limited from the excise authorities.

*includes Rs.2,772 lakhs (Previous year - Rs. 2,772 lakhs) relating to Input Tax Credit (ITC) for the period July 2017 to June 2018 and pertaining to the services availed/procured at Head Office/Corporate Office of the Company and subsequently cross charged to all establishments and Goods and Service Tax (GST) registrations of the Company across the country, is alleged as ineligible for credit at the Head Office/Corporate Office of the Company since it was not registered as Input Service Distributor (ISD). Hence, in view of the DGGSTI, the ITC availed by the Company had become recoverable with applicable interest and penalty. The Company, based on its assessment and considering the legislative changes having taken place so far, believes that it has a good case on merit and is therefore, filed an appeal against this Order.

*includes Rs.8,290 (Previous year - Rs. 8,290 lakhs) lakhs relating to alleged under valuation of supply of goods resulting in short payment of tax under the GST laws . The Company, based on its assessment believes that it has a good case on merit and is therefore, filed an appeal against this Order. Interest and penalty if any would be additional.

*includes Rs.726 lakhs (Previous year - Rs. 726 lakhs) relating to alleged incorrect classification of goods resulting in short payment of tax under the GST laws. The Company, based on its assessment believes that it has a good case on merit and is therefore, filed an appeal against this Order. Interest and penalty if any would be additional.

@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 to disclosed amount.

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, 2026 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 lakhs)*	Amount deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
CGST Act 2017	GST	40,092	1,114	2017-18 to 2022-23	Commissioner (Appeals)
		3,006	60	2017-18 to 2021-22	GST Tribunal
		2,440	114	2017-18 and 2021-22	Deputy Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	22**	3	2010-11 and 2013-14	Additional Commissioner
		557	9	2009-10 to 2017-18	Customs, Excise and Service tax Appellate Tribunal
Uttar Pradesh (UP) VAT Act, 2008	Value Added Tax	69***	69	2007-08	High Court

(All amounts are in Rs. lakhs unless otherwise stated)

Nature of the statute	Nature of the dues	Amount of dues (Rs. in lakhs)*	Amount deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961 ^	Income tax	187 ^ ^	187	1979-80 to 1982-83	High Court
		15 ^ ^	15	2009-10	Income Tax Appellate Tribunal
		6106 ^ ^	1,469	2012-13 to 2018-19 , 2020-21 to 2023-24	Commissioner of Income Tax (Appeals)

* amount as per demand orders, including interest and penalty, if any; where quantified in the Order

** provided for in the accounts amounting to Rs. 3 lakhs

*** provided for in the accounts amounting to Rs. 69 lakhs

^ Demands of income-tax for the financial years 2015-16 to 2018-19 and 2020-21 include amounts relating to certain expenses being treated as non-deductible business expenses pursuant to the re-assessment/assessment orders passed in connection with search carried out by the Income-tax department under section 132 of the Income-tax Act, 1961 on a promoter of the Company. The Company is of the view that these are admissible business expenses and accordingly, has appealed against the re-assessment/assessment orders before the CIT (Appeals) which appeals are pending disposal.

^^ provided for in the accounts amounting to Rs. 445 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 lakhs)	Period to which the amount relates	Forum where department has preferred appeal
Income-tax Act, 1961	Income tax	209	1969, 1974 to 1977; 1991-92 and 1992-93	High Court
CGST Act 2017	GST	5	2020-21	Assistant Commissioner
Central Excise Act, 1944	Excise duty	13,867	2002-03 to 2007-08	Customs, Excise & Service Tax Appellate Tribunal

- 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 has received various show cause notices from various Government Authorities asking it to explain why certain amounts mentioned therein should not be paid or for providing information and explanations. Thus the Company does not consider these to constitute a liability of any kind. As and when these notices are received, the Company responds to the same in accordance with the provisions of the law.

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
38. Commitments		
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	12,533	17,444
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, 2026 are as under:

	As at 31.3.2026	As at 31.3.2025
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of Year are as under:		
-Principal amount	2,751	2,356
-Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year are as under:		
-Principal amount	1,084	2,000
-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	-	-
-Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-Tax Act, 1961.	-	-

40. Expenditure on scientific research and development		
Revenue expenditure	1,303	1,204
Capital expenditure	50	74

41. Information of Investments made in subsidiary and associate

These financial statements are separate financial statements.

Following is the key information of investee entities

Name of Investee	Relationship with the company	Principal place of business	As at 31.03.2026	As at 31.03.2025
International Tobacco Company Limited	Subsidiary	India	100%	100%
Chase Investments Limited	Subsidiary	India	100%	100%
Friendly Reality Projects Limited	Subsidiary	India	92.20%	92.20%
White Horse Realty Limited	Subsidiary	India	100%	100%
Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)	Associate	India	24.80%	24.80%
KKM Management Centre Private Limited	Associate	India	36.75%	36.75%

The Company has accounted for investments in the above entities at cost less impairment loss, if any.



(All amounts are in Rs. lakhs unless otherwise stated)

42. Employee benefit plans

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

	Year ended 31.3.2026	Year ended 31.3.2025
Contribution towards superannuation fund	103	109
Employers' contribution to employee's state insurance scheme	3	2
Contribution towards provident fund [^]	1,418	-
	1,524	111

[^] During the current year, the Company has liquidated the Godfrey Phillips India Limited Provident Fund (the Fund), an exempted PF Trust and transferred the balance to Government Provident Fund Scheme, a contribution scheme. In the previous year, provident fund contribution was recognised in the financial statements as a defined benefit plan. The amount recognised during previous year in statement of profit and loss was Rs. 1,413 lakhs (including amount pertaining to discontinued operation Rs.64 lakhs) and in other comprehensive income was Rs.98 lakhs.

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

	Year ended 31.3.2026	Year ended 31.3.2025
Compensated absences – amount recognized in the Statement of profit and loss	559	417

(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 Code on Social Security, 2020 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 31.3.2026	Year ended 31.3.2025
Current service cost	399	416
Past service cost	109	-
Net interest (income)/cost	(15)	34
Net employee benefit expense recognized in employee cost	493	450

(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
Amount recognised in other comprehensive income:		
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(158)	186
Actuarial loss/ (gain) on obligations arising on account of experience adjustments	62	(306)
Return on plan assets (excluding amounts included in net interest expense)	27	(92)
Net income for the year recognized in other comprehensive income	(69)	(212)
(I) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	9,728	10,561
Current service cost	399	416
Past service cost	109	-
Interest cost (gross)	590	681
Benefits paid	(1,400)	(1,810)
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	(158)	186
Actuarial (loss)/gain on obligations arising on account of experience adjustments	62	(306)
Closing defined benefit obligation	9,330	9,728
(II) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	9,491	9,842
Interest income (gross)	605	647
Return on plan assets (excluding amounts included in net interest expense)	(27)	92
Contribution by employer	237	720
Benefits paid	(1,400)	(1,810)
Closing fair value of plan assets	8,906	9,491
(III) Net liability recognised in the balance sheet (I - II)	424	237

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, 2026		
Government debt securities	-	0.00%
Insurer managed funds	9,229	103.63%
Other liabilities (net)	(323)	-3.63%
	8,906	100.00%
As at March 31, 2025		
Government debt securities	20	0.21%
Insurer managed funds	9,552	100.64%
Other liabilities (net)	(81)	-0.85%
	9,491	100.00%

(All amounts are in Rs. lakhs unless otherwise stated)

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

	As at 31.3.2026	As at 31.3.2025
Discount rate (in %)	7.15%	6.85%
Salary escalation rate (in %)	8.00%	8.00%
Expected rate of return on plan assets	7.15%	6.85%

A quantitative sensitivity analysis for significant assumption shown above as at March 31, 2026 is as shown below:

Assumption	Impact on defined benefit obligation	
	As at 31.3.2026	As at 31.3.2025
Impact of increase in 0.5% in discount rate	-2.72%	-2.72%
Impact of decrease in 0.5% in discount rate	2.86%	2.86%
Impact of increase in 0.5% in salary escalation rate	2.82%	2.82%
Impact of decrease in 0.5% in salary escalation rate	-2.70%	-2.70%

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:

	Year ended 31.3.2026	Year ended 31.3.2025
Within the next 12 months (next annual reporting period)	1,809	1,830
Between 2 and 5 years	4,704	5,023
Between 6 and 9 years	3,382	3,270
10 years and above	5,149	5,224
Total expected payments	15,044	15,347

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.57 years (Previous year 5.57 years).

43. Leases

43.1 Company as a lessee

The Company has lease contracts for various items of land, building, offices, warehouses, and vehicles used in its operations. Leases of land have a term ranging from 45 to 99 years, buildings, offices and warehouses have lease terms between 2 and 18 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:

	As at 31.3.2026	As at 31.3.2025
Carrying amount of:		
Right-of-Use: Office buildings, warehouses and stores	10,682	11,927
Right-of-Use: Land	421	426
Right-of-Use: Vehicles	-	1
Total	11,103	12,354



(All amounts are in Rs. lakhs unless otherwise stated)

	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, 2024	39,934	2,670	458	309	43,371
Additions / Modifications	7,069	64	-	-	7,133
Discontinued operation (Refer Note No. 49)	(22,879)	(2,734)	-	(26)	(25,639)
Derecognition	(6,625)	-	-	(270)	(6,895)
Balance at March 31, 2025	17,499	-	458	13	17,970
Additions / Modifications	2,825	-	-	-	2,825
Derecognition	(909)	-	-	(13)	(922)
Balance at March 31, 2026	19,415	-	458	-	19,873
Accumulated depreciation					
Balance at April 1, 2024	16,030	2,438	27	284	18,779
Depreciation expense	3,586	85	5	20	3,696
Discontinued operation (Refer Note No. 49)	(10,178)	(2,523)	-	(26)	(12,727)
Derecognition	(3,866)	-	-	(266)	(4,132)
Balance at March 31, 2025	5,572	-	32	12	5,616
Depreciation expense	3,555	-	5	1	3,561
Derecognition	(394)	-	-	(13)	(407)
Balance at March 31, 2026	8,733	-	37	-	8,770
Balance at March 31, 2026	10,682	-	421	-	11,103
Balance at March 31, 2025	11,927	-	426	1	12,354

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

	As at 31.3.2026	As at 31.3.2025
Balance as at April 1	14,827	30,008
Addition / Modification	2,822	7,092
Accretion of interest*	1,041	1,513
Payments	(4,258)	(4,849)
Discontinued operation	-	(15,278)
De-recognition of lease liability on termination	(536)	(3,659)
Balance as at March 31	13,896	14,827
Current	3,583	2,793
Non-current	10,313	12,034

* Lease liabilities carry an effective interest rate of 7.85%

** For maturities of lease liabilities, Refer Note No. 44

The following are the amounts recognised in profit or loss:

	Continuing Operations		Discontinued Operation		Total	
	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025
Depreciation expense of right-of-use assets	3,561	2,589	-	1,107	3,561	3,696
Interest expense on lease liabilities@	1,041	1,062	-	451	1,041	1,513
Expense relating to short-term leases ^	949	681	-	2,295	949	2,976
Variable lease payments ^	-	-	-	44	-	44
Gain on termination of leases^^	(20)	(898)	-	(2,365)	(20)	(3,263)
	5,531	3,434	-	1,532	5,531	4,966

@Refer Note no. 32 and Note no. 49.

^Refer Note no. 33 and Note no. 49.

^^Refer Note no. 27 and Note no. 49.

(All amounts are in Rs. lakhs unless otherwise stated)

43.2 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. 354 Lakhs (Previous Year Rs. 427 Lakhs). The carrying value of the said assets is not material.

44. Financial instruments and risk management

44.1. 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.

(All amounts are in Rs. lakhs unless otherwise stated)

44.2. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at amortised cost or at fair value and fair value hierarchy.

As at March 31, 2026	Carrying amount	Fair Value
Financial assets		
Financial instruments at FVTPL:		
Investment in		
- mutual funds	2,29,222	2,29,222
- others	74	74
Financial instruments at amortised cost:		
Investment in		
- others (Perpetual Bonds)	7,467	7,543
Trade receivables	90,743	90,743
Cash and cash equivalents	19	19
Other bank balances	1,500	1,500
Loans	3,130	3,130
Other financial assets		
- Security deposits	782	782
- Interest accrued on bank and other deposits	343	343
- Insurance claim receivable	28,436	28,436
- Other recoverables	2,757	2,757
Total financial assets	3,64,473	3,64,549
Financial liabilities		
Financial instruments at amortised cost:		
Borrowings	9,308	9,308
Trade payables	54,529	54,529
Other financial liabilities		
- Security deposits	108	108
- Payable to related parties	13,395	13,395
- Interest accrued but not due on borrowings	5	5
- Unclaimed dividends	1,033	1,033
- Payable to gratuity fund	424	424
- Liability towards suppliers of property, plant & equipments	1,167	1,167
- Employee payables	15,884	15,884
Total financial liabilities	95,853	95,853
As at March 31, 2025	Carrying amount	Fair Value
Financial assets		
Financial instruments at FVTPL:		
Investment in		
- mutual funds	2,15,588	2,15,588
- others	96	96
Financial instruments at amortised cost:		
Investment in		
- others (Perpetual Bonds)	12,277	12,228
Trade receivables	51,635	51,635
Cash and cash equivalents	284	284
Other bank balances	1,368	1,368
Loans	3,919	3,919
Other financial assets		
- Security deposits	693	693
- Interest accrued on bank and other deposits	452	452
- Other recoverables	1,832	1,832
Total financial assets	2,88,144	2,88,095

(All amounts are in Rs. lakhs unless otherwise stated)

44.2. Fair value hierarchy (continued)

As at March 31, 2025	Carrying amount	Fair Value
Financial liabilities		
Financial instruments at amortised cost:		
Borrowings	2,922	2,922
Trade payables	51,047	51,047
Other financial liabilities		
- Security deposits	121	121
- Interest accrued but not due on borrowings	1	1
- Payable to related parties	51	51
- Unclaimed dividends	845	845
- Payable to gratuity fund	238	238
- Liability towards suppliers of property, plant & equipments	424	424
- Employee payables	9,810	9,810
Total financial liabilities	65,459	65,459

Note: Investment in equity of subsidiaries and associates which are carried at cost as per Ind AS 27 and lease liabilities which are measured as per Ind AS 116 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 at FVTPL: Fair value for investments aggregating to Rs. 27,124 lakhs (previous year Rs.20,932 lakhs) and Rs.202,172 lakhs (previous year Rs.194,752 lakhs) have been determined with reference to the market quoted price of the investments, a level 1 valuation and to the declared NAV, a level 2 valuation respectively.

Financial instruments at amortised cost: Fair value for bonds aggregating to Rs. 7,543 lakhs (previous year Rs.12,228 lakhs) is determined with reference to the market quoted price of the investments, a level 1 valuation. For all other financial assets and financial liabilities, the carrying value approximate the fair value due to short term maturity.

44.3. 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.

(All amounts are in Rs. lakhs unless otherwise stated)

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.362,954 lakhs (previous year Rs.286,494 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	Less than 1Year	More than 1Year	Total
As at March 31, 2026			
Lease liabilities	4,529	12,626	17,155
Borrowings	9,308	-	9,308
Trade payables	54,529	-	54,529
Other financial liabilities	31,921	95	32,016
	1,00,287	12,721	1,13,008
As at March 31, 2025			
Lease liabilities	3,885	16,014	19,899
Borrowings	2,923	-	2,923
Trade payables	51,047	-	51,047
Other financial liabilities	11,382	107	11,489
	69,237	16,121	85,358

(B) Foreign currency risk exposure

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	As at 31.3.2026		As at 31.3.2025	
		Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs	Amount in foreign currency (Lakhs)	Amount in Rs. Lakhs
Trade receivables	USD	391	36,282	396	33,288
	EURO	5	513	1	91
Current liabilities	USD	239	23,154	98	8,586
	EURO	10	1,117	6	532
	GBP	1	107	-	31
	CHF	1	78	1	57

(All amounts are in Rs. lakhs unless otherwise stated)

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	As at 31.3.2026		As at 31.3.2025	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year - USD	656	(656)	1,235	(1,235)

(C) Exposure in mutual fund investments

The Company manages its surplus funds majorly through investments in debt based mutual fund schemes. The fair value of these investments is reflected through net asset values (NAVs) declared by the Asset Management Company on daily basis with regard to the invested schemes. The Company is exposed to market price risk on such investments.

Sensitivity analysis of mutual fund investments

Had the NAVs been higher/lower by 1% at the end of the reporting period, profit for the year ended 31.3.2026 would have increased/decreased by Rs. 2,292 lakhs (for the year ended 31.3.2025 by Rs. 2,156 lakhs).

45. 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	As at 31.3.2026	As at 31.3.2025
Borrowings	9,308	2,922
Trade payables	54,529	51,047
Lease Liabilities	13,896	14,826
Other financial liabilities	32,016	11,489
Other current liabilities	80,185	73,699
Less : Cash and cash equivalents	19	284
: Current investments	56,577	17,893
Net debt (A)	1,33,338	1,35,806
Total equity	5,36,262	4,40,911
Capital and net debt (B)	6,69,600	5,76,717
Gearing Ratio (A/B)	19.91%	23.55%

No changes were made in the objectives, policies or processes during the year ended 31 March, 2026.

