

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	25	60,469	59,144
Other income	26	973	640
TOTAL INCOME		61,442	59,784
EXPENSES			
Cost of materials consumed	27	17,791	19,229
Purchases of Stock-in-trade	28	11,544	11,968
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	29	(8)	(53)
Employee benefits expense	30	2,782	2,665
Finance costs	31	302	101
Depreciation and amortisation expense	32	1,097	1,030
Other expenses	33	14,170	11,703
TOTAL EXPENSES		47,678	46,643
Profit before exceptional items and tax		13,764	13,141
Exceptional items (net)	34	(89)	(62)
Profit before tax		13,675	13,079
Tax expenses			
Current tax	9A	(3,446)	(2,922)
Deferred tax charge	9A	(115)	(195)
PROFIT FOR THE YEAR (A)		10,114	9,962



(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	39C	36	(17)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	(9)	4
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	2	(1)
Fair value of cash flow hedges through other comprehensive income	18C	(1)	(21)
Income tax relating to items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	9A	(0)	0
Fair value of cash flow hedges through other comprehensive income	9A	(3)	9
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		25	(26)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		10,139	9,936
Earnings per equity share			
Basic (Face value of ₹1 each)	35	₹43.05	₹42.40
Diluted (Face value of ₹1 each)	35	₹43.05	₹42.40
Basis of preparation, measurement and material accounting policies	2		

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W - 100022

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

Ritesh Tiwari
Executive Director, Finance & IT and Chief
Financial Officer
[DIN: 05349994]

Aniruddha Godbole
Partner
Membership No.: 105149

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

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

Ravishankar A.
Vice President, Finance

Mumbai: 24th April, 2024

Mumbai: 24th April, 2024

(All amounts in ₹ crores, unless otherwise stated)

(All amounts in ₹ crores, unless otherwise stated)

Refer note 37 for accounting policy on financial instruments.

		As at 31st March, 2024	As at 31st March, 2023
Non-Current			
Considered good			
Security deposits		101	101
Investments in term deposits (with remaining maturity of more than twelve months)		1	1
Indemnification Asset		608	608
Other assets (includes other receivables etc.)		4	5
Total (A)		714	715
Current			
Considered good			
Security deposits		68	63
Receivables from group companies		170	195
Fair value of derivatives		23	15
Consignment receivables		73	278
Other assets (includes Government grants, other receivables, etc.)		1,082	840
Total (B)		1,416	1,391
Total (A+B)		2,130	2,106

Refer Note 44 for information about receivables from related party.

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

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 on the taxable income 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

1. Tax expense recognised in Profit and Loss

		Year ended 31st March, 2024	Year ended 31st March, 2023
Current tax			
Current year		3,501	3,214
Adjustments/(credits) related to previous years - (net)		(55)	(292)
Total (A)		3,446	2,922
Deferred tax charge			
Origination and reversal of temporary differences		135	190
Adjustments/(credits) related to previous years - (net)		(20)	5
Total (B)		115	195
Total (A+B)		3,561	3,117

II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	9	(4)
(Gain)/loss on debt instruments through other comprehensive income	0	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	3	(9)
Total	12	(13)

III. Tax expense recognised in Equity

		Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax			
Stamp Duty on issue of equity shares on account of business combination		2	2
		2	2

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, 2024	Year ended 31st March, 2023
		Amount %	Amount %
Statutory income tax rate		3,441	3,293
		25.2%	25.2%
Differences due to:			
Expenses not deductible for tax purposes		248	148
Income exempt from income tax		(53)	(35)
Others*		(75)	(289)
		(0.5%)	(2.2%)
Effective tax rate		26.0%	23.8%
		3,561	3,117

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

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

- (b) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	6	6
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	6	6

- (c) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. In case of business combinations, the difference between fair value and nominal value of shares issued on the acquisition date is accounted as securities premium.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	40,350	40,352
Add: Deferred Tax on Stamp duty	(2)	(2)
Balance at the end of the year	40,348	40,350

- (d) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividend or other distributions paid to shareholders.

