



Consolidated Statement of Profit and Loss

for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020	Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME				Profit attributable to:			
Revenue from operations	24	47,028	39,783	Owners of the Holding Company		7,995	6,748
Other income	25	410	632	No-controlling interests		4	8
TOTAL INCOME		47,438	40,415	Other Comprehensive Income attributable to:			
EXPENSES				Owners of the Holding Company		21	(89)
Cost of materials consumed	26	15,432	11,976	No-controlling interests		0	-
Purchases of stock-in-trade	27	7,121	6,391	Total Comprehensive Income attributable to:			
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	28	(405)	(108)	Owners of the Holding Company		8,016	6,659
Employee benefits expenses	29	2,358	1,820	No-controlling interests		4	8
Finance costs	30	117	118	Earnings per equity share from Continuing Operations			
Depreciation and amortisation expense	31	1,074	1,002	Basic (Face value of ₹ 1 each)		₹34.03	₹31.21
Other expenses	32	10,896	9,843	Diluted (Face value of ₹ 1 each)		35A	35A
TOTAL EXPENSES		36,593	31,042	Earnings per equity share from Discontinued Operations			
Profit before exceptional items and tax		10,845	9,373	Basic (Face value of ₹ 1 each)		35B	₹(0.00)
Exceptional items (net)	33	(239)	(200)	Diluted (Face value of ₹ 1 each)		35B	₹(0.00)
Profit before tax from Continuing Operations		10,606	9,173	Earnings per equity share from Continuing and Discontinued Operations			
Tax expenses		(2,520)	(2,243)	Basic (Face value of ₹ 1 each)		₹34.03	₹31.17
Current tax	8A	(86)	(166)	Diluted (Face value of ₹ 1 each)		₹34.03	₹31.17
Deferred tax charge	8A			Basis of preparation, measurement and significant accounting policies		2	
Profit after tax from Continuing Operations (A)		8,000	6,764	The accompanying notes 1 to 15 are an integral part of these consolidated financial statements.			
Loss from discontinued operations before tax	34A	(1)	(6)	As per our report of even date attached			
Tax expenses of discontinued operations	34A	-	(2)	For and on behalf of Board of Directors			
Loss from discontinued Operations after tax (B)		(1)	(8)	Srinivas Phatak Executive Director Finance & IT and CFO [DIN: 02743340]			
PROFIT FOR THE YEAR (A+B)		7,999	6,756	Sanjiv Mehta Chairman and Managing Director [DIN: 06699923]			
OTHER COMPREHENSIVE INCOME				Chartered Accountants Firm's Registration No. 10124BW/W-100022			
Items that will not be reclassified subsequently to profit or loss				Aniluddha Godbole Partner Membership No. 105149			
Remeasurements of the net defined benefit plans	39C	(3)	(68)	Kalpana Morparia Chairperson - Audit Committee [DIN: 00046081]			
Income tax relating to items that will not be reclassified subsequently to profit or loss				Dev Rajpal Executive Director Legal and Company Secretary Membership No. FCS 3354 [DIN: 00020516]			
Remeasurements of the net defined benefit plans	8A	1	17	Amit Sood Group Controller Mumbai: 29th April, 2021			
Items that will be reclassified subsequently to profit or loss							
Fair value of debt instruments through other comprehensive income	17C	(0)	(1)				
Fair value of cash flow hedges through other comprehensive income	17C	70	(77)				
Income tax relating to items that will be reclassified subsequently to profit or loss							
Fair value of debt instruments through other comprehensive income	8A	0	0				
Fair value of cash flow hedges through other comprehensive income	8A	(47)	40				
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (C)		21	(89)				
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		8,020	6,667				

Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 8 INCOME TAXES

A. Components of income tax expense

	From Continuing Operations		From Discontinued Operations		
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020	
I. Tax expense recognised in Profit and Loss					
Current tax	-	-	-	-	-
Current year	2,680	2,448	-	-	-
Adjustments/(credits) related to previous years - (net)	(160)	(205)	-	2	-
Total (A)	2,520	2,243	-	2	-
Deferred tax charge	-	-	-	-	-
Origination and reversal of temporary differences	86	105	-	-	-
Adjustments/(credits) related to previous years - (net)	-	61	-	-	-
Total (B)	86	166	-	-	-
Total (A+B)	2,606	2,409	-	2	-
II. Tax expense recognised in Other Comprehensive Income					
Current tax	-	-	-	-	-
(Gain)/loss on remeasurement of net defined benefit plans	-	-	-	-	-
(Gain)/loss on debt instruments through other comprehensive income	-	-	-	-	-
(Gain)/loss on cash flow hedges through other comprehensive income	-	-	-	-	-
Deferred tax	-	-	-	-	-
(Gain)/loss on remeasurement of net defined benefit plans	(1)	(17)	-	-	-
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)	-	-	-
(Gain)/loss on cash flow hedges through other comprehensive income	-	-	-	-	-
(Gain)/loss on post retirement benefits and other employee benefits	47	(40)	-	-	-
Provision for doubtful debts and advances	-	-	-	25	(6)
Expenses allowable for tax purposes when paid	-	-	-	231	(72)
Property, plant and equipment and intangible assets	-	-	-	(377)	129
Fair value gain/(loss)	-	-	-	(75)	(2)
Impact of Flight of Use Asset and Lease Liabilities	-	-	-	20	(17)
MAT credit	-	-	-	1	2
Other temporary differences	-	-	-	445	(101)
Stamp Duty on issue of equity shares on account of business combination	(9)	(9)	-	393	(166)
Stamp Duty on issue of equity shares on account of business combination	(9)	(9)	-	57	57

Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 8 INCOME TAXES

B. Reconciliation of Effective Tax Rate

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

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Statutory/income tax rate applicable for the year		
Differences due to:	25.2%	25.2%
Expenses not deductible for tax purposes	1.1%	1.1%
Income exempt from income tax	-0.2%	-
Others	-1.5%	-0.1%
Effective tax rate	24.6%	26.3%
* Others include prior period adjustment tax refunds, tax on exceptional items and impact of tax rate change in FY 2019-20.		
Impact of tax rate change: During FY 2019-20, the Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group re-measured its Net Deferred Tax Assets basis the rates prescribed in the said section. The full impact of this change was recognised in the consolidated statement of profit and loss for that year.		
C. Deferred tax assets and liabilities		
	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets (net)	17	284
Deferred tax Liabilities (net)	5,988	-
D. Movement in Deferred tax assets and liabilities		
	As at 31st March, 2019	As at 31st March, 2020
Deferred tax assets/(liabilities)		
Movements during the year ended 31st March, 2020		
Provision for post retirement benefits and other employee benefits	123	(99)
Provision for doubtful debts and advances	25	(6)
Expenses allowable for tax purposes when paid	231	(72)
Property, plant and equipment and intangible assets	(377)	129
Fair value gain/(loss)	(75)	(2)
Impact of Flight of Use Asset and Lease Liabilities	20	(17)
MAT credit	1	2
Other temporary differences	445	(101)
Stamp Duty on issue of equity shares on account of business combination	393	(166)
Stamp Duty on issue of equity shares on account of business combination	(9)	(9)
	57	57

Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 OTHER EQUITY (CONTINUED)

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
As at 31st March, 2019	(48)	-	(46)
Transferred to Retained Earnings	-	-	48
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges in other comprehensive income	-	(77)	(77)
Tax on above	-	40	40
As at 31st March, 2020	(37)	1	(36)
Fair value of debt instruments through other comprehensive income	-	(0)	(0)
Fair Value of cash flow hedges in other comprehensive income	-	70	70
Hedging loss/(gain) transferred to non-financial asset (net)	-	34	34
Tax on above	(47)	0	(47)
As at 31st March, 2021	20	1	21

D. Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group 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 Group 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 of the Holding Company monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 18 NON-CONTROLLING INTERESTS

The following table summarises the financial information relating to Unilever Nepal Limited that has non-controlling interests (20%):

	As at 31st March, 2021	As at 31st March, 2020
Non-current assets	97	259
Current assets	191	148
Non-current liabilities	(16)	(180)
Current liabilities	(124)	(93)
Net assets	148	134
Carrying amount of non-controlling interests	20	17

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from operations	318	386
Profit for the year	20	42
Other comprehensive income for the year	0	0
Total comprehensive income for the year	20	42
Attributable to non-controlling interests (20%)		
Profit for the year	4	8
Other comprehensive income for the year	0	0
Cash flows from:		
Operating activities	74	65
Investing activities	(40)	(27)
Financing activities	(9)	(46)
Net increase/(decrease) in cash and cash equivalents	25	(8)
Dividends paid to non-controlling interests	1	9

NOTE 19 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Non-Current		
Employee and ex-employee related liabilities	34	31
Contingent consideration payable on business combination	211	209
Total (A)	1,027	939
Current		
Unpaid dividends (Refer (a) below)	208	176
Salaries, wages, bonus and other employee benefits	273	216
Fair Value of Derivatives	6	171
Contingent consideration payable on business combination	41	37
Consignment Payables	244	-
Lease Liabilities	278	236
Other payables (including trade deposits, retention money for purchase of property, plant and equipment etc.)	156	96
Total (B)	1,206	932
Total (A+B)	2,233	1,871

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, 2021 (31st March, 2020: Nil).



Notes to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 23 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

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, leases with term less than twelve months and variable leases.

