

## Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>INCOME</b>			
Revenue from operations	25	51,193	45,996
Other income	26	393	513
<b>TOTAL INCOME</b>	<b>51,586</b>	<b>46,509</b>	
<b>EXPENSES</b>			
Cost of materials consumed	27	15,869	14,951
Purchases of Stock-in-Trade	28	9,274	7,117
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	(19)	(391)
Employee benefits expense	30	2,399	2,229
Finance costs	31	98	108
Depreciation and amortisation expenses	32	1,025	1,012
Other expenses	33	11,167	10,766
<b>TOTAL EXPENSES</b>		<b>39,813</b>	<b>35,792</b>
<b>Profit before exceptional items and tax</b>			
Exceptional items (net)	34	(34)	(227)
<b>Profit before tax</b>		<b>11,739</b>	<b>10,490</b>
<b>Tax expenses</b>			
Current tax	9A	(2,778)	(2,458)
Deferred tax charge	9A	(143)	(78)
<b>PROFIT FOR THE YEAR (A)</b>		<b>8,818</b>	<b>7,954</b>

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of Board of Directors

**Ritesh Tiwari**  
Ritesh Tiwari  
Executive Director, Finance & IT  
and Chief Financial Officer  
[DIN: 06549923]

**Sanjiv Mehta**  
Sanjiv Mehta  
Managing Director and  
Chief Executive Officer  
[DIN: 06549923]

**Aniruddha Godbole**  
Aniruddha Godbole  
Partner  
Membership No. 105149

**Dev Bajpai**  
Dev Bajpai  
Executive Director, Legal & Corporate  
Affairs and Company Secretary  
Membership No. FCS 3354  
[DIN: 00050516]

**Kalpana Morparia**  
Chairperson - Audit Committee  
[DIN: 00046081]  
**Ravishankar A**  
Group Controller  
Mumbai: 27th April, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans		39C	41
Income tax relating to items that will not be reclassified subsequently to profit or loss			(3)
Remeasurements of the net defined benefit plans			
Items that will be reclassified subsequently to profit or loss		9A	1
Fair value of debt instruments through other comprehensive income		18C	(1)
Fair value of cash flow hedges through other comprehensive income		18C	85
Income tax relating to items that will be reclassified subsequently to profit or loss			70
Fair value of debt instruments through other comprehensive income		9A	0
Fair value of cash flow hedges through other comprehensive income		9A	(0)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b>115</b>	<b>21</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>			
Earnings per equity share		8,933	7,975
Basic (Face value of ₹1 each)		35	37,53
Diluted (Face value of ₹1 each)		35	33,35
Basis of preparation, measurement and significant accounting policies		2	2

For and on behalf of Board of Directors

**Ritesh Tiwari**  
Ritesh Tiwari  
Executive Director, Finance & IT  
and Chief Financial Officer  
[DIN: 06549923]

**Sanjiv Mehta**  
Sanjiv Mehta  
Managing Director and  
Chief Executive Officer  
[DIN: 06549923]

**Aniruddha Godbole**  
Aniruddha Godbole  
Partner  
Membership No. 105149

**Dev Bajpai**  
Dev Bajpai  
Executive Director, Legal & Corporate  
Affairs and Company Secretary  
Membership No. FCS 3354  
[DIN: 00050516]

**Kalpana Morparia**  
Chairperson - Audit Committee  
[DIN: 00046081]  
**Ravishankar A**  
Group Controller  
Mumbai: 27th April, 2022

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>Sub-classification of Loans:</b>		
Loans Receivables considered good- Secured	4	-
Loans Receivables considered good- Unsecured	571	419
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 38 for information about credit risk and market risk for loans.

- 1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- 2) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
  - (a) repayable on demand; or
  - (b) without specifying any terms or period of repayment.

### NOTE 8 OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)

#### Indemnification Asset

##### Initial recognition

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

##### Subsequent measurement

As at each reporting period, the Company re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Company derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021	
<b>Non-Current</b>			
Security deposits	98	135	
Investments in term deposits (with remaining maturity of more than twelve months)	1	0	
Indemnification Asset	608	608	
Other assets (includes other receivables etc.)	13	5	
<b>Total (A)</b>	<b>720</b>	<b>748</b>	
<b>Current</b>			
Security deposits	52	38	
Receivables from group companies	169	102	
Fair Value of Derivatives	52	29	
Consignment Receivables	226	198	
Other assets (includes Government grants, other receivables, etc.)	571	749	
<b>Total (B)</b>	<b>1,070</b>	<b>1,116</b>	
<b>Total (A+B)</b>	<b>1,790</b>	<b>1,864</b>	

Refer Note 43 for information about receivables from related party.