(All amounts are in Rs. lakhs unless otherwise stated)

46. Related party transactions

46.1 Disclosure of related parties	Principal Activities	Place of incorporation and operation	Proportion of ownership interest / voting rights held by the parent entity	As at 31.3.2026	As at 31.3.2025
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(a) Subsidiaries

International Tobacco Company Limited	Manufacturing of cigarette & tobacco products	India	100%	100%
Chase Investments Limited	Investment activities	India	100%	100%
White Horse Realty Limited (incorporated on December 26, 2024)	Real Estate Development	India	100%	100%
Friendly Reality Projects Limited *	Real Estate	India	92.20%	92.20%

* Held partly through other subsidiary

(b) Indirect subsidiary companies:

Unique Space Developers Limited (subsidiary of Chase Investments Limited)		India	66.67%	66.67%
Rajputana Infrastructure Corporate Limited (subsidiary of Friendly Reality Projects Limited)		India	92.20%	92.20%

(c) Associates:

Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)		India	24.80%	24.80%
KKM Management Centre Private Limited		India	36.75%	36.75%

(d) Entities of which the Company is an associate:

K K Modi Investment & Financial Service Private Limited, India
Philip Morris Global Brands Inc., USA

(e) Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to:

PMFTC Inc., Philippines
Philip Morris Products S.A.
PT Hanjaya Mandala Sampoerna Tbk.
AO Philip Morris Izhora, Russia
PT Philip Morris Indonesia
Philip Morris Tutun Mamulleri Sanayi Ve Ticaret A.S, Turkey
Philip Morris Brasil Industria E Comercio Ltda., Brazil
Philip Morris Mexico Products, Mexico

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

Dr. Bina Modi, President, Managing Director and Chairperson of the Board
Mr. Samir Kumar Modi, (Son of Dr. Bina Modi and an Executive Director of the Company upto September 06, 2024)
Ms. Charu Modi, (Daughter of Dr. Bina Modi, appointed as additional director w.e.f July 06, 2024 and Executive director w.e.f September 06, 2024)
Mr. Sharad Aggarwal, Whole Time Director and Functional Chief Executive Officer
Mr. Vishal Dhariwal, Chief Financial Officer (Appointed as Chief Financial Officer w.e.f March 01, 2025)
Mr. Sunil Agrawal (Ceased to be Chief Financial Officer w.e.f February 28, 2025)

Mr. Sanjay Kumar Gupta (Superannuated as Company Secretary w.e.f November 11, 2024)
 Mr. Punit Kumar Chellaramani, Company Secretary (Appointed as Company Secretary and Compliance officer w.e.f November 12, 2024)
 Mr. Lalit Bhasin, Independent Director (Ceased to be a Director of the Company w.e.f September 06, 2024)
 Mr. Atul Kumar Gupta, Independent Director (Ceased to be director w.e.f June 19, 2025)
 Mrs. Nirmla Bagri, Independent Director
 Mr. Sumant Bhardwaj, Independent Director
 Mr. Subramanian Lakshminarayanan, Independent Director
 Mr. Ajay Vohra, Independent Director
 Mr. Avtar Singh Monga (Appointed as Independent Director w.e.f November 12, 2024)
 Mr. Ruchir Modi, Grandson of Dr. Bina Modi
 Mr. Paul Norman (Appointed as Non Executive Non Independent Director w.e.f. May 16, 2025)
 Mr. Marco Mariotti (Appointed as Non Executive Non Independent Director w.e.f February 01, 2026)

(g) 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 Fashions N Food Private Limited
 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
 Bhasin & Co. (Ceased to be related party w.e.f September 06, 2024)
 Rajputana Developers Limited
 Quick Investment (India) Limited
 Good Investment (India) Limited
 Super Investment (India) Limited
 Premium Tradelinks Private Limited
 Swasth Investment Private Limited
 Neena Commercial Private Limited
 N.K.Textile Industries Limited
 Premium Merchant Limited

(h) 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 (Liquidated during the year)
 Godfrey Phillips ESPS Trust

46.2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at the year end

(All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	
i)	Trading transactions															
	Sale of goods, spare parts, etc. (Net of sales return)	28*	8	2,74,670@	1,42,131	-	-	96	92	1,36,220&	1,44,702	-	-	-	-	
	Provision for doubtful debt (Net of sales return)	32*	64	39,423@	18,462	-	-	1,677 \$	2,562	43,541&&	33,222	-	-	-	-	
	Interest Income	110	4	-	-	-	-	520	-	-	-	-	-	-	-	
	Sales of Property, Plant and Equipment	-	-	33	1,760	-	-	231	17	-	-	-	-	-	-	
	Miscellaneous income	-	-	2,362@	-	-	-	360	360	-	-	-	-	-	-	
	Rent and hire charges received	5*	5	-	-	-	-	-	11	-	-	-	-	-	-	
	Manufacturing charges paid	7,310*	7,000	-	-	-	-	-	-	-	-	-	-	-	-	
	Payments for professional services availed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Donation given \$3\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii)	- Modi Innovation Education Society	-	-	-	-	-	-	689	877	48@	76	-	-	-	-	
	Expenses recovered (Includes GST as applicable)	-	0*	10,211@	10,718	-	-	-	-	295@	19	-	-	-	-	
	Expenses reimbursed	483**	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other related party transactions															
	Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	- Philip Morris India Trading Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	- Chara Investments Limited	-	65	25,841	19,344	-	-	-	-	-	-	-	-	-	-	
	Dividend paid	76	-	-	-	-	-	-	-	-	-	-	-	-	-	
	- K K Modi Investment & Financial Service Private Limited	-	-	-	-	-	-	2,482	2,035	-	-	14,486	11,876	-	-	
	- Quick Investment (India) Limited	-	-	-	-	-	-	4,783	3,921	-	-	17,225	14,121	-	-	
iii)	- Good Investment (India) Limited	-	-	-	-	-	-	585	480	-	-	-	-	-	-	
	- Super Investment (India) Limited	-	-	-	-	-	-	89	73	-	-	-	-	-	-	
	- Swasth Investment Private Limited	-	-	-	-	-	-	136	111	-	-	-	-	-	-	
	- HMA Udyog Private Limited	-	-	-	-	-	-	3	3	-	-	-	-	-	-	
	- Bina Modi	-	-	-	-	-	-	2	2	-	-	-	-	-	-	
	- Samir Kumar Modi	-	-	-	-	-	-	2	2	-	-	-	-	-	-	
	- Richir Modi	-	-	-	-	-	-	0	-	-	-	-	-	-	-	
	- Sharad Agarwal	-	-	-	-	-	-	40	-	-	-	-	-	-	-	
	- Vishal Dhanwal	-	-	-	-	-	-	22	-	-	-	-	-	-	-	
	- Punit Kumar Chellaramani	-	-	-	-	-	-	2	-	-	-	-	-	-	-	
iv)	Technical services fee and royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	- Philip Morris Products S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Investment in subsidiary	-	10	-	-	-	-	-	-	2,137	1,804	-	-	-	-	
	Contribution to trusts															
	Godfrey Phillips India Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	103	109	
	Godfrey Phillips India Limited Provident Fund (Refer Note No. 42)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,586##	
	Godfrey Phillips India Limited Gratuity Fund No. 1	-	-	-	-	-	-	-	-	-	-	-	-	-	20	
	Godfrey Phillips India Limited Gratuity Fund No. 2	-	-	-	-	-	-	-	-	-	-	-	-	-	218	
	Compensation & Post Employment benefits of key management personnel and other directors \$5															
	- Samir Kumar Modi	-	-	-	-	-	-	2,559^	-	-	-	-	-	-	-	-
- Bina Modi	-	-	-	-	-	-	6,827	-	-	-	-	-	-	-	-	
- Richir Modi	-	-	-	-	-	-	9,844	-	-	-	-	-	-	-	-	
- Sharad Agarwal	-	-	-	-	-	-	1,700^	-	-	-	-	-	-	-	-	
- Sanjay Kumar Gupta	-	-	-	-	-	-	1,410^^	-	-	-	-	-	-	-	-	
- Vishal Dhanwal	-	-	-	-	-	-	374^^	-	-	-	-	-	-	-	-	
- Punit Kumar Chellaramani	-	-	-	-	-	-	94^^	-	-	-	-	-	-	-	-	
- Lalit Bhasin	-	-	-	-	-	-	144	-	-	-	-	-	-	-	-	
- Ajay Vohra	-	-	-	-	-	-	127^^	-	-	-	-	-	-	-	-	
- S Lakshminarayanan	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	
- Paul Norman	-	-	-	-	-	-	8	-	-	-	-	-	-	-	-	
- Atul Kumar Gupta	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	
- Nirmda Bagri	-	-	-	-	-	-	14	-	-	-	-	-	-	-	-	
- Avtar Singh Monga	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	
- Sumant Bharadwaj	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	
v)	Loan given (repaid) during the year															
	- MWH Healthcare Limited (Net of loan given Rs. 200 lakhs. (Previous year Rs. Nil))	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Sunil Agrawal (Net of loan given Rs. Nil, (Previous year Rs. 200 lakhs))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Sharad Agarwal (Net of loan given Rs. Nil, (Previous year Rs. 576 lakhs))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Sanjay Kumar Gupta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Vishal Dhanwal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Punit Kumar Chellaramani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Godfrey Phillips ESPS Trust (Net of loan given of Rs. Nil (Previous year Rs. 1,690 lakhs))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- loan received/ settled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- (On transfer of shares to employees)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



GODFREY PHILLIPS
— INDIA LIMITED —

46.2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at the year end (All amounts are in Rs. lakhs unless otherwise stated)

B Outstanding balance	Subsidiary companies		Associates		Key management personnel and their relatives		Enterprises over which key management personnel and their relatives are able to exercise significant influence		Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to		Enterprises having significant influence over the entity		Other related parties	
	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025
Trade receivables	-	-	30,551@	9,193	-	-	169	140	36,006@@	27,541	-	-	-	-
Loans given	804**	1,000	-	-	7365*	920	-	-	-	-	-	-	-	-
Trade payables	-	-	17,913@	14,605	-	-	141	234	5,550 & &	3,323	-	-	-	-
Dues payable	1,923*	1,577	-	-	3	2	-	-	13,395@@	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	1,809@@@	-	-	-	-	-
Advances from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration (including commission) payable to Mr. Samir Kumar Modi (gross)	-	-	-	-	750	1,229	-	-	-	-	-	-	-	-
Remuneration (including commission) payable to Dr. Bina Modi (gross)	-	-	-	-	4,802	3,286	-	-	-	-	-	-	-	-
Remuneration (including commission) payable to Ms. Clara Modi (gross)	-	-	-	-	7,509	3,011	-	-	-	-	-	-	-	-
Remuneration payable to KMP	-	-	1,990@	1,193	7	4	-	-	-	-	-	-	-	-
Other recoverable	502**	7	-	-	-	-	50	28	-	-	-	-	-	-
Guarantee given by the Company to a bank on behalf of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- International Tobacco Company Limited	-	36	-	-	-	-	-	-	529@@	423	-	-	-	-
Technical service fee and royalty payable (Net of TDS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payable/(recoverable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-	29	20
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-	395	218
- Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	-	-	(23)@	51

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

** relates to transaction with wholly owned subsidiary White Horse Realty Limited

includes purchase of investment from the trust Rs. 1.44 lakhs and amount paid to cover loss on account of unrealised value of certain investments Rs. 1,172 lakhs.

During the year ended 31st March 2026, the Company has provided loan of Rs. 200 lakhs (Previous year Rs. 1,000 lakhs) to its wholly owned subsidiary White Horse Realty Limited and received re-payment of Rs. 396 lakhs. Balance amount is repayable at the end of three years from the date of disbursement. The loan is unsecured in nature and carries an interest rate of three years SBI MCLR plus spread of 175 bps i.e. 10.60% per annum.

@ relates to transactions with Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited) and figures of purchase of goods have been reduced by Rs. 485,939 lakhs (previous year Rs. 332,163 lakhs) owing to sale of Marlboro cigarettes manufactured by the Company.

@@ relates to transaction with Godfrey Phillips ESPS Trust

@@@ relates to transaction with Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to.

\$ includes Rs. 831 lakhs (previous year Rs. 1,740 lakhs) from Beacon Travels Private Ltd, Rs. 846 lakhs (previous year Rs. 826 lakhs) from Bina Fashions N Foods Private Limited, (Rs. Nil lakhs) (previous year (Rs. 8 lakhs)) from Colobar Cosmetics Private Limited, Rs. Nil (Previous year Rs. 4 lakhs) from Modi Care 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.

^^ Includes perquisite value of equity shares issued to employee under Employees Share Purchase Scheme 2024 and perquisite value of loan given to employees.

\$ \$ \$ including for CSR activities.

& includes sale of goods from Philip Morris Products S.A. Rs. 88,230 lakhs (Previous year Rs. 48,988 lakhs), PT Hanjaya Mandala Sampoerna Tbk Rs. 30,474 lakhs (Previous year Rs. 25,807 lakhs), AO Philip Morris Izhora Rs. 34,484 lakhs (Previous year Rs. 22,762 lakhs), Philip Morris Tuntun Mamulleri Rs. 289 lakhs (Previous year Rs. 17,810 lakhs), PMFTC Inc, Philippines Rs. 497 lakhs (Previous year Rs. 11,100 lakhs), PT Philip Morris Indonesia Rs. 2,963 lakhs (Previous year Rs. 8,295 lakhs), Philip Morris Brasil Industria Rs. 24 lakhs (Previous year Rs. 4,311 lakhs), Philip Morris Mexico Products S.A. Nil (Previous year Rs. 5,630 lakhs), Net off Sales return of goods from Philip Morris Products S.A. Rs. 7,178 lakhs (Previous year Rs. Nil), PT Hanjaya Mandala Sampoerna Tbk Rs. 855 lakhs (Previous year Rs. Nil), Philip Morris Tuntun Mamulleri Sarayi Rs. 9,638 lakhs (Previous year Rs. Nil), PMFTC Inc, Philippines Rs. 1,248 lakhs (Previous year Rs. Nil), PT Philip Morris Indonesia Rs. 1,821 lakhs (Previous year Rs. Nil)

&& includes Rs. 39,025 lakhs (previous year Rs. 30,936 lakhs) from PMFTC Inc., Rs. 3,985 lakhs (previous year Rs. 2,135 lakhs) from PT Hanjaya Mandala Sampoerna Tbk., Rs. 531 lakhs (previous year Rs. 151 lakhs) from PT Philip Morris Indonesia.

&&& includes Rs. 4,426 lakhs (previous year Rs. 3,037 lakhs) from PMFTC Inc. & Rs. 1,065 lakhs (previous year Rs. 232 lakhs) from PT Hanjaya Mandala Sampoerna Tbk and Rs. 59 lakhs (Previous year Rs. 54 lakhs) from PT Philip Morris Indonesia.

\$ * Pertains to contractual value for loan given to employees (carrying value is Rs. 630 lakhs, previous year Rs. 759 lakhs)

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free except for loan given to subsidiary company and settlement occurs in cash.



47. Segment Information

Products from which reportable segments derive their revenues

The Company's reportable segments under Ind AS 108 are as follows:

- Cigarette, tobacco and related products; and
- Others

Segment information for the year ended March 31, 2026 and March 31, 2025 is as follows:

(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended March 31, 2026			Year ended March 31, 2025		
	Cigarette, Tobacco and related products	Others	Total	Cigarette, Tobacco and related products	Others	Total
1. Segment revenue						
- External sales (gross)	8,97,202	11,044	9,08,246	6,66,618	6,875	6,73,493
- Other operating income	3,618	38	3,656	2,338	18	2,356
Total Revenue	9,00,820	11,082	9,11,902	6,68,956	6,893	6,73,493
Segment result	1,47,478	692	1,48,170	1,05,476	54	1,05,530
Unallocable income net of unallocable expenses			43,994			38,829
Profit before finance costs and tax			1,92,164			1,44,359
Less: Finance costs			116			154
Profit before tax from continuing operations			1,92,048			1,44,205
3. Other information						
Capital expenditure including capital work in progress and capital advances (excluding ROU Assets)	30,838	-	30,838	16,110	-	16,110
Depreciation and amortization	11,227	331	11,558	10,635	276	10,911
Impairment of property, plant and equipment	-	-	-	983	-	983
Non cash expenditure other than depreciation and impairment	540	-	540	1,413	-	1,413
Excise Duty	2,72,983	-	2,72,983	1,15,647	-	1,15,647
Cost of materials consumed	1,89,243	-	1,89,243	1,51,144	-	1,51,144
Purchases of stock-in-trade	1,81,587	8,474	1,90,061	1,79,185	5,037	1,84,222
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(24,902)	(129)	(25,031)	(9,894)	(201)	(10,095)

Segment information as at March 31, 2026 and March 31, 2025 is as follows:

	As at March 31, 2026			As at March 31, 2025		
	Cigarette, Tobacco and related products	Others	Total	Cigarette, Tobacco and related products	Others	Total
a) Segment assets						
Allocable assets	4,72,641	1,870	4,74,511	3,47,527	1,924	3,49,451
Unallocable assets*			2,59,946			2,52,002
Total assets			7,34,457			6,01,453
b) Segment liabilities						
Allocable liabilities	1,80,365	1,366	1,81,731	1,50,956	1,294	1,52,250
Unallocable liabilities*			16,464			8,292
Total liabilities			1,98,195			1,60,542
c) Capital Employed						
Allocable capital employed	2,92,276	504	2,92,780	1,96,571	630	1,97,201
Unallocable capital employed*			2,43,482			2,43,710
Total capital employed			5,36,262			4,40,911
Total (b+c)			7,34,457			6,01,453

* includes assets and liabilities associated with discontinued operation

(All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	Year ended 31.3.2025	As at 31.3.2026	As at 31.3.2025
India	7,10,504	4,63,809	1,08,976	86,880
Outside India	2,01,398	2,12,040	-	-
Total	9,11,902	6,75,849	1,08,976	86,880

* 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. Revenue of Rs. 274,670 lakhs (Previous year Rs. 142,131 lakhs) in the Cigarette, Tobacco and related products is from one (previous year- one) customer. No other single customer contributed to ten percent or more to the Company's revenue for the year ended March 31, 2026 and March 31, 2025.

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 corporate social responsibilities and fixed deposits¹ unclaimed interest, share capital, reserves and surplus, loan funds, dividends payable and income-tax (current and deferred tax).

(All amounts are in Rs. lakhs unless otherwise stated)

48. Employee share-based payment information

a. Description of employee share based payment arrangements

The Company has implemented a share-based employee incentive plan in the name of "Godfrey Phillips Employees Share Purchase Scheme-2024" (hereinafter referred to as "**ESPS 2024**") in the previous year. The Shareholders of the Company approved ESPS 2024 on December 19, 2024 and the Schemes is being administered through an irrevocable Trust formed under the provisions of the Indian Trusts Act, 1882, in the name of "Godfrey Phillips ESPS Trust".

Detail of shares granted and accepted are as under:

Employee stock purchase scheme -2024

S. No.	Grant Date	No. of Share	Exercise Price (Rs.)	Offer acceptance period	Lock in Period*	Method of Settlement
1	13th February 2025	514,500#	533.33#	15 days from the date of offer i.e. 28th February 2025	"For 1/4th of Shares offered: One year from the date of transfer (Type 1). For next 1/4th of Shares offered: Two year from the date of transfer (Type 2). For next 1/4th of Shares offered: Three year from the date of transfer (Type 3). For balance Shares offered: Four year from the date of transfer (Type 4)."	Equity
	Total	5,14,500				

* Employee Share based payment expense to be recognised in the statement of profit and loss on proportionate basis over the period of 4 years as per the terms and conditions of the ESPS 2024. In case of cessation of an employment before the completion of the relevant year, the locked shares would be returned to the Godfrey Phillips ESPS Trust. Therefore, for all effective purposes the shares would vest to the employees on the date of expiry of the lock-in period.

b. Measurement of fair values

The weighted average fair value of shares as on grant date:

Particulars	Method of Valuation	Weighted average fair value as on the grant date (Rs.)
Employee stock purchase scheme -2024		
Type 1 Lock in for 1 year	Binomial method	1,198.05#
Type 2 Lock in for 2 years	Binomial method	1,161.63#
Type 3 Lock in for 3 years	Binomial method	1,125.21#
Type 4 Lock in for 4 years	Binomial method	1,088.79#
Weighted average fair value		1,143.42#

c. The inputs used in the measurement of grant date fair value are as follows:

	ESPS 2024
Stock Price (on the date previous to the date of grant) (Rs.)	1,821.00#
Exercise Price (Rs.)	533.33#
Expected Life (no. of Years)	0.04
Risk free rate of interest (%)	6.54
Implied Volatility factor (%)	117.70
Dividend Yield on Market Price (%)	0.00

d. Details of employee share purchase scheme is presented below

ESPS 2024	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of shares	Weighted average exercise price in Rs	Number of shares	Weighted average exercise price in Rs
(i) outstanding at the beginning of the period;	-	-	-	-
(ii) granted during the period;*	-	-	1,71,500	1,600
(iii) forfeited during the period;	-	-	-	-
(iv) exercised during the period;*	-	-	1,71,500	1,600
(v) expired during the period;	-	-	-	-
(vi) outstanding at the end of the period;	-	-	-	-
(vii) exercisable at the end of the period.	-	-	-	-

Adjusted for allocation pursuant to issue of bonus shares in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each.

* Represents the number of shares and exercise price before adjustment for bonus shares.

During the year 4500 (March 31, 2025 Nil) previously exercised shares, equivalent to 1500 pre-bonus shares, were forfeited due to cessation of employment. As at the year end 382,500 (March 31, 2025 : 171,500), equivalent to 127,500 pre-bonus shares, remained under lock-in.