Remeasurements of Net Defined Benefit Plans: Differences between the 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 in other comprehensive income and are adjusted to retained earnings.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	9,625	8,135
Add: Profit for the year	10,114	9,962
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	27	(13)
Less: Dividend on equity shares during the year	(9,398)	(8,459)
Balance at the end of the year	10,368	9,625

- (e) **Other Reserves:** This includes reserves made on amalgamation of Brooke Bond Lipton India Limited and capital subsidy. This reserve is not available for capitalisation/ declaration of dividend/ share buy-back.

	Year ended 31st March, 2024	Year ended 31st March, 2023
*Movement in Remeasurement of Net Defined Benefit Plans		
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	27	(13)
Less: Transfer to retained earnings	(27)	13
Balance at the end of the year	-	-

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	9	9

(f) 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 through Other Comprehensive Income	Debt instruments through Other Comprehensive Income	Total
As at 1st April, 2022	20	(1)	19
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges through other comprehensive income	(21)	-	(21)
Hedging loss/(gain) transferred to non-financial asset (net)	(14)	-	(14)
Tax on above	9	0	9
As at 1st April, 2023	(6)	(2)	(8)
Fair value of debt instruments through other comprehensive income	-	2	2
Fair Value of cash flow hedges through other comprehensive income	(1)	-	(1)
Hedging loss/(gain) transferred to non-financial asset (net)	13	-	13
Tax on above	(3)	(0)	(3)
As at 31st March, 2024	3	(0)	3

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 monitors the return on capital as well as the level of dividend to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Refer note 45 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 rate. 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.

(All amounts in ₹ crores, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
A(i). Principal amount remaining unpaid	222	89
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 day	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) without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D. Interest accrued and remaining unpaid	0	0
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	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Not due*	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 - Micro and small enterprises	220	2	-	-	-	222
Undisputed dues - Others	9,842	75	9	-	-	9,926
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	10,062	77	9	-	-	10,148

*Includes unbilled payables of ₹6,017 crores

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Not due*	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 - Micro and small enterprises	89	0	-	-	-	89
Undisputed dues - Others	9,093	209	-	-	-	9,302
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	9,182	209	-	-	-	9,391

*Includes unbilled payable of ₹5,886 crores

NOTE 23 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source and others)	700	649
Others (including advance from customers etc.)	89	86
Total	789	735

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, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	1,601	1,586
Indirect Tax matters	540	710
Legal and Other Matters	281	281

(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.

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

(iii) 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.

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.

	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	55	69
Later than one year and not later than five years	47	57
Later than five years	-	-

ii) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	312	434

NOTE 25 REVENUE FROM OPERATIONS**Sale of products:**

As per Ind AS 115 'Revenue from contracts with customers', Revenue from sale of goods is recognised when control of the products being sold is transferred to the 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 terms with customers.

Revenue is measured on the basis of transaction price, which is the consideration adjusted for volume discounts, rebates, schemes allowances, price concessions, incentives, amounts collected on behalf of government and returns, if any, as specified in the contracts with the customers. 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.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Sales return - 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. The Company deals in various products and operates in various distribution channels. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates by considering actual sales returns, estimated shelf life and other factors.

Income from services rendered:

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

Commission income on consignment sales:

Commission income on consignment sales (Consignment selling agency fees) is charged for rendering of services and for 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 agreement with the parties.

Government grants:

The Company is entitled to 'Scheme of Budgetary Support' under Goods and Service Tax Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured as amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to grant.

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 the grant.

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products	59,579	58,154
Other operating revenue*		
Income from services rendered	322	347
Commission income on consignment sales	202	333
Government grants (GST budgetary support and Production Linked Incentives)	164	170
Others (including scrap sales, rentals, etc.)	202	140
Total	60,469	59,144

Reconciliation of Revenue from sale of products with the contracted price

	Year ended 31st March, 2024	Year ended 31st March, 2023
Contracted Price	68,088	65,271
Less: Trade discounts and promotions, volume rebates, returns etc.	(8,509)	(7,117)
Sale of products	59,579	58,154

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

- The Company does not have any contract asset as at 31st March, 2024 (31st March, 2023: Nil)
- The Company does not have any contract liability as at 31st March, 2024 (31st March, 2023: Nil)
- The Company does not receive 10% or more of its revenues from transactions with any single external customer.