Refer Note 38 for information about credit risk and market risk for other financial assets.

(All amounts in ₹ crores, unless otherwise stated)

### NOTE 9 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years, interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

#### A. Components of Income Tax Expense

##### I. Tax expense recognised in Profit and Loss

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current tax</b>		
Current year		
Adjustments/(credits) related to previous years (net)		
<b>Total (A)</b>	<b>2,778</b>	<b>2,458</b>
<b>Deferred tax charge</b>		
Origination and reversal of temporary differences		
Adjustments/(credits) related to previous years (net)		
<b>Total (B)</b>	<b>143</b>	<b>78</b>
<b>Total (A+B)</b>	<b>2,921</b>	<b>2,536</b>

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Deferred tax</b>		
(Gain)/loss on remeasurement of net defined benefit plans	10	(1)
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	0	47
<b>Total</b>	10	46

### III. Tax expense recognised in Equity

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current tax</b>		
Stamp Duty on issue of equity shares on account of business combination	-	-
<b>Deferred tax</b>		
Stamp Duty on issue of equity shares on account of business combination	2	(9)
<b>Total</b>	2	(9)

### B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Statutory income tax rate applicable for the year</b>	25.2%	25.2%
Differences due to:		
Expenses not deductible for tax purposes	1.0%	1.1%
Income exempt from income tax	-0.3%	-0.2%
Others*	-1.0%	-1.9%
<b>Effective tax rate</b>	<b>24.9%</b>	<b>24.2%</b>

\* Others include prior period adjustment tax refunds and tax on exceptional items.

### C. Movement in Deferred Tax Assets and Liabilities

	Movements during the year ended 31st March, 2021	As at 31st March, 2020	Credit/ (charge) on account of business combination	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Credit/ (charge) in Equity
<b>Deferred tax assets/(liabilities)</b>						
Provision for post retirement benefits and other employee benefits	30	-	6	1	-	37
Provision for doubtful debts and advances	14	2	15	-	-	31
Expenses allowable for tax purposes when paid	161	71	(55)	-	9	186
Property, plant and equipment and intangible assets	(238)	(6,215)	(169)	-	-	(6,632)
Fair value gain/(loss)	(35)	(1)	64	(47)	-	(19)
Impact of Right of Use Asset and Lease Liabilities	0	1	0	-	-	1
Other temporary differences	329	10	61	-	-	400
<b>Total</b>	261	(6,132)	(78)	(46)	9	(5,986)

	Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Credit/(charge) in Equity	As at 31st March, 2022
<b>Deferred tax assets/(liabilities)</b>						
Provision for post retirement benefits and other employee benefits	37	22	(10)	-	-	49
Provision for doubtful debts and advances	31	(4)	-	-	-	27
Expenses allowable for tax purposes when paid	186	(14)	(2)	-	-	170
Property, plant and equipment and intangible assets	(6,622)	(154)	-	-	-	(6,776)
Fair value gain/(loss)	(19)	2	0	-	-	(17)
Impact of Right of Use Asset and Lease Liabilities	1	4	-	-	-	5
Other temporary differences	400	1	-	-	-	401
<b>Total</b>	<b>(5,986)</b>	<b>(143)</b>	<b>(10)</b>	<b>(2)</b>	<b>(6,141)</b>	

### D. Tax Assets and Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provision)	1,107	1,200
Non-current tax liabilities (net of tax assets)	1,324	1,359

### E. Disclosure in Relation to Undisclosed Income

During the year, the Company has not surrendered or disclosed any income 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). Accordingly, there are no transaction which are not recorded in the books of accounts.

## Notes

to the standalone financial statements for the year ended 31st March, 2022

- (f) **Other Reserves:** The Company has recognised Other Reserves on amalgamation of Brooke Bond Lipton India Limited as per statutory requirements. This reserve is not available for capitalisation/ declaration of dividend/share buy-back. Further it also includes capital subsidy.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
<b>Balance at the end of the year</b>	<b>9</b>	<b>9</b>

(g) **Items of Other Comprehensive Income**

- i) **Fair value of cash flow hedges through Other Comprehensive Income:** The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

- ii) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the standalone statement of profit and loss.