49. Discontinued Operation

- a.** The Board of Directors, at its meeting held on April 12, 2024, had decided to exit from carrying out the business operations of the Company's Retail Business Division being operated under the name 24Seven. Pursuant to which the Company had closed the operations of the said division during the previous year. Accordingly, the said retail business had been classified and presented as discontinued operation in accordance with Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations" in these financial statements.

b. The results of discontinued operation for the year are presented below:

Particulars	Year ended 31.3.2026	Year ended 31.3.2025
Revenue from operations	-	10,816
Other income	7	2,721
Total income	7	13,537
Expenses		
Purchases of stock-in-trade	-	5,481
Changes in inventories of stock-in-trade	-	2,464
Employee benefits expenses	-	2,038
Finance costs	-	451
Depreciation and amortisation expenses (Refer Note No. 6)	-	1,415
(Impairment reversal)/Impairment of property, plant and equipment, intangible assets and capital work in progress (Refer Note No. 6)	(87)	1,459
Property, plant and equipment and intangible assets written off	-	419
Loss on sale of property, plant and equipment (net)	-	560
Other expenses	-	10,018
Total expenses	(87)	24,305
Profit/(Loss) before tax from a discontinued operation	94	(10,768)
Tax (expenses)/ income	(24)	2,710
Profit/(Loss) for the year from a discontinued operation	70	(8,058)

The Company do not have any cumulative income or expense recognised in other comprehensive income relating to a non-current asset classified as discontinued operation.

c. The major classes of assets and liabilities of the discontinued operation

	As at 31.3.2026	As at 31.3.2025
Assets		
Property, plant and equipment (Net of impairment of Rs. Nil, previous year Rs.1302 lakhs)	-	-
Capital work in progress (Net of impairment of Rs. Nil, previous year Rs.92 lakhs)	-	-
Intangible assets (Net of impairment of Rs. Nil, previous year Rs.66 lakhs)	-	-
Trade receivable	-	1
Other financial assets	274	629
Other current assets	5	56
Total Assets	279	686
Liabilities		
Trade payables	137	1,017
Other financial liabilities	10	39
Other current liabilities	17	24
Total Liabilities	164	1,080
Net assets/(liabilities) associated with discontinued operation	115	(394)

d. Trade payable ageing schedule

	Not Due	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	-	1	1	-	-	2
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	36	67	28	3	1	135
Balance as at March 31, 2026	36	68	29	3	1	137

	Not Due	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	1	23	-	-	-	24
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	517	300	133	33	10	993
Balance as at March 31, 2025	518	323	133	33	10	1,017

e. The net cash flows of the discontinued operation are as follows

	For the Year ended 31.3.2026	For the Year ended 31.3.2025
Operating activities	(509)	(10,812)
Investing activities	94	580
Financing activities	-	(1,556)
Net cash outflow	(415)	(11,788)

				As at 31.3.2026	As at 31.3.2025	% Change
50. Ratio Analysis						
	Ratio	Numerator	Denominator			
a)	Current ratio	Current assets	Current liabilities	2.37	2.01	18.0%
b)	Debt-Equity ratio	Total lease liabilities and long term debt	Total equity	0.03	0.03	-22.9%
c)	Debt service coverage ratio (i)	Profit before interest and tax	Finance cost	166.93	81.06	105.9%
d)	Return on equity ratio	Total comprehensive income	Average Total Equity	30.86%	25.31%	21.9%
e)	Inventory turnover ratio (iii)	Turnover	Average inventory	4.41	4.14	6.6%
f)	Trade receivables turnover ratio (ii) (iii)	Turnover including indirect taxes	Average trade receivable	25.82	42.40	-39.1%
g)	Trade payables turnover ratio	Total purchases (excluding indirect taxes)	Average trade payables	7.11	7.81	-9.0%
h)	Net capital turnover ratio (iii)	Operating revenue	Shareholder's equity	1.70	1.56	9.2%
i)	Net profit ratio	Total comprehensive income	Operating revenue	16.54%	15.20%	8.8%
j)	Return on capital employed	Profit before tax	Average capital employed	38.06%	30.65%	24.2%
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	6.67%	7.05%	-5.4%

Ratios are calculated including profits from discontinued operation.

(i) Debt service coverage ratio has improved mainly due to increase in profit for the year.

(ii) Trade receivables turnover ratio decreased mainly due to higher trade receivables pertaining to export sales of unmanufactured tobacco and increase in excise duty on cigarette. (Refer Note No. 26)

(iii) Inventory turnover ratio, Trade receivables turnover ratio and Net capital turnover ratio are not comparable pursuant to amendments in indirect tax structure impacting revenue from operations, excise duty expense, inventory valuations and debtor balances. (Refer Note No. 26)

51. The Company has used accounting software, Oracle EBS for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, complete audit trail has been preserved by the Company for all transactions recorded on or after November 18, 2024 for Oracle EBS as per the statutory requirements for record retention. The Company has not preserved audit trail for transactions recorded in SAP S4 Hana, which was being used in its discontinued operation.

52. 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:

Included in loans in Note No.10 are certain intercorporate loans the particulars of which are disclosed below:

	As at 31.3.2026	As at 31.3.2025
Name of the loanee	White Horse Realty Limited	White Horse Realty Limited
Relationship	Wholly owned subsidiary	Wholly owned subsidiary
Balance as on March 31	Rs.804 lakhs	Rs.1000 lakhs
Maximum amount outstanding during the year	Rs.1200 lakhs	Rs.1000 lakhs

The loan has been granted for meeting its working capital requirements.

There are no loans and advances in the nature of loans to the subsidiaries other than mentioned above/associates/firms and companies in which directors are interested.

53. Other Statutory Information

- a) There is no transaction and outstanding balance with struck off companies during the year and as at March 31, 2026 and March 31, 2025.
- b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- c) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- f) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR CHELLARAMANI
Company Secretary

Place: New Delhi
Date: 15th May, 2026

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

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

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

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH MONGA
(DIN 00418477)

Directors

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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 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") its associates comprising of the consolidated Balance sheet as at March 31, 2026, 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 financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us 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 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, 2026, their consolidated profit including other comprehensive loss, 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 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 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 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 financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 4.1.1 and 27 of the consolidated financial statements)	
For the year ended March 31, 2026 the Group has recognized Revenue from operations of Rs. 912,094 lakhs. 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 recognized before the control is transferred. This give rise to the risk that revenue is not recognized in the correct period.	Procedures included the following: - 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 to evaluate whether revenue was recognised in the correct period by either examining third party supporting documents such as bill of lading and lorry receipts or analyzing delivery lead time.

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 financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 their respective companies 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 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 financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 their respective companies 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 respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2026 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 5 subsidiaries whose financial statements include total assets of Rs. 92,869 lakhs as at March 31, 2026, and total revenues of Rs. 192 lakhs and net cash outflows of Rs. 873 lakhs for the year ended on that date. Those 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 financial statements also include the Group's share of net profit of Rs. 1 lakhs for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of 1 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated 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.

Our opinion above on the consolidated 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.

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 and to the extent applicable, as noted in the 'Other Matter' paragraph, 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. Further, the Statutory year end of one of the associate "Philip Morris India Trading Private Limited ("PMI") (Formerly known as IPM India Wholesale Trading Private Limited)", included in these consolidated financial statements, is 31 December, 2025, hence reporting under the Companies (Auditor's Report) Order, 2020 ("the Order") in so far as it relates to the affairs of PMI is restricted to such date only. 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 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 financial statements;
- (d) In our opinion, the aforesaid consolidated 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, 2026 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, 2026 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 financial statements of the Holding Company and its subsidiary companies and associate companies and the operating effectiveness of such controls, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of such subsidiary companies and associate companies, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph, 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, 2026 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 37 to the consolidated 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, 2026;
 - 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, 2026. 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, 2026.

- iv.
 - a) The respective managements of the Holding Company and its subsidiaries and associates 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 and associates 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 and associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("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 and associate 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 and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate 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 have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate 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 mis-statement.
- 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.

The interim dividend declared and paid during the year by the Holding Company and its associate companies incorporated in India and until the date of the respective audit reports of such Holding Company and associate is in accordance with section 123 of the Act.

As stated in note 18 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the

approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and the associates which are companies incorporated in India whose financial statements have been audited under the Act, and as described in note 35 to the consolidated financial statements, the components of the Group have used multiple accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in these softwares. Further, during the course of audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company for transactions recorded for all these softwares except preservation of data was done on or after November 18, 2024 for Oracle EBS and has not been preserved for transactions recorded in SAP S4 Hana.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 26502405UDLOGV5283

Place of Signature: New Delhi

Date: May 15, 2026

**Annexure 1 referred to in paragraph 2(g) under the heading
“Report on other legal and regulatory requirements” of our
report of even date on the consolidated 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 financial statements of Godfrey Phillips India Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate, 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these four subsidiaries and one associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate incorporated in India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**

Partner

Membership Number: 502405

UDIN: 26502405UDLOGV5283

Place of Signature: New Delhi

Date: 15th May, 2026

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587



GODFREY PHILLIPS
—INDIA LIMITED—

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
ASSETS			
Non-current assets			
Property, plant and equipment	6	65,280	55,444
Capital work-in-progress	6	16,783	2,270
Investment property	7	3,877	3,982
Right of Use Assets	40	11,283	12,539
Intangible assets	8	763	1,197
Intangible assets under development	8	-	15
Financial assets			
- Investments	9	2,73,329	3,01,829
- Loans	10	1,682	2,420
- Other financial assets	15	858	1,096
Non-current tax assets (Net)	25	2,613	2,619
Other non-current assets	16	12,737	13,287
Total non-current assets		3,89,205	3,96,698
Current assets			
Inventories	12	2,26,435	1,99,708
Financial assets			
- Investments	9	56,577	17,900
- Trade receivables	13	90,743	51,635
- Cash and cash equivalents	14	329	1,425
- Other bank balances	14	2,932	1,606
- Loans	10	658	519
- Other financial assets	15	32,789	4,899
Other current assets	16	31,091	21,829
Total current assets		4,41,554	2,99,521
Assets associated with discontinued operation	49	279	685
Total assets		8,31,038	6,96,904
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	3,120	1,040
Other equity	18	6,18,124	5,23,542
Equity attributable to owners of the Company		6,21,244	5,24,582
Non-controlling interests	19	664	668
Total equity		6,21,908	5,25,250
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	164	149
- Lease Liabilities	21	10,313	12,033
- Other financial liabilities	22	95	108
Employee benefits obligation	23	1,779	2,338
Deferred tax liabilities (Net)	11	15,475	13,873
Total non-current liabilities		27,826	28,501
Current liabilities			
Financial liabilities			
- Borrowings	20	9,308	2,922
- Lease liabilities	21	3,583	2,793
- Trade payables	24		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		3,041	2,493
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		50,190	47,469
- Other financial liabilities	22	32,072	11,489
Other current liabilities	26	80,379	73,786
Employee benefits obligation	23	1,285	670
Income tax liabilities (Net)	25	1,282	452
Total current liabilities		1,81,140	1,42,074
Liabilities associated with discontinued operation	49	164	1,079
Total equity and liabilities		8,31,038	6,96,904
Notes forming part of the consolidated financial statements	1-51		

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

VISHAL DHARIWAL
Chief Financial Officer

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

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH MONGA
(DIN 00418477)

Directors

per **Naman Agarwal**
Partner
Membership No.: 502405

PUMIT KUMAR CHELLARAMANI
Company Secretary

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

Place: New Delhi
Date: 15th May, 2026

Place: New Delhi
Date: 15th May, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

Particulars	Note No.	Year ended 31.03.2026	Year ended 31.03.2025
Continuing operations			
I Revenue from operations	27	9,12,094	6,76,749
II Other income	28	20,479	22,062
III Total income (I+II)		9,32,573	6,98,811
IV Expenses			
Cost of materials consumed	29	1,89,243	1,51,144
Purchases of stock-in-trade	30	1,90,061	1,84,222
Changes in inventories of finished goods, stock-in-trade, work-in-process and land	31	(25,051)	(10,095)
Excise duty		2,72,983	1,15,647
Employee benefits expenses	32	45,341	41,036
Finance costs	33	1,174	1,232
Depreciation, impairment and amortisation expenses	6	12,095	12,364
Other expenses	34	81,053	77,053
Total expenses		7,66,899	5,72,603
V Profit before share of profit of associates and tax from continuing operations (III-IV)		1,65,674	1,26,208
VI Share of profit of associates, net of tax	9.1	28,312	20,897
VII Profit before tax from continuing operations (V+VI)		1,93,986	1,47,105
VIII Tax expense:	11		
- Current tax		39,793	30,463
- Deferred tax charge/(credit)		1,661	1,353
Total tax expense		41,454	31,816
IX Profit for the year from continuing operations (VII-VIII)		1,52,532	1,15,289
Discontinued operation	49		
(i) Profit/(Loss) before tax from discontinued operation		94	(10,768)
(ii) Tax (expense)/benefit from discontinued operation		(24)	2,710
X Profit/(Loss) for the year from discontinued operation (i-ii)		70	(8,058)
XI Profit for the year (IX+X)		1,52,602	1,07,231
XII Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
(i) Gain on remeasurements of the defined benefit/contribution plans		62	111
(ii) Tax impact on remeasurements of the defined benefit/contribution plans		(15)	(28)
(iii) Gain on equity instruments fair valued through other comprehensive income		(578)	36,723
(iv) Tax impact on equity instruments fair valued through other comprehensive income		83	(1,691)
Total other comprehensive income, net of tax (i+ii+iii+iv)		(448)	35,115
XIII Total comprehensive income for the year (XI+XII)		1,52,154	1,42,346
Profit for the year attributable to:			
Owners of the Company		1,52,606	1,07,203
Non-controlling interests		(4)	28
		1,52,602	1,07,231
Other comprehensive income for the year attributable to:			
Owners of the Company		(448)	35,115
Non-controlling interests		-	-
		(448)	35,115
Total comprehensive income for the year attributable to:			
Owners of the Company		1,52,158	1,42,318
Non-controlling interests		(4)	28
		1,52,154	1,42,346
Basic and Diluted Earnings per share for continuing operations in Rs.	36	97.8	74.12
(Face value of share - Rs. 2 each)			
Basic and Diluted Earnings per share for discontinued operation in Rs.	36	0.04	(5.18)
(Face value of share - Rs. 2 each)			
Basic and Diluted Earnings per share for continuing operations and discontinued operation in Rs.	36	97.84	68.94
(Face value of share - Rs. 2 each)			
Computed on the basis of profit attributable to the owners of the company			
Notes forming part of the consolidated financial statements	1-51		

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR CHELLARAMANI
Company Secretary

Place: New Delhi
Date: 15th May, 2026

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

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

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

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH MONGA
(DIN 00418477)

Directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587



GODFREY PHILLIPS
—INDIA LIMITED—

(a) Equity share capital (Note 17)

Equity Shares of Rs.2 each issued, subscribed and fully paid

Balance at April 1, 2024

Changes in equity share capital during the year

Balance at March 31, 2025

Issue of bonus shares during the year

Balance at March 31, 2026

Amount

1,040

-

1,040

2,080

3,120

(b) Other equity (Note 18)

	General reserve	Capital redemption reserve	Retained earnings	Statutory Reserve	Equity component of compound financial instrument	Reserve for equity instruments fair valued through other comprehensive income	Employee share based payment reserve	Treasury Shares	Attributable to owners of the company (sub-total)	Non controlling interests	Total
Balance at April 1, 2024	37,432	30	3,60,210	112	116	30,456	455	(6,639)	4,22,172	625	4,22,797
Profit for the year	-	-	1,07,203	-	-	-	-	-	1,07,203	28	1,07,231
Other comprehensive income for the year, net of income-tax	-	-	83	-	-	35,032	-	-	35,115	-	35,115
Total comprehensive income	-	-	1,07,286	-	-	35,032	-	-	1,42,318	28	1,42,346
Payment of dividends (Rs.56 per equity share)	-	-	(28,998)	-	-	-	-	-	(28,998)	-	(28,998)
Interim dividend	-	-	(18,138)	-	-	-	-	-	(18,138)	-	(18,138)
Transfer to Non controlling interest	-	-	(15)	-	-	-	-	-	(15)	15	-
Transfer to statutory reserve from retained earnings	-	-	(16)	16	-	-	-	-	-	-	-
Treasury shares allotted under ESPS (net of tax)	-	-	(78)	-	-	-	-	6,639	6,561	-	6,561
Recognition of employee share based payment expense (Refer Note No. 46)	-	-	-	-	-	-	402	-	402	-	402
Exercise of shares under ESPS 2023	-	-	(305)	-	-	-	(455)	-	(760)	-	(760)
Balance at March 31, 2025	37,432	30	4,19,946	128	116	65,488	402	-	5,23,542	668	5,24,210
Profit for the year	-	-	1,52,606	-	-	-	-	-	1,52,606	(4)	1,52,602
Other comprehensive income for the year, net of tax	-	-	47	-	-	(495)	-	-	(448)	-	(448)
Total comprehensive income	-	-	1,52,653	-	-	(495)	-	-	1,52,158	(4)	1,52,154
Payment of dividend (Rs. 60 per equity share)	-	-	(31,196)	-	-	-	-	-	(31,196)	-	(31,196)
Payment of interim dividend (Rs. 17 per equity share)	-	-	(26,517)	-	-	-	-	-	(26,517)	-	(26,517)
Treasury shares on cessation of employee	-	-	-	-	-	-	-	-	(47)	-	(47)
Transfer to statutory reserve from retained earnings	-	-	(18)	18	-	-	-	(47)	-	-	-
Transfer to Share Capital from General Reserves for bonus issue	(2,080)	-	-	-	-	-	-	-	(2,080)	-	(2,080)
Recognition of employee share based payment expense (Refer Note No. 46)	-	-	-	-	-	-	3,005	-	3,005	-	3,005
Exercise of shares under ESPS 2024	-	-	990	-	-	-	(1,731)	-	(741)	-	(741)
Balance at March 31, 2026	35,352	30	5,15,858	146	116	64,993	1,676	(47)	6,18,124	664	6,18,788

Notes forming part of the consolidated financial statements 1-51

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR CHELLARAMANI
Company Secretary

Place: New Delhi
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(DIN 00048606)
Chairperson, Managing
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LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH MONGA
(DIN 00418477)

Directors

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)

CIN: L16004MH1936PLC008587

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	1,93,986	1,47,105
Profit/(Loss) before tax from discontinued operation	94	(10,768)
Profit before tax from continuing operations and discontinued operation	1,94,080	1,36,337
Adjustments to reconcile profit before tax to net Cash flows:		
Depreciation, impairment and amortisation expenses	12,095	15,238
Share of profit of associates, net of taxes	(28,312)	(20,897)
Interest income from:		
- Debts, deposits, loans and advances, etc.	(521)	(590)
- Non-current investments	(859)	(989)
Net gain on sale/redemption/fair value of long term investments	(12,155)	(15,511)
Net gain on sale/redemption/fair value of short term investments	(2,728)	(1,813)
Unrealised foreign exchange loss (net)	1598	760
Interest expenses		
- On borrowings	32	44
- On lease liabilities	1,041	1,513
- Others	65	77
Bad debts and advances written off	82	220
Liabilities and provisions no longer required, written back	(6)	(166)
Provision for doubtful debts and advances (net)	-	25
Property, plant and equipments and intangible assets written off	501	1,755
(Gain)/Loss on sale of property, plant and equipment (net)	(117)	544
Gain on termination/concession in leases	(20)	(3,263)
Employee share based payment expense	3,005	402
	(26,299)	(22,651)
Operating profit before working capital changes	1,67,781	1,13,686
Working capital adjustments:		
Increase in Trade receivables, loans, other financial assets and other assets	(50,008)	(46,088)
Increase in Inventories	(53,302)	(55,549)
Increase in Trade payables, other financial liabilities, other liabilities and provisions	26,261	25,097
Proceeds from sale of current and non current investments*	5	22
	(77,044)	(76,518)
Cash generated from operating activities	90,737	37,168
Income taxes paid (net of refund)	(38,921)	(26,443)
Net cash generated from operating activities	51,816	10,725
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	(31,219)	(16,775)
Proceeds from sale of property, plant and equipment, capital work in progress, investment property, intangible assets and intangible assets under development	890	779
Purchase of other current and non-current investments	(12,43,750)	(7,60,000)
Proceeds from sale of other current and non-current investments	12,50,345	795,883
Dividend received from an associate	25,841	19,344
Interest received	1,414	1,558
Short term fixed deposits (made)/released (net)	(772)	(556)
Net cash generated from investing activities	2,749	40,233
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,118)	(1,619)
Dividend paid	(57,525)	(46,926)
Payment of lease liabilities	(3,216)	(3,336)
Receipt of exercise price under employee share based payment scheme	-	2,744
Net cash used in financing activities	(61,859)	(49,137)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(7,294)	1,821
Cash and cash equivalents at the beginning of the year	(652)	(2,473)
Cash and cash equivalents at the end of the year (Refer Note 1 below)	(7,946)	(652)
*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
	31.03.2026	31.03.2025
Cash and cash equivalents (Refer Note No. 14)	329	1,425
Earmarked unpaid dividend accounts* (Refer Note No. 14)	1,033	845
Overdraft	(9,308)	(2,922)
Total	(7,946)	(652)
*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 1-51

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

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Company Secretary

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Whole-time Director

**For and on behalf of the Board of Directors
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Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in Rs. lakhs unless otherwise stated)



GODFREY PHILLIPS
—INDIA LIMITED—

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, 2026.