Segment-wise Revenue from operations

The Company has following major segments:

- Home Care include Fabric Solutions, Home and Hygiene, etc.
- Beauty & Personal Care include Skin Cleansing, Skin Care, Hair Care, etc.
- Foods & Refreshment include Tea, Nutrition Drinks and Coffee, etc.
- Others include Exports, Consignment, etc.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Home Care	21,900	21,230
Beauty & Personal Care	22,165	21,831
Foods & Refreshment	15,292	14,876
Others (includes Exports, Consignment, etc.)	1,112	1,207
Total	60,469	59,144

(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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income on		
Bank deposits	438	162
Current investments	88	126
Others (including interest on Income tax refunds)	25	137
Dividend income from		
Subsidiaries	173	116
Non-current investments	3	2
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	246	97
Total	973	640

*Includes realised gain on sale of investment of ₹168 crores (31st March, 2023: ₹91 crores).

NOTE 27 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials consumed	15,054	16,074
Packing materials consumed	2,737	3,155
Total	17,791	19,229

NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchases of stock-in-trade	11,544	11,968
Total	11,544	11,968

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

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening inventories		
Finished goods	1,651	1,580
Work-in-progress	391	409
Closing inventories		
Finished goods	(1,498)	(1,651)
Work-in-progress	(552)	(391)
Total	(8)	(53)

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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 trusts 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 defined benefit obligation resulting from employee service in the current period ('current service cost') and the costs of individual events such as changes in past service benefits 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 actuary 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. Refer Note 39 for Employee benefit Plan calculations.

Other Short-term benefits

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

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:

- when the Company can no longer withdraw the offer of those benefits; or
- 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 of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

FINANCIAL STATEMENTS



(All amounts in ₹ crores, unless otherwise stated)

Share Based Payments

Employees of the Company receive remuneration in the form of share based payments in consideration of the services rendered.

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 vesting 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, 2024	Year ended 31st March, 2023
Salaries and wages	2,268	2,137
Contribution to provident and other funds	164	153
Defined benefit plan expense (Refer note 39)	39	42
Share based payments to employees (Refer note 40)	169	156
Staff welfare expenses	142	177
Total	2,782	2,665

NOTE 31 FINANCE COSTS

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on bank overdraft, security deposit and others	0	0
Net interest on the net defined benefit liability (Refer Note 39)	24	16
Unwinding of discount on provisions and liabilities	2	1
Unwinding of discount on employee and ex-employee related liabilities	8	8
Interest on lease liabilities	98	76
Interest on taxes and others	170	-
Total	302	101

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSE

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)*	647	609
Depreciation on property, plant and equipment (leased assets)	426	398
Amortisation on intangible assets	24	23
Total	1,097	1,030

*In addition to the above, ₹0 crores (31st March, 2023: ₹15 crores) of accelerated depreciation has been charged to exceptional items under restructuring projects.

NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Advertising and promotion	6,380	4,859
Carriage and freight	1,917	1,901
Royalty	782	760
- Technology	347	230
- Brand	1,129	990
Fees for central services from Unilever Group	780	601
Processing charges	354	349
Power, fuel, light and water	384	325
Rent	81	80
Travelling and motor car expenses	269	238
Repairs	202	201
Corporate Social Responsibility expense [Refer note (a) below]	234	209
Miscellaneous expenses	2,440	1,950
Total	14,170	11,703

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	3	2
Tax audit fees	1	1
Others		
Fees for other audit related services	2	2
Fees for certification	0	0
Reimbursement of out-of-pocket expenses	0	0
Total	6	5

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
I. Amount required to be spent by the Company during the year	231	205
II. Amount approved by the Board	235	210
III. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	234	209
IV. Shortfall at the end of the year	-	-
V. Total of previous years shortfall	-	-
VI. Reason for shortfall	Not Applicable	Not Applicable

VII. Nature of CSR activities include promoting education, including special education and employment enhancing vocation 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.

VIII. Above includes a contribution of ₹30 crores (2022-23: ₹15 crores) to subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013 (refer note 44). The objectives of Hindustan Unilever Foundation 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.

IX. Above includes ₹18 crores of Corporate Social Responsibility expense related to ongoing projects as at 31st March, 2024 (31st March, 2023: ₹7 crores). The same was transferred to a special account designated as UCSRA – FY 2023-24 of the Company within 30 days from end of financial year. Unspent CSR amount for FY 2022-23 of ₹7 crores has been fully utilised during FY 2023-24.