C. **Other Comprehensive Income accumulated in Other Equity, net of tax**

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Cash flow hedges	Debt instruments through Other Comprehensive Income	Total
<b>As at 1st April, 2020</b>	(37)	(0)	(37)
Fair value of debt instruments through other comprehensive income	-	(0)	(0)
Fair Value of cash flow hedges through other comprehensive income	70	70	70
Hedging loss/(gain) transferred to non-financial asset (net)	34	-34	34
Tax on above	(47)	0	(47)
<b>As at 1st April, 2021</b>	<b>20</b>	<b>(0)</b>	<b>20</b>
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges through other comprehensive income	85	-85	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)
Tax on above	(0)	0	0
<b>As at 31st March, 2022</b>	<b>20</b>	<b>(1)</b>	<b>19</b>

(All amounts in ₹ crores, unless otherwise stated)

D. **Capital Management**

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Refer note 44 for information on ratios.

**NOTE 19 LEASE LIABILITIES**

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Lease liabilities payable beyond 12 months	686	679
<b>Current:</b>		
Lease liabilities payable within 12 months	285	264
<b>Total</b>	<b>971</b>	<b>943</b>

**The movement in Lease liabilities (Non-current and Current) is as follows:**

	Balance as at beginning of the year	Add: Addition	Add: Accretion of interest	Less: Payments	Less: Others (including foreclosure)	Closing balance as at 31st March
<b>As at 1st April, 2020</b>	943	440	75	(463)	(24)	<b>971</b>
Fair value of debt instruments through other comprehensive income	70	-	(0)	(0)	-	70
Fair Value of cash flow hedges through other comprehensive income	34	-	70	70	-	34
Hedging loss/(gain) transferred to non-financial asset (net)	(47)	0	(47)	(47)	-	34
Tax on above	(0)	0	(0)	(0)	0	(0)
<b>As at 1st April, 2021</b>	<b>20</b>	<b>(0)</b>	<b>20</b>	<b>(1)</b>	<b>(1)</b>	<b>19</b>
Fair value of debt instruments through other comprehensive income	-	(1)	(1)	(1)	-	(1)
Fair Value of cash flow hedges through other comprehensive income	85	-	85	85	-	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)	(85)	-	(85)
Tax on above	(0)	0	0	0	0	0
<b>As at 31st March, 2022</b>	<b>20</b>	<b>(1)</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### NOTE 20 OTHER FINANCIAL LIABILITIES

Refer note 37 for accounting policy on financial instruments

	As at 31st March 2022	As at 31st March 2021
<b>Non-Current</b>		
Security deposits	22	28
Employee and ex-employee related liabilities	301	187
Contingent consideration payable on business combination	6	51
<b>Total (A)</b>	<b>329</b>	<b>266</b>
<b>Current</b>		
Unpaid dividends [Refer (a) below]	218	206
Salaries, wages, bonus and other employee payable	252	249
Fair Value of Derivatives	4	4
Contingent consideration payable on business combination	40	41
Consignments	259	244
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	50	148
<b>Total (B)</b>	<b>823</b>	<b>892</b>
<b>Total (A+B)</b>	<b>1,152</b>	<b>1,158</b>

Refer note 38 for information about liquidity risk of other financial liability.

- a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31st March, 2022 (31st March, 2021: Nil).
- b) Includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Not Applicable). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA - FY 2021-22") of the Company within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

### NOTE 21 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March 2022	As at 31st March 2021
<b>Non-Current</b>		
Provision for employee benefits (pension, post medical retirement benefits, etc.) [Refer Note 39]	351	220
Other provisions (including for statutory/levies) - net [Refer (a) below]	1,202	1,331
<b>Total (A)</b>	<b>1,553</b>	<b>1,551</b>
<b>Current</b>		
Provision for employee benefits (gratuity and compensated absences) [Refer Note 39]	43	92
Other provisions (including restructuring) [Refer (a) below]	291	399
<b>Total (B)</b>	<b>334</b>	<b>491</b>
<b>Total (A+B)</b>	<b>1,887</b>	<b>2,042</b>

(All amounts in ₹ crores, unless otherwise stated)

### a) Movement in Other provisions (Non-current and Current)

	Indirect tax related	Legal and Other Matters #	Total
<b>Opening balance as at 1st April, 2020</b>	<b>558</b>	834	1,392
Add: Additions due to business combination [Refer Note 41]	240	103	343
Add: Provision/reclassified during the year	64	105	169
Less: Amount utilised/reversed/reclassified during the year	(57)	(117)	(174)
<b>Opening balance as at 1st April, 2021</b>	<b>805</b>	925	1,730
Add: Provision/reclassified during the year	15	76	91
Less: Amount utilised/reversed/reclassified during the year	(90)	(238)	(328)
<b>Balance as at 31st March, 2022</b>	<b>730</b>	763	1,493

# including restructuring provisions, etc.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any pending resolution.

The Company does not expect any reimbursements in respect of the above provisions.