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 and tobacco products, trading of cigarettes, tobacco products, and other retail 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 15, 2026.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (as amended) herein after referred to as "the Act" read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III of the Act, as amended from time to time and Ind AS compliant Schedule III as applicable to these consolidated financial statements.

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 and employee share based payments that are measured at fair values, 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. The financial statements are presented in rupees lakhs except when otherwise indicated. "0" denotes value of transactions and balances less than Rs.0.50 lakhs.

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.

(All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	Proportion of ownership as at 31.3.2025
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%***
White Horse Realty Limited^	India	Real estate development	100.00%	100.00%

*Held partly through other subsidiary

**Held through other subsidiaries

***100% subsidiary of Friendly Reality Projects Limited

(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 31.3.2026	Proportion of ownership as at 31.3.2025
Philip Morris India Trading Private Limited IPM (Formerly IPM India Wholesale Trading Private Limited)	India	24.80%	24.80%
KKM Management Centre Private Limited	India	36.75%	36.75%

(iii) Trusts

Godfrey Phillips ESPS Trust under the provisions of the Indian Trusts Act, 1882 was formed during the previous year by the Holding Company for the purpose of administration of Godfrey Phillips Employees Share Purchase Scheme-2023 (hereinafter referred to as "ESPS 2023").

The Group combines the financial statements of the trust line by line adding together like items of assets, liabilities, contribution fund, income, expenses and cash flows. The carrying amount of the parent's contribution in the trust, intragroup transactions and balances are eliminated.

(iv) Equity methods

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.

(v) 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. Material accounting policies information

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 0-180 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. 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.

4.2.1. 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.

4.2.2. Finance lease

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

Group as a lessee

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

i) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The ROU assets are initially recognised at cost, which comprise of the initial amount of the lease liability adjusted for any payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentive. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The ROU asset are depreciated on a straight line basis over the shorter of the lease term Refer Note No. 40 and the estimated useful life of the underlying asset.

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.

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

4.3. Foreign currencies

4.3.1. 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.

4.3.2. 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.

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.

4.4. Taxation

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

4.4.1. 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.

4.4.2. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

1. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

2. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

1. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

2. In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

4.4.3. 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.

4.5. Employee benefits

4.5.1. 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.

4.5.2. 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.

4.5.3. 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.

4.5.4. 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.

4.5.5. 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.

4.6. Property, plant and equipment

4.6.1. 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.

4.6.2. 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.

4.6.3. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is recognised on straight-line method to allocate their cost, net of residual values, over their estimated useful lives based on management assessment, which is the same as the lives as prescribed under Schedule II of the Companies Act, 2013 as given below:

Buildings	30 - 60 years
Leased office buildings, warehouses and stores	2 - 18 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 including store equipments	5 - 10 years
Motor vehicles	3-8 years
Leasehold land	45 - 99 years

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

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 4.2.3).

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%.

4.7. 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.

4.8. Intangible assets

4.8.1. 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.



4.8.2. 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.

4.8.3. Amortisation method and useful life

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

Computer software – 5 years

4.8.4. 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 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. 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.

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.

4.11. 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.

4.12. Provisions and contingencies

4.12.1. 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.

4.12.2. 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.

4.13. 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.

4.13.1. Financial assets

4.13.1.1. Initial recognition and measurement

All financial assets are recognised initially at fair value and, in the case of financial assets not subsequently measured at fair value through profit or loss, includes 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.

4.13.1.2. 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:

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments) Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation for the issuer and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity investment which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the P&L when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



Financial assets at FVTPL:

Financial assets at fair value through profit or loss

Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income on equity investments are recognised in the P&L as other income when the right of payment has been established.

4.13.1.3. 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.

4.13.1.4. 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.

4.13.1.5. 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 grossly immaterial. Thus, the Group has not recognised any provision for expected credit loss. The Group reviews this policy annually, if required.

4.13.2. Financial liabilities

4.13.2.1. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, 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 and financial guarantee contracts and derivative financial instruments.

4.13.2.2. 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.

4.13.2.3. 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.

4.14. 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.

4.15. 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 and corporate social responsibility unspent account.

4.16. 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.

4.17. 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.

4.18. 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.

4.19. 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.

4.20. 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.

4.21. Employee share based payment

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

4.22. Discontinued Operation

Discontinued operation is a component of the Group that has been disposed of and represents a major line of business.

Discontinued operation are excluded from the results of continuing operations and presented separately as profit or loss from discontinued operation, tax expense/ (benefit) of discontinued operation and profit or loss after tax from discontinued operation, in the statement of profit and loss.

Additional disclosures is provided in Note No. 49. All other notes to the consolidated financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

4.23. Application of new Standards and amendments

The Group has adopted, with effect from April 01, 2025, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 21- The Effects of Changes in Foreign Exchange Rates, regarding assessment of exchangeable currency, determination of spot exchange rate when exchangeability is lacking and related disclosures.
2. Amendments to Ind AS 7- Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures, regarding supplier finance arrangements.
3. Amendments to Ind AS 1- Presentation of Financial Statements, regarding classification of liabilities as current or non-current and non-current liabilities with covenants.
4. Amendments to Ind AS 12- Income Taxes, regarding international tax reform- pillar two model rules.

4.24. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Second Amendment Rules, 2025 dated August 13, 2025 resulting in amendments in Ind AS 1- Presentation of Financial Statements and Ind AS 10- Events after the reporting period, whereby any waiver of a breach of a debt covenant received after the reporting date would be treated as a non-adjusting event

These amendments are effective from April 01, 2026 retrospectively in accordance with Ind AS 8. The 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:

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.



(All amounts are in Rs. lakhs unless otherwise stated)

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

	As at 31.03.2026	As at 31.03.2025
Carrying amount of:		
Property, plant and equipment	65,280	55,444
Capital work-in-progress	16,783	2,270

Property, plant and equipment and capital work in progress	Freehold land**	Buildings */**	Leasehold building improvements	Plant and machinery	Electrical installation and equipments	Computers and information technology equipments	Furniture, fixtures and office equipments	Motor vehicles	Capital work-in-progress	Total
Cost										
Balance at April 1, 2024	975	22,928	8,559	85,166	1,928	2,313	9,113	3,613	1,017	1,35,612
Additions	-	322	14	9,369	83	266	319	205	10,605	21,183
Capitalised	-	-	-	-	-	-	-	-	(9,260)	(9,260)
Reclassification#	-	(1,074)	-	-	-	-	-	-	-	(1,074)
Disposals	-	-	(3,426)	(3,872)	(137)	(392)	(1,449)	(107)	-	(9,383)
Discontinued operation (Refer Note No. 49)	-	(16)	(1,705)	(887)	(506)	(653)	(378)	(35)	(92)	(4,272)
Balance at March 31, 2025	975	22,160	3,442	89,776	1,368	1,534	7,605	3,676	2,270	1,32,806
Additions	-	8	-	17,842	85	344	325	482	26,587	45,673
Capitalised	-	-	-	-	-	-	-	-	(12,074)	(12,074)
Disposals	-	(26)	(1)	(434)	(39)	(193)	(1,405)	(1,740)	-	(3,838)
Balance at March 31, 2026	975	22,142	3,441	1,07,184	1,414	1,685	6,525	2,418	16,783	1,62,567
Accumulated depreciation										
Balance at April 1, 2024	-	6,770	4,718	55,229	1,022	1,504	4,328	1,557	-	75,128
Depreciation expense	-	722	412	5,596	114	267	1,089	372	-	8,572
Reclassification#	-	(407)	-	-	-	-	-	-	-	(407)
Impairment**	79	904	-	-	-	-	-	-	-	983
Eliminated on disposals of assets	-	-	(1,977)	(3,051)	(64)	(340)	(847)	(46)	-	(6,325)
Discontinued operation (Refer Note No. 49)	-	(5)	(1,328)	(573)	(237)	(518)	(166)	(32)	-	(2,859)
Balance at March 31, 2025	79	7,984	1,825	57,201	835	913	4,404	1,851	-	75,092
Depreciation expense	-	671	258	5,376	104	288	995	283	-	7,975
Eliminated on disposals of assets	-	(14)	(1)	(355)	(35)	(175)	(986)	(997)	-	(2,563)
Balance at March 31, 2026	79	8,641	2,082	62,222	904	1,026	4,413	1,137	-	80,504
Net book value										
Balance at March 31, 2026	896	13,501	1,359	44,962	510	659	2,112	1,281	16,783	82,063
Balance at March 31, 2025	896	14,176	1,617	32,575	533	621	3,201	1,825	2,270	57,714

Notes:

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

**1. The Hon'ble Supreme Court had in an earlier year held that the land at Satbari, New Delhi had been acquired by the Delhi Development Authority (DDA). Consequently, the Group during the year ended March 31, 2025, impaired the carrying value of land and building thereupon.

2. The Group had provided an office space situated at one of its properties in New Delhi to Mr. Samir Kumar Modi in his capacity as an Executive Director of the Holding Company to carry out his official duties as a director of the Holding Company. Even though Mr. Samir Kumar Modi ceased to be a director of the Holding Company w.e.f close of business on September 6, 2024, he has not vacated the said office space and continues to be in possession of the same. The Group is pursuing the matter with Mr. Samir Kumar Modi for gaining peaceful possession of the same along with compensation for use of the assets by him beyond his tenure of employment.

Office building located in Delhi reclassified to Investment property based on future expected use as per IndAS 40, Investment Property.

For lien or charge against property, plant and equipment, refer Note No. 20.

Depreciation, amortisation and impairment expenses

a) Depreciation and amortisation expenses	Continuing Operations		Discontinued Operation		Total	
	Note no.	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026
Property, plant and equipment	6	7,975	8,280	-	292	7,975
Investment properties	7	105	68	-	-	105
Intangible assets	8	449	439	-	16	449
Right of use assets	40	3,566	2,594	-	1,107	3,566
Total		12,095	11,381	-	1,415	12,095
b) Impairment expenses						
Property, plant and equipment and capital work-in-progress	-	-	983	-	1,393	-
Intangible assets	-	-	-	-	66	-
Total		12,095	12,364	-	2,874	12,095

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	2,098	90	76	6	2,270
Balance as at March 31, 2025	2,098	90	76	6	2,270
Projects in progress	15,687	195	2	6	15,890
Projects temporarily suspended	-	823	70	-	893
Balance as at March 31, 2026	15,687	1,018	72	6	16,783

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

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(All amounts are in Rs. lakhs unless otherwise stated)

7. Investment Property

Cost	Freehold Land	Building	Total
Balance as at April 1, 2024	129	3,686	3,815
Reclassification (Refer Note No. 6)	-	1,074	1,074
Balance as at March 31, 2025	129	4,760	4,889
Balance at March 31, 2026	129	4,760	4,889
Accumulated depreciation and impairment			
Balance as at April 1, 2024	-	432	432
Depreciation expense	-	68	68
Disposals/ write off	-	407	407
Balance as at March 31, 2025	-	907	907
Depreciation expense	-	105	105
Balance at March 31, 2026	-	1,012	1,012
Carrying amount			
Balance at March 31, 2026	129	3,748	3,877
Balance as at March 31, 2025	129	3,853	3,982

Information regarding income and expenditure of investment properties

The Groups's investment properties comprise of certain land and buildings presently held by the Group for an undetermined purpose and these are located in Mumbai, Maharashtra and Bazpur, Uttarakhand.

	Year ended 31.3.2026	Year ended 31.3.2025
Rental income derived from investment properties	35	-
Direct operating expenses (including repairs and maintenance) arising from investment properties that generate rental income	-	-
Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income	517	154
Loss arising from investment properties before depreciation and indirect expenses	(482)	(154)
Depreciation expense	(105)	(68)
Loss arising from investment properties before indirect expenses	(587)	(222)
Fair valuation of the properties		
The following table provides an analysis of investment properties and their fair values:		
Fair Valuation of the properties	Year ended 31.3.2026	Year ended 31.3.2025
Located in Delhi	2,731	2,571
Located in Maharashtra	61,300	44,758
Located in Uttarakhand	1,394	1,337
	65,425	48,666

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.

(All amounts are in Rs. lakhs unless otherwise stated)

Description of valuation technique

	Valuation technique	Significant unobservable inputs	Assumption used	
			As on March 31, 2026	As on March 31, 2025
Located in Delhi Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	1,70,000	1,60,000
Located in Maharashtra Factory Land and Building (including Godown)	Market Value Method	Industrial rate for sales (Rs./Sq. Ft.)	16,000 to 26,000	16,000 to 18,000
Residential Land and Building	Market Value Method	Residential rate for sales (Rs./Sq. Ft.)	17,000 to 80,000	16,000 to 76,000
Office Building	Market Value Method	Fair Market Value (Rs./Sq.Ft.)	31,000	31,000
Located in Uttarakhand Factory Land and Building (including Admin Block)	Market Value Method	Fair Market Value (Rs./Sq.Mt.)	4,500 to 6,500	4,000 to 7,100

Significant increases / (decreases) in the assumptions in isolation or with combined effect would accordingly result in significantly higher / (lower) fair value of the properties.

	As at 31.3.2026	As at 31.3.2025	
8. Intangible assets and Intangible assets under development			
Carrying amount of:			
Intangible assets	763	1,197	
Intangible assets under development	-	15	
	763	1,212	
Intangible assets and Intangible assets under development	Computer Software	Intangible assets under development	Total
Cost			
Balance at April 1, 2024	3,508	6	3,514
Additions	92	100	192
Capitalised	-	(91)	(91)
Disposals	(5)	-	(5)
Discontinued Operation* (Refer Note No.49)	(558)	-	(558)
Balance at March 31, 2025	3,037	15	3,052
Additions	15	-	15
Disposals	-	(15)	(15)
Balance at March 31, 2026	3,052	-	3,052
Accumulated amortisation			
Balance at April 1, 2024	1,882	-	1,882
Amortisation expense	455	-	455
Capitalised	(5)	-	(5)
Discontinued Operation* (Refer Note No.49)	(492)	-	(492)
Balance at March 31, 2025	1,840	-	1,840
Amortisation expense	449	-	449
Balance at March 31, 2026	2,289	-	2,289
Net book value			
Balance at March 31, 2026	763	-	763
Balance at March 31, 2025	1,197	15	1,212

* Impairment of intangible assets attributable to discontinued operation is Rs.Nil (previous year Rs.66 lakhs) (Refer Note No.49)

Intangible assets under development ageing schedule

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15	-	-	-	15
Balance as at March 31, 2025	15	-	-	-	15
Projects in progress	-	-	-	-	-
Balance as at March 31, 2026	-	-	-	-	-

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

(All amounts are in Rs. lakhs unless otherwise stated)

9. Financial assets - Investments	As at 31.3.2026	As at 31.3.2025
Non-current		
Investment in equity instruments		
- Associate Companies (Refer Note No. 9.1)	11,701	9,230
- Other equity instruments (Refer Note No. 9.2)	81,169	82,258
Investment in preference shares	273	240
Investment in mutual funds	1,74,942	2,02,537
Investment-others	5,244	7,564
	2,73,329	3,01,829
Current		
Investment in mutual funds	54,280	13,090
Investment-others	2,297	4,810
	56,577	17,900
Aggregate value of unquoted investments non-current	87,932	85,937
Aggregate value of quoted investments non-current	1,85,401	2,15,906
Aggregate value of quoted investments current	56,577	17,900
Market value of quoted investments non-current	1,85,480	2,15,945
Market value of quoted investments current	56,575	17,809
Aggregate value of impairment (other than temporary) in value of investments non-current	4	14
Classification of investments as per Ind AS 109		
Investments carried at fair value through profit or loss (FVTPL)	2,34,785	2,21,770
Investments carried at fair value through other comprehensive income (FVTOCI)	75,874	76,452
Investments carried at amortised cost	7,467	12,277
	3,18,126	3,10,499
9.1 Investment in associates		
Break-up of investment in associates (carrying amount determined using the equity method of accounting)		
Unquoted investment		
Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)		
49,60,000 Equity shares of Rs. 10 each fully paid up	496	496
Group's share of profit upto year end	56,051	27,740
Less: Dividend received	(45,186)	(19,344)
	11,361	8,892
KKM Management Centre Private Limited	110	110
11,02,500 Equity shares of Rs. 10 each fully paid up	230	228
Group's share of profit upto year end	340	338
Aggregate carrying amount of the Group's investment in associates	11,701	9,230
9.2 Investment in other equity instruments		
9.2.1 Investments measured at fair value through profit or loss (FVTPL)		
Quoted equity instruments (A)	5,216	5,806
Unquoted equity instrument (B)	79	-
9.2.2 Investments measured at fair value through other comprehensive income		
Unquoted equity instrument (C)		
K K Modi Investment & Financial Services Private Limited		
91,875 Equity Shares of Rs.10 each fully paid up	75,874	76,452
Aggregate investment in other equity instruments (A+B+C)	81,169	82,258



(All amounts are in Rs. lakhs unless otherwise stated)

10. Financial assets - Loans (carried at amortised cost) (unsecured considered good unless otherwise stated)	As at 31.3.2026	As at 31.3.2025
Non-current		
Loans to employees		
- Loan to key managerial personnel (Refer Note No.44)	490	630
- Loan to other employees	1,192	1,790
	1,682	2,420
Current		
Loans to employees		
- Loan to key managerial personnel (Refer Note No.44)	140	129
- Loan to other employees	518	390
	658	519
Total	2,340	2,939