X. The Company does not wish to carry forward any excess amount spent during the year.

NOTE 34 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2024	Year ended 31st March, 2023
i) Restructuring and other costs	(187)	(120)
ii) Acquisition and disposal related income/ (costs)	63	(117)
iii) Fair valuation of financial liability on acquisition	37	-
iv) Fair valuation of contingent consideration payable	-	2
v) Disposal of surplus properties	(2)	113
vi) Profit on sale of brand rights	-	60
Exceptional items (net)	(89)	(62)

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, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year (A)	10,114	9,962
Weighted average number of equity shares outstanding during the year (B)	2,34,95,91,262	2,34,95,91,262
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 (C)	2,34,95,91,262	2,34,95,91,262
Earnings Per Share (₹) – Basic (Face value of ₹1 per share) (A/B)	₹43.05	₹42.40
Earnings Per Share (₹) – Diluted (Face value of ₹1 per share) (A/C)	₹43.05	₹42.40

NOTE 36 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend on equity shares declared and paid during the year		
Final dividend of ₹22.00 per share for FY 2022-23 (2021-22: ₹19.00 per share)	5,169	4,464
Interim dividend of ₹18.00 per share for FY 2023-24 (2022-23: ₹17.00 per share)	4,229	3,995
	9,398	8,459
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹24.00 per share for FY 2023-24 (2022-23: ₹22.00 per share)	5,639	5,169
	5,639	5,169
Payout ratio	98%	92%

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

NOTE 37 FINANCIAL INSTRUMENTS

Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement and classification

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

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

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

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Management Pension	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	215	275	(60)	251	310	(59)
Current service cost	-	0	(0)	-	1	(1)
Interest cost	-	20	(20)	-	20	(20)
Interest income	15	-	15	15	-	15
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(1)	1
Actual less expected return on plan assets	5	-	5	(4)	-	(4)
Actuarial (gain)/loss arising from experience adjustments	-	(5)	5	-	(8)	8
Employer contributions	0	-	0	0	-	0
Benefit payments	(20)	(20)	-	(47)	(47)	-
Closing Balance	215	270	(55)	215	275	(60)

Officers' Pension	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	7	8	(1)	9	9	-
Current service cost	-	0	(0)	-	0	(0)
Past service cost	-	0	(0)	-	-	-
Change in asset ceiling	-	-	-	0	-	0
Interest cost	-	1	(1)	-	2	(2)
Interest income	0	-	0	2	-	2
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(0)	0
Actual less expected return on plan assets	3	-	3	0	-	0
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	1	(1)
Employer contributions	0	-	0	-	-	-
Assets/liabilities acquired/(settled)	(2)	(2)	-	(1)	(1)	-
Benefit payments	(1)	(1)	-	(3)	(3)	-
Closing Balance	7	6	1	7	8	(1)

Provident Fund Plan I	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	2,743	2,795	(52)	2,649	2,649	-
Current service cost	-	113	(113)	-	93	(93)
Change in asset ceiling	(35)	-	(35)	69	-	69
Interest cost	-	213	(213)	-	178	(178)
Interest income	209	-	209	183	-	183
Actuarial (gain)/loss arising from changes in financial assumptions	-	36	(36)	-	53	(53)
Actual less expected return on plan assets	133	-	133	(25)	-	(25)
Actuarial (gain)/loss arising from experience adjustments	-	6	(6)	-	48	(48)
Employer contributions	113	-	113	93	-	93
Employees contributions	210	210	-	191	191	-
Assets/liabilities acquired/(settled)	45	45	-	(113)	(113)	-
Benefit payments	(270)	(270)	-	(304)	(304)	-
Closing Balance	3,148	3,148	-	2,743	2,795	(52)

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(All amounts in ₹ crores, unless otherwise stated)

Provident Fund Plan II	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	507	507	-	554	554	-
Current service cost	-	11	(11)	-	13	(13)
Change in asset ceiling	(2)	(2)	(4)	-	-	(4)
Interest cost	-	30	(30)	-	35	(35)
Interest income	30	-	30	36	-	36
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2)	2	-	9	9
Actual less expected return on plan assets	2	-	2	16	-	16
Actuarial (gain)/loss arising from experience adjustments	-	2	(2)	-	4	(4)
Employer contributions	11	-	11	13	-	13
Employees contributions	35	-	35	39	-	39
Assets/liabilities acquired/(settled)	(156)	(156)	-	(44)	(44)	-
Benefit payments	(102)	(102)	-	(103)	(103)	-
Closing Balance	325	325	-	507	507	-