### NOTE 22 TRADE PAYABLES

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	56	56	64
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Acceptances	116	101	101
Trade payables	8,692	8,462	8,627
<b>Total</b>	<b>8,844</b>	<b>8,527</b>	<b>8,627</b>

### a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
A(I). Principal amount remaining unpaid	-	-	-
A(ii). Interest amount remaining unpaid	-	-	-
B. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed due day	0	0	0
C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-
D. Interest accrued and remaining unpaid	-	-	-
E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-
Other identification of micro and small enterprises basis intimation received from vendors			

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### **Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022**

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	56	-	-	-	56
Undisputed dues - Others	8,633	175	-	-	8,808
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8,689</b>	<b>175</b>	-	-	<b>8,864</b>

### **Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021**

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	46	18	-	-	64
Undisputed dues - Others	8,253	309	-	-	8,563
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8,299</b>	<b>327</b>	-	-	<b>8,627</b>

### **NOTE 23 OTHER CURRENT LIABILITIES**

	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
	525	474	113	93	638
<b>Total</b>	<b>638</b>	<b>567</b>	-	-	-

### **NOTE 24 CONTINGENT LIABILITIES AND COMMITMENTS**

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

#### **A Contingent Liabilities**

	As at 31st March, 2022	As at 31st March, 2021
<b>Claims against the Company not acknowledged as debts</b>		
Income tax matters	1,248	1,076
Indirect Tax matters	792	728
Legal and Other Matters	281	281
<b>Corporate Guarantee given (Refer (iv) below)</b>	<b>-</b>	<b>1</b>

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(All amounts in ₹ crores, unless otherwise stated)

The Company does not expect any reimbursements in respect of the above contingent liabilities.

- (ii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.
- (iii) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC).

#### **B Commitments**

##### **i) Lease commitments**

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	-	67
Later than one year and not later than five years	-	66
Later than five years	-	108

##### **ii) Capital commitments**

Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)

	As at 31st March, 2022	As at 31st March, 2021
	360	419

##### **iii) Other commitments**

Pursuant to approval received under Production Linked Incentive Scheme of Government of India, the Company has committed investment in plant & machinery, infrastructure, etc through own and contract manufacturers over a course of 3 years starting FY 2020-21.

### **NOTE 25 REVENUE FROM OPERATIONS**

#### **Sale of products:**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

### Commission income on consignment sales:

The use of the Company's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

### Government grants:

The Company has received approval under the Production Linked Incentive Scheme of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to that.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	50,336	45,311
Other operating revenue*		
Income from services rendered	281	225
Commission income on consignment sales	315	264
Government grants (GST budgetary support and Production linked incentives) #	140	108
Others (including scrap sales, rentals, etc.)	121	88
<b>Total</b>	<b>51,193</b>	<b>45,996</b>

\* Previous period figures have been re-classified from Others for better presentation

# Previous period figures have been re-classified from Others for better presentation

# Previous period figures have been re-classified from Others for better presentation

	Year ended 31st March, 2022	Year ended 31st March, 2021
Contracted Price	56,076	50,905
Less: Trade discounts, volume rebates, etc..	(5,740)	(5,594)
<b>Sale of products</b>	<b>50,336</b>	<b>45,311</b>

\* There is no material adjustment made to contract price for revenue recognised as other operating revenue

### Segment-wise Revenue from operations

The Company has following major segments:-

- (a) Home Care include Fabric Solutions, Home and Hygiene, etc
- (b) Beauty & Personal Care include Skin Cleansing, Skin Care, Hair Care, etc
- (c) Foods & Refreshment include Tea, Health Food Drinks and Coffee, etc
- (d) Others include Exports, Consignment, etc.

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Home Care</b>	<b>16,578</b>	<b>13,959</b>
Beauty & Personal Care	19,460	17,964
Foods & Refreshment	14,105	13,204
Others (Includes Exports, Consignment, etc.)	1,050	869
<b>Total</b>	<b>51,193</b>	<b>45,996</b>

(All amounts in ₹ crores, unless otherwise stated)

### NOTE 26 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established. Refer Note 37 on financial instruments for policy on measurement at fair value through profit or loss.