11. Income taxes		
Income tax expense in the consolidated statement of profit and loss comprises:		
	Year ended 31.3.2026	Year ended 31.3.2025
Statement of profit and loss		
Current income tax expense/(credit)		
Continuing operations	39,793	30,463
Discontinued operation (Refer Note No. 49)	-	(2,887)
Deferred tax		
Continuing operations	1,661	1,353
Discontinued operation (Refer Note No. 49)	24	177
Total income tax expense recognised in the statement of profit and loss	41,478	29,106
Statement of Other Comprehensive Income:		
Current tax related to items recognised in OCI during the year:		
Gain on remeasurements of defined benefit plans	15	28
Deferred tax related to items recognised in OCI during the year:		
Gain on equity instruments fair valued through OCI	(83)	1,691
Income tax (credit)/ expense charged to OCI	(68)	1,719
The income tax expense for the year can be reconciled to the accounting profit multiplied by corporate tax rate as follows:		
Profit before share of profit of associate and tax from continuing operations	1,65,674	1,26,208
Profit/ (Loss) before tax from discontinued operation	94	(10,768)
Profit before share of profit of associate and tax from continuing operations and discontinued operation	1,65,768	1,15,440
Income tax expense calculated at corporate tax rate of 25.168%	41,720	29,054
Differential tax rate on long term capital gain on sale of investments and fair value (gain)/loss on investments	(1,030)	(981)
Effect of items that are not deductible in determining taxable profit (net)	703	1,206
Deduction under section 80M of Income Tax Act, 1961	(19)	(16)
Difference in tax rates of subsidiaries/ trust	147	6
Others	(43)	(163)
At the effective income tax rate of 25.02% (Previous year: 25.21%)	41,478	29,106



(All amounts are in Rs. lakhs unless otherwise stated)

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	Recognised in Equity	Closing Balance
For the year ended March 31, 2026					
Deferred tax assets in relation to					
Provisions for compensated absences	737	14	-	-	751
Accrued expenses deductible on payment basis	342	(74)	-	-	268
Provision for doubtful debts	85	-	-	-	85
Right-of-Use Assets	730	78	-	-	808
Other financial assets (net)	60	(32)	-	-	28
	1,954	(14)	-	-	1,940
Deferred tax liabilities in relation to					
Investment in mutual funds and market linked debentures fair valued through profit or loss	(4,307)	(1,467)	-	-	(5,774)
Investment in unquoted equity instruments fair valued through OCI	(10,927)	-	83	-	(10,844)
Property, plant and equipments, intangible assets, investment properties	(98)	(268)	-	-	(366)
Investment in quoted equity instruments fair valued through profit or loss	(456)	65	-	-	(391)
Investment in unquoted preference shares fair valued through profit or loss	(27)	(5)	-	-	(32)
Compound financial instrument	(12)	4	-	-	(8)
	(15,827)	(1,671)	83	-	(17,415)
Net deferred tax liabilities	(13,873)	(1,685)	83	-	(15,475)
For the year ended March 31, 2025					
Deferred tax assets in relation to					
Provisions for compensated absences	803	(66)	-	-	737
Accrued expenses deductible on payment basis	410	(68)	-	-	342
Provision for doubtful debts	79	6	-	-	85
On employee share based payment	78	-	-	(78)	-
Right-of-Use Assets	1,472	(742)	-	-	730
Other financial assets (net)	164	(104)	-	-	60
Provision for employee benefit-Others (Refer Note No. 23)	228	(228)	-	-	-
	3,234	(1,202)	-	(78)	1,954

(All amounts are in Rs. lakhs unless otherwise stated)

Income taxes (continued)

	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Recognised in Equity	Closing Balance
Deferred tax liabilities in relation to					
Investment in mutual funds and market linked debentures fair valued through profit or loss	(3,083)	(1,224)	-	-	(4,307)
Investment in unquoted equity instruments fair valued through OCI	(9,236)	-	(1,691)	-	(10,927)
Property, plant and equipments, intangible assets, investment properties	(1,172)	1,074	-	-	(98)
Investment in quoted equity instruments fair valued through profit or loss	(280)	(176)	-	-	(456)
Investment in unquoted preference shares fair valued through profit or loss	(21)	(6)	-	-	(27)
Compound financial instrument	(16)	4	-	-	(12)
	(13,808)	(328)	(1,691)	-	(15,827)
Net deferred tax assets/(liabilities)	(10,574)	(1,530)	(1,691)	(78)	(13,873)

	As at 31.3.2026	As at 31.3.2025
12. Inventories		
(Lower of cost and net realisable value)		
Raw and packing materials (Net of provision of Rs.172 lakhs; previous year Nil)	1,64,808	1,64,585
Work-in-process	1,573	940
Finished goods *	33,817	14,927
Stock-in-trade	16,958	11,433
Stores and spare parts (Net of provision of Rs. 560 lakhs, Previous year Rs. 693 lakhs)	2,832	1,992
Construction materials and WIP	613	-
Land (Refer Note No. 50)	5,834	5,831
	2,26,435	1,99,708
Inventories include in-transit inventory of:		
Raw and packing materials	2,939	4,297
Finished goods	964	111
Stock-in-trade	13	5,444
Store and spare parts	188	-

Pursuant to amendment in indirect tax structure during the year, finished goods and stock-in-trade as at March 31, 2026 are not comparable with the previous year. (Refer Note No.27)

Inventories of the Company have been pledged as security against borrowings (Refer Note No. 20)

* Includes excise duty of Rs. 28,086 lakhs (Previous year Rs. 6,652 lakhs)



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
13. Financial assets - Trade receivables (at amortised cost)		
Unsecured - considered good	59,953	42,442
Unsecured - considered good - receivable from Associate (Refer Note No.44)	30,790	9,193
Unsecured - doubtful	188	188
	90,931	51,823
Less: Impairment allowance	188	188
Total trade receivables	90,743	51,635

The average credit period on sale of goods ranges upto 180 days.

Generally no interest is charged on trade receivables.

The total trade receivable as at April 1, 2024 were Rs. 17,287 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	86,257	4,052	389	45	-	-	90,743
(b) Undisputed trade receivables - doubtful	-	-	-	25	-	163	188
Balance as at 31 March, 2026	86,257	4,052	389	70	-	163	90,931
(a) Undisputed trade receivables - considered good	47,593	4,038	1	2	-	1	51,635
(b) Undisputed trade receivables - doubtful	-	10	15	-	-	163	188
Balance as at 31 March, 2025	47,593	4,048	16	2	-	164	51,823

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

	As at 31.3.2026	As at 31.3.2025
14. Financial assets - Cash and bank balances		
Cash and cash equivalents		
Cash on hand	9	8
Balances with banks		
- In current accounts	320	1,417
	329	1,425
Other bank balances:		
In earmarked accounts for		
- Margin money*	465	522
- Unpaid dividend**	1,033	845
- Fixed deposit receipts lodged with government authorities	2	2
- Fixed deposit with original maturity of more than 3 months but less than 12 months	100	139
- Fixed deposit with original maturity of more than 12 months and remaining maturity less than 12 months	1,332	98
	2,932	1,606
Cash and bank balances	3,261	3,031

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

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

	As at 31.3.2026	As at 31.3.2025
15. Other financial assets (at amortised cost) (unsecured considered good unless otherwise stated)		
Non-current		
Fixed Deposits with remaining maturity of more than 12 months	43	425
Security deposits	815	671
	858	1,096
Current		
Security deposits	136	175
Interest accrued on bank and other deposits	392	479
Compensation receivable (Refer Note No. 50)	1,551	2,414
Insurance claim receivable *	28,436	-
Other receivables (Refer Note No. 44)	2,274	1,831
	32,789	4,899

* On October 10, 2025, a fire broke out in the tobacco processing plant and inventory warehouse operated by a third-party, located at District Prakasam in Andhra Pradesh. The Group has filed a claim with the insurance company against the loss of inventories and input tax credits aggregating to Rs.28,436 lakhs besides additional claim of loss of profit. The process of assessment of entire claim settlement is underway. The Group expects to fully recover its losses occurred in the fire accident.



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
16. Other assets		
(unsecured considered good unless otherwise stated)		
Non-current		
Capital advances	5,605	7,260
Balance with government authorities	51	40
Prepayment to suppliers	5,437	3,422
Prepaid expenses	1,644	2,565
	12,737	13,287
Current		
Balance with government authorities (net of impairment allowance of Rs. 151 lakhs; previous year Rs.151 lakhs)	26,550	17,057
Prepaid expenses	2,884	1,407
Export incentives accrued/available	18	17
Prepayment to suppliers	1,390	2,964
Others (Also Note No. 44)	249	384
Total	31,091	21,829

	As at 31.3.2026	As at 31.3.2025
17. Equity Share Capital		
Authorised		
60,000 preference shares of Rs. 100 each	60	60
24,70,00,000 (Previous Year 12,20,00,000) equity shares of Rs. 2 each	4,940	2,440
	5,000	2,500
Issued, subscribed and fully paid up		
15,59,81,760 (Previous Year 5,19,93,920) equity shares of Rs. 2 each	3,120	1,040

(i) During the financial year ended March 31, 2026, the authorised share capital was increased by Rs.2500 lakhs i.e 125,000,000 equity shares of Rs.2 each and the issued, subscribed and fully paid up share capital was increased by 103,987,840 equity shares as fully paid up bonus equity shares were allotted in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each. There were no other shares issued for consideration other than cash or shares brought back in the last five years.

Reconciliation of number of equity shares outstanding	As at 31.3.2026		As at 31.3.2025	
	Number of shares	Rs. lakhs	Number of shares	Rs. lakhs
As at beginning of the year	51993920	1,040	51993920	1,040
Add: Issue of Bonus Shares	103987840	2,080	-	-
As at end of the year	155981760	3,120	51993920	1,040

(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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	As at 31.3.2026		As at 31.3.2025	
	Number of shares	% holding	Number of shares	% holding
a) K K Modi Investment & Financial Services Private Limited	46553748	29.85%	15517916	29.85%
b) Philip Morris Global Brands Inc.	39151425	25.10%	13050475	25.10%
c) Good Investment (India) Limited	12927660	8.29%	4309220	8.29%

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

(All amounts are in Rs. lakhs unless otherwise stated)

17. Equity Share Capital (continued)

(iv) Details of shares held by promoters

As at March 31, 2026

Name of the promoter	Number of shares as at 01.4.2025	Change during the year*	Number of shares as at 31.3.2026	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15517916	31035832	46553748	29.85%	0.00%
b) Philip Morris Global Brands Inc	13050475	26100950	39151425	25.10%	0.00%
c) Good Investment (India) Ltd.	4309220	8618440	12927660	8.29%	0.00%
d) Quick Investment (India) Ltd.	2235800	4471600	6707400	4.30%	0.00%
e) Super Investment (India) Ltd	527260	1054520	1581780	1.01%	0.00%
f) K K Modi & Bina Modi Trustees -Indofil Senior Executives (Offices) Welfare Trust	386280	772560	1158840	0.74%	0.00%
g) K K Modi & Bina Modi Trustees -Indofil Junior Employees (Factory) Welfare Trust	380000	760000	1140000	0.73%	0.00%
h) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Welfare Trust	308560	617120	925680	0.59%	0.00%
i) K K Modi & Bina Modi Trustees - Indofil Senior Executives (Factory) Welfare Trust	308560	617120	925680	0.59%	0.00%
j) K K Modi & Bina Modi Trustees Indofil Senior Executives (Factory) Benefit Trust	141360	282720	424080	0.27%	0.00%
k) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Offices) Benefit Trust	108220	216440	324660	0.21%	0.00%
l) K K Modi & Bina Modi Trustees - Indofil Junior Employees (Factory) Benefit Trust	100560	201120	301680	0.19%	0.00%
m) Longwell Investment Pvt Ltd	80000	160000	240000	0.15%	0.00%
n) Swasth Investment Pvt Ltd	80000	160000	240000	0.15%	0.00%
o) Motto Investment Pvt Ltd	34000	68000	102000	0.07%	0.00%
p) HMA Udyog Private Ltd	122228	244456	366684	0.24%	0.00%
q) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	45680	68520	0.04%	0.00%
r) Divya Modi Tongya	11500	23000	34500	0.02%	0.00%
s) Ritika Nikhil Rungta	5440	10880	16320	0.01%	0.00%
t) Bina Modi	3000	6000	9000	0.01%	0.00%
u) Ruchir Kumar Lalit Modi	2000	4000	6000	0.00%	0.00%
v) Samir Kumaar Modi	2250	4500	6750	0.00%	0.00%
w) Charu Modi	10	20	30	0.00%	0.00%
Total	37737479	75474958	113212437	72.58%	0.00%

* Change pursuant to bonus issue in the ratio of 2:1



GODFREY PHILLIPS
—INDIA LIMITED—

(All amounts are in Rs. lakhs unless otherwise stated)

As at March 31, 2025

Name of the promoter	Number of shares as at 01.4.2024	Change during the year	Number of shares as at 31.3.2025	% Holding	% Change during the year
a) K K Modi Investment And Financial Services Pvt. Ltd.	15517916	-	15517916	29.85%	0.00%
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) Longwell Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
n) Swasth Investment Pvt Ltd	80000	-	80000	0.15%	0.00%
o) Motto Investment Pvt Ltd	34000	-	34000	0.07%	0.00%
p) HMA Udyog Private Ltd	122228	-	122228	0.24%	0.00%
q) K K Modi & Bina Modi Trustees Indofil Senior Executives (Offices) Benefit Trust	22840	-	22840	0.04%	0.00%
r) Divya Modi Tongya	11500	-	11500	0.02%	0.00%
s) Ritika Nikhil Rungta	5440	-	5440	0.01%	0.00%
t) Bina Modi	3000	-	3000	0.01%	0.00%
u) Ruchir Kumar Lalit Modi	2000	-	2000	0.00%	0.00%
v) Samir Kumaar Modi	2000	250	2250	0.00%	12.50%
w) Charu Modi	10	-	10	0.00%	0.00%
Total	37737229	250	37737479	72.58%	0.00%



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
18. Other equity		
Capital redemption reserve	30	30
Statutory reserve	146	128
Reserve for equity instruments fair valued through OCI	64,993	65,488
General reserve	35,352	37,432
Retained earnings	5,15,858	4,19,946
Equity component of compound financial instrument (Refer Note No. 20)	116	116
Employee share based payment reserve (Refer Note no. 46)	1,676	402
Less: Treasury Shares on cessation of employee as per ESPS scheme	(47)	-
	6,18,124	5,23,542

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. During the current year Rs.2080 lakhs has been transferred to Share Capital pursuant to issue of bonus equity shares.

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, 2026, the directors have in the board meeting held on May 15, 2026, proposed a dividend of Rs. 33 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. 51,474 lakhs.

Employee share based payment reserve:

Share based payment reserve is created to recognise on fair value, the expense of equity shares granted to eligible employees of the Holding Company under Godfrey Phillips Employees Share Purchase Scheme.

Treasury Shares:

The Company through a Trust has acquired shares for further distribution to its employees as share based payments for their services. As and when these shares are issued to the employees the same will be adjusted from treasury shares.

	As at 31.3.2026	As at 31.3.2025
19. Non-controlling interests		
Balance at beginning of year	668	625
Share of total comprehensive income of the year	(4)	28
Share of Equity component of compound financial instrument allotted during the year	-	15
Balance at the end of the year	664	668
Details of partially owned subsidiary		
Individually immaterial subsidiaries with non-controlling interests	664	668
	664	668

	As at 31.3.2026	As at 31.3.2025
20. Financial liabilities - Borrowings		
Non-current borrowings - carried at amortised cost		
6.25%, non-cumulative, non-convertible, redeemable preference shares		
Liability component of compound financial instrument* (Refer Note No.18)	164	149
Total non-current borrowings (net)	164	149
Details of security and terms of above loans:		
*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		
Bank overdraft*	9,308	2,922
Total current borrowings	9,308	2,922

(All amounts are in Rs. lakhs unless otherwise stated)

20. Financial liabilities - Borrowings (continued)

Details of security and terms of above loans:

*The above current borrowing carries interest ranging from 7.85% to 10.10% per annum and is secured against hypothecation of entire stocks (excluding land) and book debts and second charge on all movable fixed assets of the Group. The quarterly statements of current assets filed by the Group with the banks are in agreement with the books of accounts.

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, 2024	4,396	200	4,596
Cash Flow (net)	(1,474)	-	(1,474)
Balance at March 31, 2025	2,922	200	3,122
Cash Flow (net)	6,386	-	6,386
Balance at March 31, 2026	9,308	200	9,508

	As at 31.3.2026	As at 31.3.2025
21. Financial liabilities - Lease liabilities		
Non-current		
Lease liabilities (Refer Note No.40)	10,313	12,033
	10,313	12,033
Current		
Lease liabilities (Refer Note No.40)	3,583	2,793
	3,583	2,793
	As at 31.3.2026	As at 31.3.2025
22. Other financial liabilities		
Non-current		
Security deposits - at amortised cost	95	108
	95	108
Current		
Interest accrued but not due on borrowings	5	1
Payable to related parties (Refer Note No.44)	13,395	-
Unclaimed dividends	1,033	845
Payable to gratuity fund (Refer Note No.41)	424	238
Liability towards suppliers of property, plant & equipments and intangible assets	1,232	508
Security deposits - at amortised cost	15	16
Employee payables	15,968	9,865
Others	-	16
	32,072	11,489

(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
23. Employee benefit obligations		
Non-current		
Provision for compensated absences	1,779	2,338
	1,779	2,338
Current		
Provision for compensated absences	1,285	670
	1,285	670

	As at 31.3.2026	As at 31.3.2025
24. Financial liabilities - Trade payables		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	3,041	2,493
	3,041	2,493
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		
- Other	32,277	32,864
- Payables to associates (Refer Note No.44)	17,913	14,605
	50,190	47,469

The Group generally pays its vendors within 30-180 days and interest, if any, payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006 is recognised.

The Group has financial risk management policies in place to ensure all payables are paid within the agreed credit term. For explanation on the Group's liquidity risk management process, refer Note No.42. Also refer Note No. 3.4.

Trade payables ageing schedule

	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	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	-	2,833	201	7	-	-	3,041
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	10,799	28,135	11,113	118	7	18	50,190
Balance as at 31 March, 2026	10,799	30,968	11,314	125	7	18	53,231
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises	-	2,398	95	-	-	-	2,493
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	13,181	27,673	6,560	9	46	-	47,469
Balance as at 31 March, 2025	13,181	30,071	6,655	9	46	-	49,962

	As at 31.3.2026	As at 31.3.2025
25. Income tax assets and liabilities		
Non-current		
Income tax assets (Net)		
Income tax recoverable (net of provisions)	2,613	2,619
Total income tax assets	2,613	2,619
Current		
Income tax liabilities (Net)		
Income tax payable (net of advance tax and TDS recoverable)	1,282	452
Total income tax liabilities	1,282	452



(All amounts are in Rs. lakhs unless otherwise stated)

	As at 31.3.2026	As at 31.3.2025
26. Other liabilities		
Current		
Statutory liabilities	68,202	67,345
Advances from customers (Contract liabilities)*	11,234	5,623
Liability towards expenditure on Corporate Social Responsibility (Refer Note No. 35) **	622	688
Others	321	130
	80,379	73,786

*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	5,623	7,187
Revenue recognised from amounts included in Advances from customers at beginning of the year	5,623	7,187

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 2025-26 as notified by Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Companies (Amendment) Act, 2019 and Companies (Amendment) Act, 2020.

27. Revenue from operations		
i) Revenue from contracts with customers (including excise duty)		
Sources of revenue		
The Group derives its revenue from the transfer of goods at a point in time in the following major product lines:		
a) Disaggregated revenue information	Year ended 31.3.2026	Year ended 31.3.2025
Cigarettes*	6,92,880	4,55,939
Unmanufactured tobacco	2,02,391	2,06,456
Cut tobacco	1,931	4,223
Confectionery	10,609	6,719
Others	435	156
Total (A)	9,08,246	6,73,493

*includes incremental revenue of Rs.29,029 lakhs (previous year Rs. 25,819 lakhs) arising from resale of Marlboro cigarettes manufactured by the Group.