Other Post-Employment Benefit Plans	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	40	253	(213)	56	252	(196)
Current service cost	-	0	(0)	-	0	(0)
Interest cost	-	19	(19)	-	17	(17)
Interest income	2	-	2	3	-	3
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0)	0	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	1	33	(32)	(1)	(15)	14
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	19	(19)
Employer contributions	2	-	2	2	-	2
Benefit payments	(19)	(19)	-	(20)	(20)	-
Closing Balance	26	286	(260)	40	253	(213)

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Year ended 31st March, 2024	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total
Employee Benefit Expenses:						
Current service cost	38	0	0	113	11	162
Past service cost	-	-	0	-	-	0
Finance costs:						
Interest cost	39	20	1	213	30	303
Interest income	(40)	(15)	(0)	(209)	(31)	(295)
Net impact on profit (before tax)	37	5	1	117	10	170
Remeasurement of the net defined benefit plans:						
Actuarial (gains)/losses arising from changes in demographic assumptions	10	-	-	-	-	10
Actuarial (gains)/losses arising from changes in financial assumptions	12	0	0	36	(2)	46
Actual less expected return on plan assets	(6)	(5)	(3)	(133)	(2)	(149)
Actuarial (gains)/losses arising from experience adjustments	6	(5)	0	6	2	9
Change in asset ceiling (gains)/losses	(21)	-	-	35	2	16
Net impact on other comprehensive income (before tax)	1	(10)	(3)	(56)	(0)	(68)
						32

(All amounts in ₹ crores, unless otherwise stated)

Year ended 31st March, 2023	Retirement Benefit Plans					Other Post-Employment Benefit Plans
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	
Employee Benefit Expenses:						
Current service cost	39	1	0	93	13	146
Finance costs:						-
Interest cost	38	20	2	178	35	273
Interest income	(39)	(15)	(2)	(183)	(36)	(275)
Net impact on profit (before tax)	38	6	0	88	12	144
Remeasurement of the net defined benefit plans:						
Actuarial (gains)/losses arising from changes in financial assumptions	(24)	(0)	(0)	53	9	39
Actual less expected return on plan assets	(13)	4	(0)	24	(16)	0
Actuarial (gains)/losses arising from experience adjustments	25	(8)	1	48	4	70
Change in asset ceiling (gains)/losses	(26)	-	(0)	(69)	4	(91)
Net impact on other comprehensive income (before tax)	(37)	(4)	1	57	1	18
						5

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		Total fair value of plan assets	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Quoted						
Government Debt Instruments	1,771	1,663	-	-	1,771	1,663
Other Debt Instruments	1,173	1,067	26	40	1,199	1,107
Equity	461	342	-	-	461	342
Total (A)	3,405	3,072	26	40	3,431	3,112
Unquoted						
Other Debt Instruments	228	228	-	-	228	228
Others	669	750	-	-	669	750
Total (B)	897	978	-	-	897	978
Total (A+B)	4,302	4,050	26	40	4,328	4,090

Assets to the extent of ₹48 crores for Provident Fund (FY 2022-23: ₹11 crores), Nil for Gratuity Fund (FY 2022-23: ₹21 crores) are 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 19 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, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.2%	7.5%	7.2%	7.5%
Salary Escalation Rate (per annum)				
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%	-	-
Pension Increase Rate (per annum)*	2.0%	2.0%	-	-
Annual Increase in healthcare costs (per annum)	-	-	10.0%	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.

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%	-2.2%	0.50%
	Decrease	0.50%	2.4%	0.50%
Salary escalation rate (per annum)	Increase	0.25%	1.3%	-
	Decrease	0.25%	-1.3%	-
Pension rate	Increase	0.25%	6.2%	-
	Decrease	0.25%	-6.0%	-
Life expectancy	Increase	1 year	3.7%	1 year
	Decrease	1 year	-3.7%	1 year
Annual increase in healthcare costs (per annum)	Increase	-	-	1.00%
	Decrease	-	-	1.00%

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.