	Interest income on	Year ended 31st March, 2022	Year ended 31st March, 2021
Bank deposits			
Current investments		95	213
Others (including interest on Income tax refunds)		80	6
Dividend income from		32	131
Subsidiaries		130	101
Non-current investments		1	1
Other non-operating income			
Fair value gain on investments measured at fair value through profit or loss*		55	61
<b>Total</b>		<b>393</b>	<b>513</b>

\*Includes realised gain on sale of investment of ₹52 crores (31st March, 2021: ₹52 crores).

### NOTE 27 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Cost of materials consumed	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed		13,124	12,657
Packing materials consumed		2,745	2,234
<b>Total</b>		<b>15,869</b>	<b>14,951</b>

### NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Purchases of stock-in-trade	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Total</b>		<b>9,274</b>	<b>7,117</b>

### NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Refer note 11 for accounting policy on Inventories

	Opening inventories	Year ended 31st March, 2022	Year ended 31st March, 2021
Finished goods		1,542	1,325
Work-in-progress		428	254
<b>Closing inventories</b>			
Finished goods		(1,580)	(1,512)
Work-in-progress		(499)	(428)
<b>Total</b>		<b>(19)</b>	<b>(391)</b>

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### NOTE 30 EMPLOYEE BENEFITS EXPENSE

#### Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

#### Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the standalone statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

#### Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the standalone statement of profit and loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the standalone statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the standalone statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuaries using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

#### Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the standalone statement of profit and loss. The Company recognises termination benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of those benefits; or
  - (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment or termination benefits.
- Benefits failing due more than 12 months after the end of the reporting period are discounted to their present value.

### Share-Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market testing condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares. For cash-settled share-based payments, the fair value of the amount payable is recognised as 'employee benefit expenses' with a corresponding increase in liabilities over the period of non-market testing conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 40 for details.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	1,883	1,830
Contribution to provident and other funds	162	155
Defined benefit plan expense (Refer note 39)	91	40
Share based payments to employees (Refer note 40)	101	56
Staff welfare expenses	162	148
<b>Total</b>	<b>2,399</b>	<b>2,229</b>

### NOTE 31 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense on bank overdraft, security deposit and others	2	0
Net interest on the net defined benefit liability (Refer Note 39)	15	13
Unwinding of discount on provisions and liabilities	3	6
Unwinding of discount on employee and ex-employee related liabilities	3	4
Interest on lease liabilities	75	81
Others (including interest on taxes)	-	4
<b>Total</b>	<b>98</b>	<b>108</b>

### NOTE 32 DEPRECIATION AND AMORTISATION EXPENSES

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (owned assets)*	595	597
Depreciation on property, plant and equipment (leased assets)	405	390
Amortisation on intangible assets	25	25
<b>Total</b>	<b>1,025</b>	<b>1,012</b>

\*In addition to the above, ₹15 crores (31st March, 2021: ₹57 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Advertising and promotion	4,718	4,737
Carriage and freight	1,801	1,674
Royalty		
- Technology	652	572
- Brand	187	158
Fees for central services from Parent Company	497	730
Processing charges	395	446
Power, fuel, light and water	277	413
Rent	79	304
Travelling and motor car expenses	107	101
Repairs	189	90
Corporate social responsibility expense [Refer note (a) below]	186	150
Miscellaneous expenses	2,079	1,956
<b>Total</b>	<b>11,167</b>	<b>10,766</b>

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Miscellaneous expenses include:</b>		
Payments to the auditors for:		
Statutory audit fees	2	2
Tax audit fees	1	2
Others	1	1
Fees for other audit related services	2	1
Fees for certification	0	1
Reimbursement of out-of-pocket expenses	0	0
<b>Total</b>	<b>5</b>	<b>5</b>

- (a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the company during the year				
I. Amount spent during the year on:				
i) Construction/acquisition of any asset	-	-	-	-
ii) For purposes other than (i) above	186	165	-	-
II. Shortfall at the end of the year	-	-	-	-
IV. Total of previous years shortfall	-	-	-	-
V. Reason for shortfall	Not Applicable	Not Applicable	Earnings Per Share (₹)- Basic (Face value of ₹1 per share)	Earnings Per Share (₹)- Basic (Face value of ₹1 per share)
VI. Nature of CSR activities include promoting education, including special education and employment enhancing vocational skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, rural development projects and disaster management, including relief, rehabilitation and reconstruction activities.	Pertains to ESG shares vested during the year, no outstanding share options as at 31st March, 2022	Pertains to ESG shares vested during the year, no outstanding share options as at 31st March, 2022	Add: Weighted average number of potential equity shares on account of employee stock options/Performance Share Schemes *	Add: Weighted average number of potential equity shares on account of employee stock options/Performance Share Schemes *
			Weighted average number of Equity shares (including dilutive shares) outstanding during the year	Weighted average number of Equity shares (including dilutive shares) outstanding during the year
			Earnings Per Share (₹)- Diluted (Face value of ₹1 per share)	Earnings Per Share (₹)- Diluted (Face value of ₹1 per share)
			₹37.53	₹37.53
			2,34,95,87,637	2,34,95,42,101
			8,818	7,954
			₹33,35	₹33,35
			3,625	50,297
			2,34,95,91,262	2,34,95,92,398
			₹37.53	₹33,35