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.



(All amounts are in Rs. lakhs unless otherwise stated)

27. i) Revenue from contracts with customers (including excise duty) (continued)
Revenues by Geography

	Year ended 31.3.2026	Year ended 31.3.2025
Within India	7,06,848	4,61,453
Outside India	2,01,398	2,12,040
Total	9,08,246	6,73,493

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

	Year ended 31.3.2026	Year ended 31.3.2025
Revenue as per contracted price	9,32,246	6,75,881
Adjustments:		
Sales return	(22,853)	(1,248)
Discounts, rebates, etc.	(1,147)	(1,140)
Revenue from contracts with customers	9,08,246	6,73,493

During the current year, the Government of India has revised the indirect tax structure on cigarettes by reducing compensation cess to "Nil" and simultaneously increasing GST and excise duty effective from February 01, 2026. Consequent to such amendments, the composition of indirect taxes included in revenue from contract with customers, excise duty expense and inventory valuation has a significant change. Accordingly, the figures of revenue from contract with customers and excise duty for the year ended March 31, 2026 and value of inventory as at March 31, 2026 are not comparable with the previous year.

	Year ended 31.3.2026	Year ended 31.3.2025
ii) Other operating revenues		
Export incentives	301	312
Transfer of land (Refer Note No.50)	112	-
Dividend Income	80	84
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	-	816
Receipts from sale of scrap and ancillary products	1,808	794
Other receipts	1,547	1,250
Total (B)	3,848	3,256
Total revenue from operations (A+B)	9,12,094	6,76,749

	Year ended 31.3.2026	Year ended 31.3.2025
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28. Other income

Interest income from:		
- Debts, deposits, loans and advances, etc. (at amortised cost)	468	256
- Interest on long term investments*	859	989
- Income tax refund	53	21
Rent and hire charges from:		
- Others	349	422
Net gain on sale/redemption/fair valuation of:		
- Long term investments fair valued through profit or loss	12,634	14,695
- Short term investments fair valued through profit or loss	2,731	1,838
Foreign currency fluctuation (net)	2,347	2,026
Profit on sale of property plant and equipment (net)	23	16
Liabilities written back	6	143
Gain on termination/concession in leases (Refer note no. 40)	20	898
Miscellaneous income	989	758
	20,479	22,062
*includes interest income calculated in relation to financial assets valued on amortised cost basis.	858	985



(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
29. Cost of materials consumed		
Cost of raw and packing materials consumed	1,89,243	1,51,144
	1,89,243	1,51,144
	Year ended 31.3.2026	Year Ended 31.3.2025
30. Purchases of stock-in-trade		
Unmanufactured tobacco	1,42,164	1,60,724
Other goods (including cigarettes purchased for re-sale)	47,897	23,498
	1,90,061	1,84,222
	Year ended 31.3.2026	Year Ended 31.3.2025
31. Changes in Inventories of finished goods, stock-in-trade and work-in-process		
Opening stock:		
Work-in-process	940	601
Finished goods	14,927	10,530
Stock-in-trade	11,433	6,074
Land	5,831	5,831
Opening stock (A)	33,131	23,036
Closing stock:		
Work-in-process	1,573	940
Finished goods	33,817	14,927
Stock-in-trade	16,958	11,433
Land	5,834	5,831
Closing stock (B)	58,182	33,131
(Increase) in inventories (A-B)	(25,051)	(10,095)

Pursuant to amendment in indirect tax structure during the year, finished goods and stock-in-trade as at March 31, 2026 are not comparable with the previous year. (Refer Note No.27)

	Year ended 31.3.2026	Year Ended 31.3.2025
32. Employee benefits expenses		
Salaries and wages	37,944	36,558
Employee share based payment expense (Refer Note No. 46)	3,005	402
Provident fund expense (Refer Note No.41)	1,528	1,454
Gratuity and superannuation expense (Refer Note No.41)	718	606
Workmen and staff welfare expenses	2,146	2,016
	45,341	41,036

During the year, the Central Government notified the implementation of four Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, which subsume existing labour laws and introduce changes including definition of 'wages' and provisions relating to leave encashment. The final rules under these Codes are yet to be notified by state governments. The Group has performed an assessment of the impact of these changes and no material effect was observed on account of the implementation of the rules that have been notified upto the reporting date. The Group will continue to monitor regulatory developments and assess the impact, if any, upon notification of the balance rules.



(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year Ended 31.3.2025
33. Finance costs		
Interest expenses on:		
- Borrowings	32	44
- Lease liabilities (Refer Note No. 40)	1,041	1,062
- Others	65	78
Other borrowing costs	36	48
	1,174	1,232
34. Other Expenses		
	Year ended 31.3.2026	Year ended 31.3.2025
Consumption of stores and spare parts*	121	124
Power and fuel	3,304	3,098
Rent (Refer Note No.40)	949	681
Repairs and maintenance		
- Buildings	535	458
- Plant and machinery	3,477	2,900
- Others	1,440	1,451
Insurance	2,048	1,043
Rates and taxes	733	358
Freight and cartage	9,255	6,051
Legal and professional expenses	4,148	3,301
Auditors' Remuneration (net of GST)**		
- Audit fees	147	144
- For tax audit	24	24
- For limited review of unaudited financial statements	93	92
- For consolidated financial statements	7	7
- For other services and certificates	28	15
- Reimbursement of expenses and expenses incurred	17	17
Commission paid to other than sole selling agents	152	537
Advertising and sales promotion	16,053	18,590
Selling and distribution expenses	13,041	11,814
Travelling and conveyance	3,015	2,600
Donations	24	70
Contributions/expenses towards Corporate social responsibility#	1,722	1,371
Bad debts and advances written off	82	52
Property, plant and equipment and Intangible assets written off	501	1,336
Technical services fee and royalty (Refer Note No. 44)	2,137	1,804
Consumer research activity	535	841
Contract labour expenses	2,904	2,909
Machine and material handling expenses	221	423
Provision for doubtful debts and advances	-	25
Net loss on sale/redemption/fair valuation of short term investments	3	25
Net loss on fair valuation of long term investments fair valued through profit or loss	478	-
Miscellaneous expenses	13,859	14,892
	81,053	77,053

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

**Includes fees paid to the auditors of the subsidiary companies.

#includes expenses towards Corporate social responsibility of a subsidiary Rs. 7 lakhs (Previous year Rs.Nil)

(All amounts are in Rs. lakhs unless otherwise stated)

	Year ended 31.3.2026	Year ended 31.3.2025
35. The Holding Company, subsidiaries and associates which are companies incorporated in India and whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, the Holding Company and above referred subsidiaries and associates did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Holding Company and the above referred subsidiaries and associates as per the statutory requirements for record retention except for Oracle EBS where transactions are recorded on or after November 18, 2024 and has not been preserved for transactions recorded in SAP S4 Hana, which was being used in its discontinued operation.		

36. Earnings per share	As at 31.3.2026	As at 31.3.2025
Profit attributable to Continuing operations (A)	1,52,536	1,15,261
Profit/(Loss) attributable to Discontinued operation (B)	70	(8,058)
Profit for the year attributable to owners of the Company (C)	1,52,606	1,07,203
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (D)*	155981378	155510136
Basic and Diluted Earnings per share for continuing operations (Rs.), computed based on profit from continuing operations [A/D] (Face value of Rs. 2 each)	97.80	74.12
Basic and Diluted Earnings per share for discontinued operation (Rs.), computed based on profit/(loss) from discontinued operation [B/D] (Face value of Rs. 2 each)	0.04	(5.18)
Basic and Diluted Earnings per share for continuing and discontinued operations (Rs.) [C/D] (Face value of Rs. 2 each)	97.84	68.94

*Pursuant to issue of bonus share during the current year ended 31st March,2026, previous year figures have been restated for the purpose of computation of Earnings Per Share (EPS), in accordance with the 'Ind AS 33 – Earnings per Share'.

37. Contingent liabilities not provided for	As at 31.3.2026	As at 31.3.2025
a) Demands from excise, income tax, sales tax and other authorities not accepted by the Group @^	18,868*	21,136*
b) Claims against the Group not acknowledged as debts	1	1

@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 statements of the Group when ultimately concluded and interest, if any, would be additional.

*includes Rs.2,772 lakhs (Previous year - Rs. 2,772 lakhs) relating to Input Tax Credit (ITC) for the period July 2017 to June 2018 and pertaining to the services availed/procured at Head Office/Corporate Office of the Group and subsequently cross charged to all establishments and Goods and Service Tax (GST) registrations of the Group across the country, is alleged as ineligible for credit at the Head Office/Corporate Office of the Group since it was not registered as Input Service Distributor (ISD). Hence, in view of the DGGSTI, the ITC availed by the Group had become recoverable with applicable interest and penalty.

The Group, based on its assessment and considering the legislative changes having taken place so far, believes that it has a good case on merit and is therefore, filed an appeal against this Order.

*includes Rs.8,290 (Previous year - Rs. 8,290 lakhs) lakhs relating to alleged under valuation of supply of goods resulting in short payment of tax under the GST laws . The Group, based on its assessment believes that it has a good case on merit and is therefore, filed an appeal against this Order. Interest and penalty if any would be additional.

*includes Rs.726 lakhs (Previous year - Rs. 726 lakhs) relating to alleged incorrect classification of goods resulting in short payment of tax under the GST laws. The Group, based on its assessment believes that it has a good case on merit and is therefore, filed an appeal against this Order. Interest and penalty if any would be additional.

(All amounts are in Rs. lakhs unless otherwise stated)

^Demands of income-tax for the financial years 2015-16 to 2018-19 and 2020-21 include amounts relating to certain expenses being treated as non-deductible business expenses pursuant to the re-assessment/assessment orders passed in connection with search carried out by the Income-tax department under section 132 of the Income-tax Act, 1961 on a promoter of the Holding Company. The Group is of the view that these are admissible business expenses and accordingly, has appealed against the re-assessment/assessment orders before the CIT (Appeals) which appeals are pending disposal.

c) 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.

d) The Group has received various show cause notices from various Government Authorities asking it to explain why certain amounts mentioned therein should not be paid or for providing information and explanations. Thus the Group does not consider these to constitute a liability of any kind. As and when these notices are received, the Group responds to the same in accordance with the provisions of the law.

38. Commitments	As at 31.3.2026	As at 31.3.2025
a) The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances)	13,019	17,472
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.		
39. Expenditure on scientific research and development	As at 31.3.2026	As at 31.3.2025
Revenue expenditure	1,303	1,204
Capital expenditure	50	74

40. Leases

40.1 Group as a lessee

The Group has lease contracts for various items of land, building, offices, warehouses, and vehicles used in its operations. Leases of land have a term ranging from 45 to 99 years, buildings, offices and warehouses have lease terms between 2 and 18 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 31.3.2026	As at 31.3.2025
Carrying amount of:		
Right-of-Use: Office buildings, warehouses and stores	10,682	11,928
Right-of-Use: Land*	601	611
Right-of-Use: Vehicles	-	1
Total	11,283	12,540



(All amounts are in Rs. lakhs unless otherwise stated)

	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, 2024	39,934	2,670	674	309	43,587
Additions / Modifications	7,069	64	-	-	7,133
Discontinued operation (Refer Note No. 49)	(22,879)	(2,734)	-	(26)	(25,639)
Derecognition	(6,624)	-	-	(270)	(6,894)
Balance as at March 31, 2025	17,500	-	674	13	18,187
Additions / Modifications	2,825	-	-	-	2,825
Derecognition	(909)	-	-	(13)	(922)
Balance as at March 31, 2026	19,416	-	674	-	20,090
Accumulated depreciation					
Balance as at April 1, 2024	16,030	2,438	53	284	18,805
Depreciation expense	3,586	85	10	20	3,701
Discontinued operation (Refer Note No. 49)	(10,178)	(2,523)	-	(26)	(12,727)
Derecognition	(3,865)	-	-	(266)	(4,131)
Balance as at March 31, 2025	5,573	-	63	12	5,648
Depreciation expense	3,555	-	10	1	3,566
Derecognition	(394)	-	-	(13)	(407)
Balance as at March 31, 2026	8,734	-	73	-	8,807
Balance as at March 31, 2026	10,682	-	601	-	11,283
Balance as at March 31, 2025	11,927	-	611	1	12,539

*Includes Rs. 4 lakhs in respect of plot of land in one of a subsidiary for which a notice of termination of lease has been received from the Government of U.P. The Subsidiary has disputed the said notice by a petition filed before the Allahabad High Court and the same is pending disposal.

40. Leases (continued)

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

	As at 31.3.2026	As at 31.3.2025
Balance as at April 1	14,826	30,008
Addition	2,823	7,091
Accretion of interest*	1,041	1,513
Payments	(4,258)	(4,849)
Discontinued operation	-	(15,278)
De-recognition of lease liabilities on termination	(536)	(3,659)
Balance as at March 31**	13,896	14,826
Current	3,583	2,793
Non-current	10,313	12,033

* 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:

	Continuing operations		Discontinued operation		Total	
	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025
Depreciation expense of right-of-use assets	3,566	2,594	-	1,107	3,566	3,701
Interest expense on lease liabilities@	1,041	1,062	-	451	1,041	1,513
Expense relating to short-term leases ^	949	681	-	2,295	949	2,976
Variable lease payments ^	-	-	-	44	-	44
Gain on termination of leases^^	(20)	(898)	-	(2,365)	(20)	(3,263)
	5,536	3,439	-	1,532	5,536	4,971

@Refer Note No. 33 and Note No. 49

^Refer Note No. 34 and Note No. 49

^^Refer Note No. 28 and Note No. 49

40.2 Group as a lessee

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 Company during the year is Rs. 349 Lakhs (Previous Year Rs. 422 Lakhs). The carrying value of the said assets is not material.

(All amounts are in Rs. lakhs unless otherwise stated)

41. Employee benefit plans

(a) Defined contribution plans and amounts recognised in the consolidated statement of profit and loss/other comprehensive income

	Year ended 31.3.2026	Year ended 31.3.2025
Contribution towards provident fund (Refer Note No. 32)^	1528	105
Contribution towards superannuation fund	123	127
Employers' contribution to employee's state insurance scheme	3	2
	1654	234

^ During the current year, the Holding Company has liquidated the Godfrey Phillips India Limited Provident Fund (the Fund), an exempted PF Trust and transferred the balance to Government Provident Fund Scheme, a contribution scheme. In the previous year, provident fund contribution was recognised in the financial statements as a defined benefit plan. The amount recognised during previous year in consolidated statement of profit and loss was Rs. 14.13 lakhs (including amount pertaining to discontinued operation Rs.64 lakhs) and in other comprehensive income was Rs.98 lakhs.

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

	Year ended 31.3.2026	Year ended 31.3.2025
Compensated absences – amount recognized in the consolidated statement of profit and loss	632	449

(c) Defined benefit plans

Gratuity

The Group 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 Code on Social Security, 2020 or the Company Scheme, whichever is beneficial.

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.

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	Year Ended 31.3.2026	Year Ended 31.3.2025
Current service cost	427	445
Past service cost	184	-
Net interest (income)/cost	(16)	33
Net employee benefit expense recognized in employee cost	595	478

(All amounts are in Rs. lakhs unless otherwise stated)

(c) Defined benefit plans - Gratuity (continued)

Amount recognised in other comprehensive income:

	Year ended 31.3.2026	Year ended 31.3.2025
Actuarial (gain)/loss on obligations arising from change in financial assumptions	(172)	203
Actuarial loss/ (gain) on obligations arising on account of experience adjustments	86	(325)
Return on plan assets (excluding amounts included in net interest expense)	24	(87)
Net (income)/expense for the year recognized in other comprehensive income	(62)	(209)

(I) Changes in the present value of the defined benefit obligation are as follows:

	Year ended 31.3.2026	Year ended 31.3.2025
Opening defined obligation	10,521	11,531
Current service cost	427	445
Past service cost	184	-
Interest cost (Gross)	639	744
Benefits paid	(1,509)	(2,077)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(172)	203
Actuarial loss/ (gain) on obligations arising on account of experience adjustments	86	(325)
Closing defined benefit obligation	10,176	10,521
(II) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	10,252	10,775
Interest income (Gross)	654	710
Return on plan assets (excluding Amounts included in net interest expense)	(24)	87
Contribution by employer	270	757
Benefits paid	(1,509)	(2,077)
Closing fair value of plan assets	9,643	10,252
(III) Net Liability recognised in the consolidated balance sheet (I - II)	533	269

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, 2026		
Government debt securities	23	0.24%
Other debt instruments	10	0.10%
Insurer managed funds	9,932	103.00%
Others	(322)	-3.34%
	9,643	100.00%
As at March 31, 2025		
Government debt securities	77	0.75%
Other debt instruments	10	0.10%
Insurer managed funds	10,245	99.93%
Others	(80)	-0.78%
	10,252	100.00%

(All amounts are in Rs. lakhs unless otherwise stated)

(c) Defined benefit plans - Gratuity (continued)

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

	As at 31.3.2026	As at 31.3.2025
Discount rate (in %)	7.15%-7.20%	6.85%-6.90%
Salary escalation rate (in %)	7.50%-8.00%	7.50%-8.00%
Expected rate of return on plan assets	7.15%-7.20%	6.85%-6.90%

A quantitative sensitivity analysis for significant assumption shown above are shown below:

Assumption	Impact on defined benefit obligation	
	As at 31.3.2026	As at 31.3.2025
Impact of increase in 0.5% in discount rate	-2.71%	-2.77%
Impact of decrease in 0.5% in discount rate	2.85%	2.91%
Impact of increase in 0.5% in salary escalation rate	2.80%	2.87%
Impact of decrease in 0.5% in salary escalation rate	-2.69%	-2.75%

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 31.3.2026	Year ended 31.3.2025
Within the next 12 months (next annual reporting period)	2,016	1,939
Between 2 and 5 years	5,032	5,293
Between 6 and 9 years	3,752	3,582
10 years and above	5,607	5,919
Total expected payments	16,407	16,733

The average duration of the defined benefit plan obligation at the end of the reporting period is **5.57~7.97 years** (Previous year 5.57~6.93 years).

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 54% to 56% to arrive at the fair value for current and previous year.



(All amounts are in Rs. lakhs unless otherwise stated)

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 fair value hierarchy.

As at March 31, 2026	Carrying amount	Fair Value
Financial assets		
Financial instruments at FVTPL:		
Investment in		
- mutual funds	2,29,222	2,29,222
- equity shares	5,295	5,295
- preference shares	273	273
- in others	74	74
Financial instruments at amortised cost:		
Investment in		
- others (Perpetual Bonds)	7,467	7,543
Trade receivables	90,743	90,743
Cash and cash equivalents	329	329
Other bank balances	2,932	2,932
Loans	2,340	2,340
Other financial assets		
- Fixed Deposits with remaining maturity of more than 12 months	43	43
- Security deposits	951	951
- Interest accrued on bank and other deposits	392	392
- Compensation receivable	1,551	1,551
- Insurance claim receivable	28,436	28,436
- other receivables	2,274	2,274
Financial instruments at FVTOCI:		
Investments in equity instruments designated upon initial recognition	75,874	75,874
Total financial assets	4,48,196	4,48,272
Financial liabilities		
Financial instruments at amortised cost:		
Borrowings	9,472	9,472
Trade payables	53,231	53,231
Other financial liabilities		
- Security deposits	110	110
- Interest accrued but not due on borrowings	5	5
- Unclaimed dividends	1,033	1,033
- Payable to gratuity funds	424	424
- Liability towards property, plant and equipments	1,232	1,232
- Payable to related parties	13,395	13,395
- Employee payables	15,968	15,968
Total financial liabilities	94,870	94,870

(All amounts are in Rs. lakhs unless otherwise stated)

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 fair value hierarchy.