\* Pertains to ESG shares vested during the year, no outstanding share options as at 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

- VII. Above includes a contribution of ₹11 crores (2020-21: ₹18 crores) to subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013. The objectives of Hindustan Unilever Foundation which includes working in areas of social, economic and environmental issues such as water harvesting, health and hygiene awareness, women empowerment and enhancing capabilities of the underprivileged segments of society to meet emerging opportunities thus improving their livelihood.
- VIII. Above includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Not Applicable). The same was transferred to a Special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA - FY 2021-22") of the Company within 30 days from end of financial year.
- IX. The Company does not wish to carry forward any excess amount spent during the year.
- X. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

### NOTE 34 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
i) Profit on disposal of surplus properties	-	-	9	22
ii) Fair valuation of contingent consideration payable (refer note 41)	-	-	29	-
iii) Profit on sale of brand rights	-	-	178	117
<b>Total exceptional income (A)</b>			(86)	(156)
i) Acquisition and disposal related costs	-	-	(126)	(138)
ii) Restructuring and other costs	-	-	(212)	(344)
<b>Total exceptional expenditure (B)</b>			(34)	(227)
<b>Exceptional items (net) (A+B)</b>				

### NOTE 35 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Earnings Per Share has been computed as under:</b>				
Profit for the year	Weighted average number of equity shares outstanding during the year		2,34,95,87,637	2,34,95,42,101
Earnings Per Share (₹)- Basic (Face value of ₹1 per share)			₹37.53	₹33,35
Add: Weighted average number of potential equity shares on account of employee stock options/Performance Share Schemes *			3,625	50,297
Weighted average number of Equity shares (including dilutive shares) outstanding during the year			2,34,95,91,262	2,34,95,92,398
Earnings Per Share (₹)- Diluted (Face value of ₹1 per share)			₹37.53	₹33,35

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### 3. Commodity Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials. At 31st March, 2022, the Company had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹106 crores (31st March, 2021: ₹5 crores). Hedges of future commodity purchases resulted in cumulative profits of ₹85 crores (31st March, 2021: ₹112 crores cumulative losses) being reclassified to the standalone statement of profit and loss as an adjustment to inventory purchase.	Commodities form a major part. A 10% increase in prices of the raw materials required for open trades would have led Company's products portfolio to approximately ₹13 crores (risk is one of the important gain). A 10% decrease in prices market risk for the Company, would have led to an equal but The commodities are priced opposite effect.	Commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Company uses commodity swaps and option contracts to hedge against components of commodities, where, it is not possible to hedge the commodity in full.

### C Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk.

Hence, trade receivables are considered to be a single class of financial assets.

Refer note 37 for accounting policy on Financial Instruments.

### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market funds and derivative instruments with financial institutions. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Company has given inter-corporate deposits (ICD) only to its subsidiaries amounting ₹432 crores (31st March, 2021: ₹280 crores).

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

(All amounts in ₹ crores, unless otherwise stated)

## NOTE 39 EMPLOYEE BENEFIT PLANS

### I Defined Contribution Plans

Ref note 30 for accounting policy on Employee Benefits.

Refer Note 30 for the Company's contribution to the defined contribution plans with respect to provident fund and other funds.

### II Defined Benefit Plans

Ref note 30 for accounting policy on Employee Benefits.

#### Description of Plans

Retirement Benefit Plans of the Company include Gratuity, Management Pension, Officer's Pension and Provident Fund. Other post-employment benefit plans includes post retirement medical benefits. Gratuity is funded through investments with an insurance service provider & the Company administered trust. Pension (Management Pension and Officer's Pension) is managed through a Company administered trust and in some instances invested with an insurance service provider. Provident Funds are managed through the Company administered trust and Government administered fund. Post-retirement medical benefits are managed through the Company administered trust and through insurance Policy.

#### Governance

The trustees of Gratuity, Pension, Post Retirement Medical Benefit and Provident Funds are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

#### Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

### A. Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans	Other Post-Employment Benefit Plans
As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2022
Present Value of Obligation	4,089	3,880
Fair Value of Plan Assets	(4,030)	(3,821)
(Asset)/Liability recognised in the Balance Sheet	59	59
Of which in respect of:		
<b>Funded plans in surplus:</b>		
Present Value of Obligation #	3,779	133
Fair Value of Plan Assets #	(3,901)	(194)
<b>(Asset)/Liability recognised in the Balance Sheet*</b>	*	*

\*The excess of assets over liabilities in respect of Officer's Pension, Gratuity Plan II & Provident Fund have not been recognised.

Notes

to the standalone financial statements for the year ended 31st March, 2022

	Retirement Benefit Plans		Other Post-Employment Benefit Plans		
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2021
<b>Funded plans in deficit:</b>					
Present Value of Obligation #	310	3,747	199	201	
Fair Value of Plan Assets #	(251)	(3,688)	(56)	(66)	
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>59</b>	<b>59</b>	<b>143</b>	<b>135</b>	
# Pursuant to revised Guidance note 29 issued by Institute of Actuaries of India dated 15th February, 2022, plan assets held by the Provident Fund Trust have been Fair valued. As result the funded plan have moved from in deficit to in surplus during the year.					
<b>Unfunded plans in deficit:</b>					
Present Value of Obligation	-	-	53	54	
Fair Value of Plan Assets	-	-	-	-	
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>54</b>	
Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹96 crores as at 31st March, 2022 (₹22 crores as at 31st March, 2021).					
<b>Movements in Present Value of Obligation and Fair Value of Plan Assets</b>					
	Retirement Benefit Plans		Other Post-Employment Benefit Plans		
	Plan Assets	Obligation	Total	Plan Assets	Obligation
<b>As at 31st March, 2020</b>	2,781	2,830	49	71	196
Additions due to business combination	796	796	-	-	56
Current service cost	-	143	143	-	1
Change in asset ceiling	(28)	-	28	-	-
Employee contributions	242	242	-	-	-
Interest cost	-	238	238	-	17
Interest income	237	-	(237)	5	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	3	3	-	(1)
Actuarial (gain)/loss arising from changes in financial assumptions	89	(5)	(94)	1	-
Experience adjustments	-	76	76	-	(1)
Employer contributions	147	-	(147)	1	-
Assets acquired/ (settled)	(122)	(122)	-	-	-
Benefit payments	(321)	(321)	-	(12)	(12)
<b>As at 31st March, 2021</b>	<b>3,821</b>	<b>3,680</b>	<b>59</b>	<b>66</b>	<b>255</b>

	Retirement Benefit Plans		Other Post-Employment Benefit Plans		
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
<b>Funded plans in deficit:</b>					
Present Value of Obligation #	310	3,747	199	201	
Fair Value of Plan Assets #	(251)	(3,688)	(56)	(66)	
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>59</b>	<b>59</b>	<b>143</b>	<b>135</b>	
# Pursuant to revised Guidance note 29 issued by Institute of Actuaries of India dated 16th February, 2022, plan assets held by the Provident Fund Trust have been Fair valued. As result the funded plan have moved from in deficit to in surplus during the year.					
<b>Unfunded plans in deficit:</b>					
Present Value of Obligation	-	-	53	54	
Fair Value of Plan Assets	-	-	-	-	
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>54</b>	

## B: Movements in Present Value of Obligation and Fair Value of Plan Assets

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
<b>As at 31st March, 2020</b>						
Additions due to business combination	2,781	2,830	49	-	71	196
Current service cost	796	796	-	-	55	55
Change in asset ceiling	-	143	143	-	1	1
Employee contributions	(28)	-	28	-	-	-
Interest contributions	242	242	-	-	-	-
Interest cost	-	238	238	-	17	17
Interest income	237	-	(237)	5	-	(5)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	3	3	-	(1)	(1)
Actuarial (gain)/loss arising from changes in financial assumptions	89	(5)	(94)	1	-	(1)
Actuarial (gain)/loss arising from experience adjustments	-	76	76	-	(1)	(1)
Employee contributions	147	-	(147)	1	-	(1)
Assets acquired/ (settled)	(122)	(122)	-	-	-	-
Benefit payments	(321)	(321)	-	(12)	(12)	-
<b>As at 31st March, 2021</b>	<b>3,821</b>	<b>3,880</b>	<b>59</b>	<b>66</b>	<b>255</b>	<b>189</b>

Retirement Benefit Plans	Other Post-Employment Benefit Plans
--------------------------	-------------------------------------