As at March 31, 2025	Carrying amount	Fair Value
Financial assets		
Financial instruments at FVTPL:		
Investment in		
- mutual funds	2,15,627	2,15,627
- equity shares	5,806	5,806
- preference shares	240	240
- in others	97	97
Financial instruments at amortised cost:		
Investment in		
- others (Perpetual Bonds)	12,277	12,228
Trade receivables	51,635	51,635
Cash and cash equivalents	1,425	1,425
Other bank balances	1,606	1,606
Loans	2,939	2,939
Other financial assets		
- Fixed Deposits with remaining maturity of more than 12 months	425	425
- Security deposits	846	846
- Interest accrued on bank and other deposits	479	479
- Compensation receivable	2,414	2,414
- other receivables	1,831	1,831
Financial instruments at FVTOCI:		
Investments in equity instruments designated upon initial recognition	76,452	76,452
Total financial assets	3,74,099	3,74,050
Financial liabilities		
Financial instruments at amortised cost:		
Borrowings	3,071	3,071
Trade payables	49,962	49,962
Other financial liabilities		
- Security deposits	124	124
- Interest accrued but due on borrowings	1	1
- Unclaimed dividends	845	845
- Payable to gratuity funds	238	238
- Liability towards property, plant and equipments	508	508
- Others	16	16
- Employee payables	9,865	9,865
Total financial liabilities	64,630	64,630

Note: Investment in associates are accounted for using the equity method and lease liabilities which are measured as per Ind AS 116, 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 at FVTPL: Fair value for investments aggregating to Rs. 32,419 lakhs (previous year Rs. 26,738 lakhs) have been determined with reference to the market quoted price of the investments, a level 1 valuation, Rs.202,172 lakhs (previous year Rs. 194,792 lakhs) have been determined with reference to the declared NAV, a level 2 valuation and Rs. 273 lakhs (previous year Rs. 240 lakhs), has been determined with reference to the net asset value of the entity, a level 3 valuation

Financial instruments at amortised cost: Fair value for bonds aggregating to Rs. 7,543 lakhs (previous year Rs.12,228 lakhs) is determined with reference to the market quoted price of the investments, a level 1 valuation. For all other financial assets and financial liabilities, the carrying value approximate the fair value due to short term maturity.

Investments at FVTOCI: Fair value for equity shares aggregating to Rs. 75,884 lakhs (previous year Rs. 76,452 lakhs) a level 3 valuation is determined by reference to net asset values (NAVs) of the entity.

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. 444,935 lakhs (previous year Rs. 371,068 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.

(All amounts are in Rs. lakhs unless otherwise stated)

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, except lease liabilities, due within 12 months equal their carrying values as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 Year	More than 1 Year	Total
As at March 31, 2026			
Borrowings	9,472	200	9,672
Lease liabilities	4,529	12,626	17,155
Trade payables	53,231	-	53,231
Other financial liabilities	32,072	95	32,167
	99,304	12,921	1,12,225
As at March 31, 2025			
Borrowings	3,071	200	3,271
Lease liabilities	3,885	16,014	19,899
Trade payables	49,962	-	49,962
Other financial liabilities	11,489	108	11,597
	68,407	16,322	84,729

(B) Foreign currency risk exposure

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	As at 31.3.2026		As at 31.3.2025	
		Amount in foreign currency (lakhs)	Amount in Rs. lakhs	Amount in foreign currency (lakhs)	Amount in Rs. lakhs
Trade receivables	USD	391	36,282	396	33,288
	EURO	5	513	1	91
Current liabilities	USD	239	23,154	98	8,586
	EURO	10	1,134	6	572
	GBP	1	114	-	37
	CHF	1	78	1	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:

(All amounts are in Rs. lakhs unless otherwise stated)

Currency of exposure	As at 31.3.2026		As at 31.3.2025	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax as at the end of the reporting year -USD	656	(656)	1,235	(1,235)

(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 31.3.2026 would have increased/decreased by Rs.2,292 lakhs (for the year ended 31.3.2025 by Rs.2,156 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 31.3.2026	As at 31.3.2025
Borrowings	9,472	3,071
Trade payables	53,231	49,962
Lease Liabilities	13,896	14,826
Other financial liabilities	32,167	11,597
Other current liabilities	80,379	73,786
Less : Cash and cash equivalents as per cash flow	329	1,425
: Current investments	56,577	17,900
Net debt (A)	1,32,239	1,33,917
Total equity	6,21,244	5,24,582
Capital and net debt (B)	7,53,483	6,58,499
Gearing Ratio (A/B)	17.55%	20.34%

No changes were made in the objectives, policies or processes during the year ended 31 March 2026

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 31.3.2026	As at 31.3.2025
(a) Associates:			
Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)	India	24.80%	24.80%
KKM Management Centre Private Limited	India	36.75%	36.75%

(b) Entities of which the Holding Company is an associate:

K K Modi Investment & Financial Service Private Limited, India
Philip Morris Global Brands Inc., USA

(c) Member entities of the Group to which Philip Morris Global Brands Inc.,USA, belongs to :

PMFTC Inc.,Philippines
Philip Morris Products S.A.
PT Hanjaya Mandala Sampoerna Tbk.
AO Philip Morris Izhora, Russia
PT. Philip Morris Indonesia
Philip Morris Tutun Mamulleri Sanayi Ve Ticaret A.S, Turkey
Philip Morris Brasil Industria E Comercio Ltda., Brazil
Philip Morris Mexico Products, Mexico

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

Dr. Bina Modi, President, Managing Director and Chairperson of the Board
Mr. Samir Kumar Modi, (Son of Dr.Bina Modi and an Executive Director of the Company upto September 06, 2024)
Ms. Charu Modi, (Daughter of Dr. Bina Modi, appointed as additional director w.e.f July 06, 2024 and Executive director w.e.f September 06, 2024)
Mr. Sharad Aggarwal, Whole Time Director and Functional Chief Executive Officer
Mr. Vishal Dhariwal, Chief Financial Officer (Appointed as Chief Financial Officer w.e.f March 01, 2025)
Mr. Sunil Agrawal (Ceased to be Chief Financial Officer w.e.f February 28, 2025)
Mr. Sanjay Kumar Gupta (Superannuated as Company Secretary w.e.f November 11, 2024)
Mr. Punit Kumar Chellaramani, Company Secretary (Appointed as Company Secretary and Compliance officer w.e.f November 12, 2024)
Mr. Ashrant Bhartiya, Director of a subsidiary
Mr. Lalit Bhasin, Independent Director (Ceased to be a Director of the Company w.e.f September 06, 2024)
Mr. Atul Kumar Gupta, Independent Director (Ceased to be director w.e.f June 19, 2025)
Mrs. Nirmala Bagri, Independent Director
Mr. Sumant Bhardwaj, Independent Director
Mr. Subramanian Lakshminarayanan, Independent Director
Mr. Ajay Vohra, Independent Director
Mr. Avtar Singh Monga (Appointed as Independent Director w.e.f November 12, 2024)
Mr. Ruchir Modi, Grandson of Dr. Bina Modi
Mr. Paul Norman (Appointed as Non Executive Non Independent Director w.e.f May 16, 2025)
Mr. Marco Mariotti (Appointed as Non Executive Non Independent Director w.e.f February 01, 2026)

(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
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
Bhasin & Co. (Ceased to be related party w.e.f September 06, 2024)
Rajputana Developers Limited
Quick Investment (India) Limited
Good Investment (India) Limited
Super Investment (India) Limited
Swasth Investment Private Limited
Neena Commercial Private Limited
N.K.Textile Industries Limited
Premium Merchant 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 (Liquidated during the year)
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. Related party transactions (continued)

44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end (All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025
i)	Trading transactions												
	Sale of goods, spare parts, etc. (Net of sales return)	2,74,670@	1,42,131	-	-	96	92	1,36,220&	1,44,702	-	-	-	-
	Purchase of goods/services/spare parts/property plant and equipment	39,423@	18,462	-	-	1,742\$	2,603	43,541&&	33,222	-	-	-	-
	Sale of Property,Plant and Equipment	33	-	-	-	520	-	-	-	-	-	-	-
	Miscellaneous income	2,362@	1,760	-	-	-	17	-	-	-	-	-	-
	Rent and hire charges received	-	-	-	-	231	360	-	-	-	-	-	-
	Payments for professional services availed	-	-	-	-	-	11	-	-	-	-	-	-
	Donation given \$\$	-	-	-	-	-	-	-	-	-	-	-	-
	- Priyal Hiltay Nidhi	-	-	-	-	-	10	-	-	-	-	-	-
	- Modi Innovation Education Society	-	-	-	-	689	877	-	-	-	-	-	-
	Expenses recovered (Including GST as applicable)	10,211@	10,718	-	-	-	-	48@@@	76	-	-	-	-
	Expenses reimbursed	-	-	-	-	-	-	295@@@	19	-	-	-	-
ii)	Other related party transactions												
	Dividend received												
	Philip Morris India Trading Private Limited	25,841	19,344	-	-	-	-	-	-	-	-	-	-
	Dividend Paid												
	- Philip Morris Global Brands Inc.	-	-	-	-	-	-	-	-	14,486	11,876	-	-
	- K K Modi Investment & Financial Service Private Limited	-	-	-	-	-	-	-	-	17,225	14,121	-	-
	- Quick Investment (India) Limited	-	-	-	-	2,482	2,035	-	-	-	-	-	-
	- Good Investment (India) Limited	-	-	-	-	4,783	3,921	-	-	-	-	-	-
	- Super Investment (India) Limited	-	-	-	-	585	480	-	-	-	-	-	-
	- Swasth Investment Private Limited	-	-	-	-	89	73	-	-	-	-	-	-
	- HMA Udyog Private Limited	-	-	-	-	136	111	-	-	-	-	-	-
	- Bina Modi	-	-	3	3	-	-	-	-	-	-	-	-
	- Samir Kumaar Modi	-	-	2	2	-	-	-	-	-	-	-	-
	- Ruchir Modi	-	-	2	2	-	-	-	-	-	-	-	-
	- Charu Modi	-	-	0	0	-	-	-	-	-	-	-	-
	- Sharad Aggarwal	-	-	40	40	-	-	-	-	-	-	-	-
	- Vishal Dhariwal	-	-	22	22	-	-	-	-	-	-	-	-
	- Punit Kumar Chellaramani	-	-	2	2	-	-	-	-	-	-	-	-
	Technical services fee and royalty												
	- Philip Morris Products S.A.	-	-	-	-	-	-	2,137	1,804	-	-	-	-



44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end (continued) (All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025	Year ended 31.3.2026	Year ended 31.3.2025
iii)	Contribution to trusts												
	Godfrey Phillips India Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	103	109
	Godfrey Phillips India Limited Provident Fund	-	-	-	-	-	-	-	-	-	-	-	2,586##
	Godfrey Phillips India Limited Gratuity Fund no. 1	-	-	-	-	-	-	-	-	-	-	29	20
	Godfrey Phillips India Limited Gratuity Fund no. 2	-	-	-	-	-	-	-	-	-	-	395	218
	International Tobacco Company Limited Management Staff Superannuation Fund	-	-	-	-	-	-	-	-	-	-	20	18
	International Tobacco Company Limited Gratuity Fund no.1	-	-	-	-	-	-	-	-	-	-	94	(4)
	International Tobacco Company Limited Gratuity Fund no.2	-	-	-	-	-	-	-	-	-	-	14	35
iv)	Compensation & Post Employment benefits of key management personnel and other directors \$\$												
	- Samir Kumar Modi	-	-	-	2,559^	-	-	-	-	-	-	-	-
	- Bina Modi	-	-	-	6,027	-	-	-	-	-	-	-	-
	- Charu Modi	-	-	-	9,844	-	-	-	-	-	-	-	-
	- Ashrant Bhartiya	-	-	-	0	-	-	-	-	-	-	-	-
	- Sunil Agrawal	-	-	-	1,170^^	-	-	-	-	-	-	-	-
	- Sanjay Kumar Gupta	-	-	-	144	-	-	-	-	-	-	-	-
	- Sharad Aggarwal	-	-	-	3,723^^	-	-	-	-	-	-	-	-
	- Vishal Dhariwal	-	-	-	20	-	-	-	-	-	-	-	-
	- Punit Kumar Chellaramani	-	-	-	94^^	-	-	-	-	-	-	-	-
	- Lalit Bhasin	-	-	-	16	-	-	-	-	-	-	-	-
	- Atul Kumar Gupta	-	-	-	6	-	-	-	-	-	-	-	-
	- Nirmala Bagri	-	-	-	14	-	-	-	-	-	-	-	-
	- S Lakshminarayanan	-	-	-	8	-	-	-	-	-	-	-	-
	- Sumant Bhardwaj	-	-	-	7	-	-	-	-	-	-	-	-
	- Avtar Singh Monga	-	-	-	12	-	-	-	-	-	-	-	-
	- Ajay Vohra	-	-	-	4	-	-	-	-	-	-	-	-
	- Paul Norman	-	-	-	4	-	-	-	-	-	-	-	-
v)	Loan given/(repaid) during the year												
	- Sunil Agrawal (Net of loan given Rs. Nil, (Previous year Rs. 200 lakhs))	-	-	-	-	-	(95)^	-	-	-	-	-	-
	- Sharad Aggarwal (Net of loan given Rs. Nil, (Previous year Rs. 576 lakhs))	-	-	-	(115)	-	(407)	-	-	-	-	-	-
	- Sanjay Kumar Gupta	-	-	-	-	-	(74)^	-	-	-	-	-	-
	- Vishal Dhariwal	-	-	-	(64)	-	-	-	-	-	-	-	-
	- Punit Kumar Chellaramani	-	-	-	(5)	-	24	-	-	-	-	-	-

44.2 Disclosure of transactions between the Group and related parties and the status of outstanding balances as at the year end (continued) (All amounts are in Rs. lakhs unless otherwise stated)

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 31.3.2026	As at 31.3.2025	As at 31.3.2026	As at 31.3.2025	As at 31.3.2026	As at 31.3.2025	As at 31.3.2026	As at 31.3.2025	As at 31.3.2026	As at 31.3.2025	As at 31.3.2026	As at 31.3.2025
Trade receivables	30,551@	9,193	-	-	169	140	36,006@@	27,641	-	-	-	-
Loans given	-	-	736\$*	920	-	-	-	-	-	-	-	-
Trade payables	17,913@	14,605	-	-	148	235	5,550&&	3,323	-	-	-	-
Dues payable	-	-	3	2	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	13,395@@	-	-	-	-	-
Advances from customers	-	-	-	-	-	-	1,809@@	-	-	-	-	-
Remuneration(including commission) payable to Mr.Samir Kumar Modi (gross)	-	-	750	1,229	-	-	-	-	-	-	-	-
Remuneration(including commission) payable to Dr.Bina Modi (gross)	-	-	4,802	3,286	-	-	-	-	-	-	-	-
Remuneration(including commission) payable to Ms.Charu Modi (gross)	-	-	7,509	3,011	-	-	-	-	-	-	-	-
Remuneration payable to KMP	-	-	-	4	-	-	-	-	-	-	-	-
Other recoverable	1,990@	1,193	7	-	50	28	-	-	-	-	-	-
Technical service fee and royalty payable (net of TDS)	-	-	-	-	-	-	-	-	-	-	-	-
- Philip Morris Products S.A.	-	-	-	-	-	-	529@@	423	-	-	-	-
Other payable/(recoverable)	-	-	-	-	-	-	-	-	-	-	-	-
Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	29	20
Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	395	218
Godfrey Phillips India Limited	-	-	-	-	-	-	-	-	-	-	94	(4)
Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	14	35
International Tobacco Company Limited	-	-	-	-	-	-	-	-	-	-	-	-
Employees Gratuity Fund No.1	-	-	-	-	-	-	-	-	-	-	-	-
International Tobacco Company Limited	-	-	-	-	-	-	-	-	-	-	-	-
Employees Gratuity Fund No.2	-	-	-	-	-	-	-	-	-	-	-	-

@relates to transactions with Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited) and figures of purchase of goods have been reduced by Rs.485,939 lakhs (previous year Rs. 332,163 lakhs) owing to sale of Marlboro cigarettes manufactured by the Company.

\$ includes Rs.865 lakhs (previous year Rs. 1,751 lakhs) from Beacon Travels Private Ltd, Rs.877 lakhs (Previous year Rs. 826 lakhs) from Bina Fashions N Foods Private Limited, Rs. Nil lakhs (Previous year (Rs.8 lakhs)) from Colorbar Cosmetics Private Limited, Rs.Nil (Previous year Rs.4 lakhs) from Modi Care Limited

includes purchase of investment from the trust Rs. 144 lakhs and amount paid to cover loss on account of unrealised value of certain investments Rs. 1,172 lakhs.

\$ \$ includes 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.

^^ Includes perquisite value of equity shares issued to employee under Employees Share Purchase Scheme 2024 and perquisite value of loan given to employees.

\$ \$ \$ including for CSR activities.

@@@ relates to transaction with Member entities of the Group to which Philip Morris Global Brands Inc., USA, belongs to.

& includes sale of goods from Philip Morris Products S.A. Rs. 88,230 lakhs (Previous year Rs.48,988 lakhs), PT.Hanjiya Mandala Sampoerna Tbk Rs.30,474 lakhs (Previous year Rs. 25,807 lakhs), AO Philip Morris Izhora Rs.34,484 lakhs (Previous year Rs.22,762 lakhs), Philip Morris Tuntun Mamulleri Rs.289 lakhs (Previous year Rs.17,810 lakhs), PMFTC Inc,Philippines Rs.497 lakhs (Previous year Rs.11,100 lakhs), PT Phillip Morris Indonesia Rs.2,963 lakhs (Previous year Rs.8,295 lakhs), Philip Morris Brasil Industria Rs.24 lakhs (previous year Rs.4,311 lakhs), Philip Morris Mexico Products Rs. Nil (Previous year Rs.5,630 lakhs), Net off Sales return of goods from Philip Morris Products S.A. Rs. 7,178 lakhs (Previous Year Rs.Nil), PT Hanjiya Mandala Sampoerna Tbk Rs.855 lakhs (Previous Year Rs.Nil), Philip Morris Tuntun Mamulleri Sanayi Rs.9,638 lakhs (Previous Year Rs.Nil), PMFTC Inc,Philippines Rs.1,248 lakhs (Previous Year Rs.Nil), PT Phillip Morris Indonesia Rs.1,821 lakhs (Previous Year Rs.Nil)

&& includes Rs.39,025 lakhs (previous year Rs.30,936 lakhs) from PMFTC Inc., Rs.3,985 lakhs (previous year Rs.2,135 lakhs) from PT Hanjiya Mandala Sampoerna Tbk., Rs.531 lakhs (previous year Rs. 151 lakhs) from PT Phillip Morris Indonesia.

&&& includes Rs.4,426 lakhs (previous year Rs. 3,037 lakhs) from PMFTC Inc. & Rs.1,065 lakhs (Previous year Rs.232 lakhs) from PT Hanjiya Mandala Sampoerna Tbk and Rs. 59 lakhs (Previous year Rs.54 lakhs) from PT Phillip Morris Indonesia.

\$ * Pertains to contractual value for loan given to employees (carrying value is Rs.630 lakhs, previous year Rs.759 lakhs)

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.