C Statement of Profit and Loss

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Employee Benefit Expenses :</b>				
Current service cost	39	39	0	1
Post-service cost:	52	-	-	-
Finance costs :				
Interest cost	56	51	16	17
Interest income	(53)	(50)	(4)	(5)
<b>Net impact on profit (before tax)</b>	<b>94</b>	<b>40</b>	<b>12</b>	<b>13</b>
<b>Re-measurement of the net defined benefit plans:</b>				
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3	-	(1)
Actuarial (gains)/losses arising from changes in financial assumptions	(26)	(10)	(6)	(1)
Actuarial (gains)/losses arising from experience adjustments	(14)	(8)	12	(1)
Change in asset ceiling (gains)/losses	(7)	21	-	-
<b>Net impact on other comprehensive income (before tax)</b>	<b>(47)</b>	<b>6</b>	<b>6</b>	<b>(3)</b>

\* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

## Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

### D. Assets

The fair value of plan assets at the Balance Sheet date for our defined benefit plans for each category are as follows:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
<b>Quoted</b>				
Government Debt Instruments	1,703	1,646	-	-
Other Debt Instruments	1,146	1,241	56	66
Equity	280	185	-	-
<b>Total (A)</b>	<b>3,129</b>	<b>3,072</b>	<b>56</b>	<b>66</b>
<b>Unquoted</b>				
Other Debt Instruments	233	228	-	-
Others	790	582	-	-
<b>Total (B)</b>	<b>1,023</b>	<b>810</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4,152</b>	<b>3,882</b>	<b>56</b>	<b>66</b>

Note: Assets to the extent of ₹76 crores for Provident Fund (FY 2020-21: ₹54 crores) and ₹0 crore for Officer's Pension Fund (FY 2020-21: ₹7 crores), not recognised on account of asset ceiling.

None of the plans invest directly in any property occupied by the Company or any financial securities issued by the Company.

### E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Standalone Balance Sheet, assumptions under Ind AS 9 are set by reference to market conditions at the valuation date.

Financial Assumptions	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Discount rate (per annum)	6.9%	6.7%	6.9%	6.7%
Salary Escalation Rate (per annum)	8.0%	8.0%	-	-
Management employees- for first 5 years	8.0%	8.0%	-	-
Management employees- after 5 years	8.0%	8.0%	-	-
Non-management Employees	8.0%	8.0%	-	-
Post-increase Rate (per annum)*	2.0%	2.5%	-	-
Annual increase in healthcare costs (per annum)	-	-	9.0%	9.0%

\*For management pension only

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

### Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table.

Mortality in Retirement: LIC Buy-out Annuity Rates & Published rates under SIPA Mortality table adjusted for Indian lives.

Plan I refers to existing employee benefit plans of the Company.

Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger (merged with Plan I with effect from 1st March, 2022).

### Compensated absences

Employee Benefit expenses for the year include ₹7 crores (FY 2020-21: ₹10 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2022 is ₹43 crores (31st March, 2021: ₹42 crores).

### F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Change in assumption (%)	Change in plan obligation (%)	Change in assumption (%)	Change in plan obligation (%)
Discount rate (per annum)	Increase 0.50%	Decrease -0.50%	Increase 0.50%	Decrease -0.50%
Salary escalation rate (per annum)	Increase 0.25%	Decrease -0.25%	Increase 0.25%	Decrease -0.25%
Pension rate	Increase 0.25%	Decrease -0.25%	Increase 0.25%	Decrease -0.25%
Life expectancy	Increase 3.2%	Decrease -3.2%	Increase 3.2%	Decrease -3.2%
Annual increase in healthcare costs (per annum)	Increase 1 year	Decrease -1 year	Increase 1 year	Decrease -1 year
	-	-	-	-
	-	-	1.00%	1.00%
	-	-	-	-8.7%

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

### G. Weighted average duration and expected employers contribution for the next year for each of the defined benefit plan

	Weighted average duration (yrs.)		Expected Employers contribution for the next year	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Gratuity Plan I	7.1	-	7.4	-
Gratuity Plan II	-	-	6.7	-
Management Pension	6.6	-	6.2	0.26
Officer's Pension	2.4	-	2.4	-
Provident Fund Plan I	8.7	-	8.9	98.8
Provident Fund Plan II	8.7	-	8.4	18.0
Post-retirement medical benefits Plan I	9.5	-	10.0	-
Post-retirement medical benefits Plan II	13.6	-	15.6	-

Plan I refers to existing employee benefit plans of the Company. Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger (merged with Plan I with effect from 1st March, 2022).