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) Others

Segment information for the year ended March 31, 2026 and March 31, 2025 is as follows:

(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2026		Total	As at March 31, 2025		Total
	Cigarette, tobacco and related products	Others		Cigarette, tobacco and related products	Others	
1 Segment revenue						
- External sales (gross)	8,97,202	11,044	9,08,246	6,66,618	6,875	6,73,493
- Other operating income	3,618	230	3,848	2,338	918	3,256
Total revenue	9,00,820	11,274	9,12,094	6,68,956	7,793	6,76,749
2 Segment result	1,48,029	(276)	1,47,753	1,06,036	839	1,06,875
Unallocable income net of unallocable expenses			18,054			19,503
Profit before finance costs and tax			1,65,807			1,26,378
Less: Finance costs			133			170
Profit before share of profit of associates and tax			1,65,674			1,26,208
Share of profit of associates			28,312			20,897
Profit before tax from continuing operations			1,93,986			1,47,105
3 Other information						
Capital expenditure including capital work in progress and capital advances	31,220	-	31,220	16,654	-	16,654
Depreciation and amortization	11,651	331	11,982	11,029	276	11,305
Impairment of property, plant and equipment	-	-	-	983	-	983
Non cash expenditure other than depreciation and impairment	583	-	583	1,414	-	1,414
Excise Duty	2,72,983	-	2,72,983	1,15,647	-	1,15,647
Cost of materials consumed	1,89,243	-	1,89,243	1,51,144	-	1,51,144
Purchases of stock-in-trade	1,81,587	8,474	1,90,061	1,79,185	5,113	1,84,298
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(24,919)	(132)	(25,051)	(9,894)	(201)	(10,095)

45. Segment Information (continued)

(All amounts are in Rs. lakhs unless otherwise stated)

	As at March 31, 2026			As at March 31, 2025		
	Cigarette, tobacco and related products	Others	Total	Cigarette, tobacco and related products	Others	Total
a) Segment assets						
Allocable assets						
Unallocable assets*						
Total assets						
b) Segment liabilities						
Allocable liabilities						
Unallocable liabilities*						
Total liabilities						
c) Capital Employed						
Allocable capital employed						
Unallocable capital employed*						
Total capital employed						
Total (b+c)						
	4,78,195	92,621	5,70,816	3,52,810	94,539	4,47,349
			2,60,222			2,49,555
			8,31,038			6,96,904
	1,79,663	1,413	1,81,076	1,50,303	1,341	1,51,644
			28,054			20,010
			2,09,130			1,71,654
	2,98,532	91,208	3,89,740	2,02,507	93,198	2,95,705
			2,32,168			2,29,545
			6,21,908			5,25,250
			8,31,038			6,96,904

d) Entity wide information

*includes assets and liabilities associated with discontinued operation

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 31.3.2026	Year ended 31.3.2025	As at 31.3.2026	As at 31.3.2025
India	7,10,696	4,64,709	1,13,336	91,353
Outside India	2,01,398	2,12,040	-	-
Total	9,12,094	6,76,749	1,13,336	91,353

** 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. Revenue of Rs. 274,670 lakhs (Previous year Rs. 142,131 lakhs) in the Cigarette, Tobacco and related products is from one (previous year : one) customer. No other single contributed to ten per cent or more to the Group's revenue for the year ended March 31, 2026 and March 31, 2025.

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 corporate social responsibilities and fixed deposits' unclaimed interest, share capital, reserves and surplus, loan funds, dividends payable and income-tax (current and deferred tax).



46. Employee share-based payment information

a. Description of employee share-based payment arrangements

The Holding Company has implemented a share-based employee incentive plan in the name of "Godfrey Phillips Employees Share Purchase Scheme-2024" (hereinafter referred to as "ESPS 2024") in the previous year. The Shareholders of the Holding Company approved ESPS 2024 on December 19, 2024 and the Schemes is being administered through an irrevocable Trust formed under the provisions of the Indian Trusts Act, 1882, in the name of "Godfrey Phillips ESPS Trust".

Detail of shares granted and accepted are as under:

Employee stock purchase scheme -2024

S. No.	Grant Date	No. of Shares	Exercise Price (Rs.)	Offer acceptance period	Lock in Period*	Method of Settlement
1	13th February 2025	514,500#	533.33#	15 days from the date of offer i.e. 28th February 2025	For 1/4th of Shares offered: One year from the date of transfer (Type 1). For next 1/4th of Shares offered: Two year from the date of transfer (Type 2). For next 1/4th of Shares offered: Three year from the date of transfer (Type 3). For balance Shares offered: Four year from the date of transfer (Type 4).	Equity
	Total	5,14,500				

* Employee Share based payment expense to be recognised in the statement of profit and loss on proportionate basis over the period of 4 years as per the terms and conditions of the ESPS 2024. In case of cessation of an employment before the completion of the relevant year, the locked shares would be returned to the Godfrey Phillips ESPS Trust. Therefore, for all effective purposes the shares would vest to the employees on the date of expiry of the lock-in period.

b. Measurement of fair values

The weighted average fair value of shares as on grant date:

Particulars	Method of Valuation	Weighted average fair value as on the grant date (Rs.)
Employee stock purchase scheme -2024		
Type 1 Lock in for 1 year	Binomial method	1,198.05#
Type 2 Lock in for 2 years	Binomial method	1,161.63#
Type 3 Lock in for 3 years	Binomial method	1,125.21#
Type 4 Lock in for 4 years	Binomial method	1,088.79#
Weighted average fair value		1,143.42#

c. The inputs used in the measurement of grant date fair value are as follows:

	ESPS 2024
Stock Price (on the date previous to the date of grant) (Rs.)	1,821.00#
Exercise Price (Rs.)	533.33#
Expected Life (no. of Years)	0.04
Risk free rate of interest (%)	6.54
Implied Volatility factor (%)	117.70
Dividend Yield on Market Price (%)	0.00

d. Details of employee share purchase scheme is presented below

ESPS 2024	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of shares	Weighted average exercise price in Rs	Number of shares	Weighted average exercise price in Rs
(i) outstanding at the beginning of the period;	-	-	-	-
(ii) granted during the period;*	-	-	1,71,500	1,600
(iii) forfeited during the period;	-	-	-	-
(iv) exercised during the period;*	-	-	1,71,500	1,600
(v) expired during the period;	-	-	-	-
(vi) outstanding at the end of the period;	-	-	-	-
(vii) exercisable at the end of the period.	-	-	-	-

Adjusted for allocation pursuant to issue of bonus shares in the proportion of 2 bonus equity shares of Rs.2 each for every 1 fully paid up equity share of Rs.2 each.

* Represents the number of shares and exercise price before adjustment for bonus shares.

During the year 4500 (March 31, 2025 Nil) previously exercised shares, equivalent to 1500 pre-bonus shares, were forfeited due to cessation of employment. As at the year end 382,500 (March 31, 2025 : 171,500), equivalent to 127,500 pre-bonus shares, remained under lock-in.



(All amounts are in Rs. lakhs unless otherwise stated)

47. 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 31.3.2026		For the year ended 31.3.2026		For the year ended 31.3.2026		For the year ended 31.3.2026	
	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	86.23%	5,36,262	98.79%	1,50,748	-11.61%	52	99.11%	1,50,800
Subsidiaries								
a) Indian								
1.International Tobacco Company Limited	1.06%	6,589	0.27%	406	-2.46%	11	0.27%	417
2.Chase Investments Limited	11.41%	70,960	-0.23%	(344)	110.49%	(495)	-0.55%	(839)
3.Friendly Reality Projects Limited	1.01%	6,303	-0.03%	(52)	0.00%	-	-0.03%	(52)
4.Rajputana Infrastructure Corporate Limited	0.96%	5,956	0.01%	22	0.00%	-	0.01%	22
5.Unique Space Developers Limited	0.02%	127	0.00%	(2)	0.00%	-	0.00%	(2)
6.White Horse Realty Limited	0.00%	(597)	0.00%	(585)	0.00%	-	0.00%	(585)
Non controlling interests in all subsidiaries	0.11%	664	0.00%	(4)	0.00%	-	0.00%	(4)
Associates								
a) Indian								
1.Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)	1.83%	11,361	18.55%	28,311	0.00%	-	18.61%	28,311
2.KKM Management Centre Private Limited	0.05%	340	0.00%	1	0.00%	-	0.00%	1
ESPS Trust								
Godfrey Phillips ESPS Trust	0.00%	25	0.00%	(2)	0.00%	-	0.00%	(2)
Adjustments on consolidation	-2.69%	(16,082)	-17.35%	(25,897)	3.57%	(16)	-17.41%	(25,913)
	100.00%	6,21,908	100.00%	1,52,602	100.00%	(448)	100.00%	1,52,154

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.



(All amounts are in Rs. lakhs unless otherwise stated)

47. 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 31.3.2025		For the year ended 31.3.2025		For the year ended 31.3.2025		For the year ended 31.3.2025	
	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	83.94%	4,40,911	97.29%	1,04,320	0.24%	85	73.35%	1,04,405
Subsidiaries								
a) Indian								
1. International Tobacco Company Limited	1.18%	6,172	0.40%	434	0.03%	9	0.31%	443
2. Chase Investments Limited	13.68%	71,874	0.64%	687	99.76%	35,032	25.09%	35,719
3. Friendly Reality Projects Limited	1.21%	6,355	-0.03%	(28)	0.00%	-	-0.02%	(28)
4. Rajputana Infrastructure Corporate Limited	1.13%	5,934	0.34%	365	0.00%	-	0.26%	365
5. Unique Space Developers Limited	0.02%	129	0.00%	(1)	0.00%	-	0.00%	(1)
6. White Horse Realty Limited	0.00%	(12)	0.00%	(22)	0.00%	-	0.00%	(22)
Non controlling interests in all subsidiaries	0.13%	668	0.03%	28	0.00%	-	0.02%	28
Associates								
a) Indian								
1. Philip Morris India Trading Private Limited (Formerly IPM India Wholesale Trading Private Limited)	1.69%	8,892	19.49%	20,897	0.00%	-	14.68%	20,897
2. KKM Management Centre Private Limited	0.06%	338	-0.01%	(10)	0.00%	-	-0.01%	(10)
ESPS Trust								
Godfrey Phillips ESPS Trust	0.01%	74	0.07%	75	0.00%	-	0.05%	75
Adjustments on consolidation	-3.06%	(16,085)	-18.20%	(19,514)	-0.03%	(11)	-13.72%	(19,525)
	100.00%	5,25,250	100.02%	1,07,231	100.00%	35,115	100.02%	1,42,346

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.



(All amounts are in Rs. lakhs unless otherwise stated)

48. Ratio Analysis				As at 31.3.2026	As at 31.3.2025	% Change
	Ratio	Numerator	Denominator			
a)	Current ratio	Current assets	Current liabilities	2.44	2.10	16.2%
b)	Debt-Equity ratio	Total lease liabilities, borrowings and long term debt	Total equity	0.02	0.03	-20.7%
c)	Debt service coverage ratio (i)	Profit before interest and tax	Finance cost	166.32	82.05	102.7%
d)	Return on equity ratio	Total comprehensive income	Average Total Equity	26.53%	30.00%	-11.6%
e)	Inventory turnover ratio (iii)	Turnover	Average inventory	4.26	3.98	7.2%
f)	Trade receivables turnover ratio (ii) (iii)	Turnover including indirect taxes	Average trade receivable	25.82	42.40	-39.1%
g)	Trade payables turnover ratio	Total purchases excluding indirect taxes	Average trade payables	7.27	7.96	-8.6%
h)	Net capital turnover ratio (iii)	Revenue from operations	Shareholder's equity	1.47	1.31	12.0%
i)	Net profit ratio	Total comprehensive income	Operating revenue	16.68%	20.70%	-19.4%
j)	Return on capital employed	Profit before tax	Average capital employed	32.25%	26.82%	20.3%
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	4.99%	5.65%	-11.7%

Ratios are calculated including profits from discontinued operation.

(i) Debt service coverage ratio has improved mainly due to increase in profit for the year.

(ii) Trade receivables turnover ratio decreased mainly due to higher trade receivables pertaining to export sales of unmanufactured tobacco and increase in excise duty on cigarette. (Refer Note No. 27)

(iii) Inventory turnover ratio, Trade receivables turnover ratio and Net capital turnover ratio are not comparable pursuant to amendments in indirect tax structure impacting revenue from operations, excise duty expense, inventory valuations and debtor balances. (Refer Note No. 27)

49. Discontinued Operation

a. The Board of Directors of the Holding Company, at its meeting held on April 12, 2024, had decided to exit from carrying out the business operations of the Group's Retail Business Division being operated under the name 24Seven. Pursuant to which the Group had closed the operations of the said division during the previous year. Accordingly, the said retail business had been classified and presented as discontinued operation in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" in these consolidated financial statements.

b. The results of discontinued operation for the year are presented below:

Particulars	Year ended 31.3.2026	Year ended 31.3.2025
Revenue from operations	-	10,816
Other income	7	2,721
Total income	7	13,537
Expenses		
Purchases of stock-in-trade	-	5,481
Changes in inventories of stock-in-trade	-	2,464
Employee benefits expenses	-	2,038
Finance costs	-	451
Depreciation and amortisation expenses (Refer Note No. 6)	-	1,415
(Impairment reversal)/ Impairment of property, plant and equipment, intangible assets and capital work in progress (Refer Note No. 6)	(87)	1,459
Property, plant and equipment and intangible assets written off	-	419
Loss on sale of property, plant and equipment (net)	-	560
Other expenses	-	10,018
Total expenses	(87)	24,305
Profit/(Loss) before tax from a discontinued operation	94	(10,768)
Tax for the year	(24)	2,710
Profit/(Loss) for the year from a discontinued operation	70	(8,058)

The Group do not have any cumulative income or expense recognised in other comprehensive income relating to a non-current asset classified as discontinued operation.

c. The major classes of assets and liabilities of the discontinued operation

	As at 31.3.2026	As at 31.3.2025
Assets		
Property, plant and equipment (Net of impairment of Rs. Nil, previous year Rs.1302 lakhs)	-	
Capital work in progress (Net of impairment of Rs. Nil, previous year Rs.92 lakhs)	-	
Intangible assets (Net of impairment of Rs. Nil, previous year Rs.66 lakhs)	-	
Trade receivable	-	1
Other financial assets	274	629
Other current assets	5	56
Total Assets	279	686
Liabilities		
Trade payables	137	1,017
Other financial liabilities	10	39
Other current liabilities	17	24
Total Liabilities	164	1,080
Net assets/(liabilities) associated with discontinued operation	115	(394)

d. Trade payable ageing schedule

	Not Due	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	-	1	1	-	-	2
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	36	67	28	3	1	135
Balance as at March 31, 2026	36	68	29	3	1	137

	Not Due	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	1	23	-	-	-	24
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	517	300	133	33	10	993
Balance as at March 31, 2025	518	323	133	33	10	1,017

e. The net cash flows of the discontinued operation are as follows

	Year ended 31.3.2026	Year ended 31.3.2025
Operating activities	(509)	(10,812)
Investing activities	94	580
Financing activities	-	(1,556)
Net cash outflow)	(415)	(11,788)

- 50.** A. During the financial year 2020-21, the Group had purchased land admeasuring 24,540 sq. meter ('Sikri Bagh Land') from Rajputana Fertilizers Limited by way of registered sale deed dated 12 October 2020, for a consideration of ₹ 4330 Lakhs, with the intention of developing it into real estate property. The Group is in possession of the Sikri Bagh Land and the same is also mutated in its name.

Sub Divisional Magistrate (SDM), Modi Nagar, amended the revenue records of the entire village Sikri Khurd with land admeasuring approximately 597 Bighas and declared the land at entire village as an enemy property. This amendment covers the aforementioned Sikri Bagh Land. Based on writ petition filed by an aggrieved party, the Hon'ble Allahabad High Court set aside the impugned order of custodian of enemy property and permitted concerned

authorities to issue notice to the concerned person. Accordingly, the SDM office set aside its earlier impugned order including updating of land records and decided to issue notice to the concerned persons as provided under Rule 4(1B) of Enemy Property Act, 2015. The Group is in receipt of Show Cause Notice (SCN) from SDM office under Rule 4(1A) of Enemy Property Act, 2015 against which necessary reply has been submitted with detailed explanation and justification defending the title and ownership in the name of Group with a request to cancel/vacate the said SCN. The response against the reply given is awaited as on date.

The Group has been legally advised that its title of the Sikri Bagh land is clear and marketable and therefore, the Group is confident of defending its title in the Sikri Bagh land.

B. Further, some portion of land has been notified for compulsory acquisition of land under 11(1) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013 ("Right to Fair Compensation Act 2013") for which the preliminary notification was issued by the Government on 8th April, 2022. On 17th February 2023 final Notification under Section 19(1) of the Right to Fair Compensation Act 2013 was issued by the Governor declaring that the land mentioned in the preliminary notification is required for public purposes. On 13th July 2023 the Collector declared the compensation rate for the land to be acquired under Section 23 of the Right to Fair Compensation Act 2013 and the compensation amount is computed at the rate of ₹ 30 thousand per square meter. In accordance with Section 30 of the Right to Fair Compensation Act, 2013 the Collector has determined the final award, which includes the imposition of a "Solatium" amount equal to one hundred percent (i.e. of ₹ 30 thousand per square meter), as evident in the comprehensive award detailed in serial number 23 of the order dated 13th July, 2023. On 21st July 2023 Notice under section 37(2) of the Right to Fair Compensation Act was issued under which the compensation rate and necessary documentation required to claim the compensation was informed. It is pertinent to note all such notices/communication carried a reference to the fact that the right to receive the compensation is subject to establishing the clear title of the land including that of the enemy property.

On 22nd August 2023, the Group filed a reference application after the declaration of the final award passed on 13th July 2023 and has also asked for enhanced compensation which is yet to be received.

During the financial year 2023-24, 4024 Square meter land of the Group under Khasra No. 357, 359, 371 and 372 has been acquired under Right to Fair Compensation Act, 2013. Based on final award the Group has recognised revenue of Rs. 2,414 lakhs and the cost of land acquired of Rs. 742 lakhs has been expensed off by releasing from inventory/stock-in-trade in the year of acquisition as mentioned above. Out of the above compensation awarded, the Group has received ₹ 975 lakhs (including an additional compensation of Rs. 112 lakhs) from National Capital Region Transport Authority in respect of Khasra No. 372 during the current year and the balance amount of ₹ 1,551 lakhs is yet to be received.

Further the management, based on the said acquisition, has concluded that the net realisable value of the remaining land would be higher than the carrying value as at 31st March, 2026. Accordingly no adjustment has been recorded in these consolidated financial statements.

- 51.** There is no transaction and outstanding balance with struck off companies during the year and as at March 31, 2026 and March 31, 2025.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number: 301003E/E300005
Chartered Accountants

per **Naman Agarwal**
Partner
Membership No.: 502405

Place: New Delhi
Date: 15th May, 2026

VISHAL DHARIWAL
Chief Financial Officer

PUMIT KUMAR CHELLARAMANI
Company Secretary

Place: New Delhi
Date: 15th May, 2026

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

CHARU MODI
(DIN 00029625)
Executive Director

SHARAD AGGARWAL
(DIN 07438861)
Whole-time Director

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

NIRMALA BAGRI
(DIN 01081867)

SUMANT BHARADWAJ
(DIN 08970744)

SUBRAMANIAN
LAKSHMINARAYANAN
(DIN 02808698)

AVTAR SINGH MONGA
(DIN 00418477)

Directors



GODFREY PHILLIPS
— INDIA LIMITED —

GODFREY PHILLIPS INDIA LIMITED

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