	As at 31st March, 2021	As at 31st March, 2020
Not later than one year	81	94
Later than one year and not later than five years	114	189
Later than five years	-	1

	As at 31st March, 2021	As at 31st March, 2020
ii) Capital commitments Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	531	303
iii) Other commitments Unexpired letter of credit and acceptances	3	6
	534	309

NOTE 24 REVENUE FROM OPERATIONS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of products	46,269	39,136
Sale of services	52	102
Other operating revenue*		
Income from services rendered	222	255
Commission income on consignment sales	264	-
Others (including Government grant, scrap sales, export incentives, etc.)	221	290
	47,028	39,783
Total Government grant recognised ₹108 crores (31st March, 2020: ₹171 crores).		

Reconciliation of Revenue from sale of products and sale of services with the contracted price

	Year ended 31st March, 2021	Year ended 31st March, 2020
Contracted Price	51,985	45,204
Less: Trade discounts, volume rebates, etc.	(5,634)	(5,366)
Sale of products and sale of services	46,321	39,238

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

Notes to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Segment-wise Revenue from operations

	Year ended 31st March, 2021	Year ended 31st March, 2020
Home Care	13,957	13,640
Beauty & Personal Care	18,038	17,488
Foods & Refreshment	13,204	7,450
Others (includes Exports, Infant & Feminine Care etc.)	1,829	1,205
	47,028	39,783

NOTE 25 OTHER INCOME

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on		
Bank deposits	216	284
Current investments	6	39
Others (including interest on Income tax refunds)	124	169
Dividend income from		
No-current investments	1	1
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss	63	137
Net gain on sale of investments	-	2
	410	632

*Includes realised gain on sale of investment of ₹52 crores (31st March, 2020: ₹65 crores).

NOTE 26 COST OF MATERIALS CONSUMED

	Year ended 31st March, 2021	Year ended 31st March, 2020
Raw materials consumed	13,020	9,306
Packing materials consumed	2,412	2,670
	15,432	11,976

NOTE 27 PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchases of stock-in-trade	7,121	6,391
	7,121	6,391



Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 28 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening inventories		
Finished goods	1,380	1,270
Work-in-progress	264	266
Closing inventories		
Finished goods	(1,607)	(1,380)
Work-in-progress	(442)	(264)
	(108)	(405)
NOTE 29 EMPLOYEE BENEFITS EXPENSES		
	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and wages, bonus etc.	1,943	1,547
Contribution to provident fund and other funds	162	122
Defined benefit plan expenses (Refer Note 39)	39	32
Share based payments to employees (Refer Note 40)	56	45
Workmen and staff welfare expenses	158	74
	2,358	1,620

NOTE 30 FINANCE COSTS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense on bank overdraft and others	2	3
Net interest on the net defined benefit liability (Refer Note 39)	13	9
Unwinding of discount on provisions and liabilities	6	13
Unwinding of discount on employee and ex-employee related liabilities	6	6
Interest on lease liabilities	86	80
Others (including interest on taxes)	4	7
	117	118

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on property, plant and equipment (owned assets)*	635	609
Depreciation on property, plant and equipment (leased assets)	412	377
Amortisation on intangible assets	27	16
	1,074	1,002

*In addition to the above, ₹60 crores of accelerated depreciation has been charged to exceptional items under a restructuring project.

Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 32 OTHER EXPENSES

	Year ended 31st March, 2021	Year ended 31st March, 2020
Advertising and promotion	4,754	4,713
Carriage and freight	1,743	1,507
Royalty	578	540
- Technology		
- Brand	176	159
Fee for central services from Parent Company	450	699
Power, fuel, light and water	339	299
Rent	104	110
Processing charges	293	80
Travelling and motor car expenses	93	165
Repairs	163	156
Rates & taxes (excluding income tax)	8	39
Corporate social responsibility expense [Refer Note (a) below]	167	146
Miscellaneous expenses	2,028	1,542
	10,896	9,433

The Group has spent ₹167 crores (2019-20: ₹146 crores) towards various schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

- I. Gross amount required to be spent by the Group during the year: ₹164 crores (2019-20: ₹144 crores)
- II. Amount spent during the year on:

	Year ended 31st March, 2021	Year ended 31st March, 2020
Yet to be Paid in Cash	In cash	In cash
i) Construction/Acquisition of any asset	-	-
ii) For purposes other than i) above	167	-
	167	-

- III. The Group does not carry any provisions for Corporate Social Responsibility expenses for the current year and previous year.
- IV. The Group does not wish to carry forward any excess amount spent during the year.
- V. The Group does not have any ongoing projects as at 31st March, 2021.

Notes to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 33 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2021	Year ended 31st March, 2020
i) Profit on disposal of surplus properties	95	46
ii) Fair valuation of contingent consideration payable (refer Note 41)	22	26
Total exceptional income (A)	117	72
i) Acquisition and disposal related cost	(156)	(132)
ii) Restructuring and other costs	(200)	(140)
Total exceptional expenditure (B)	(356)	(272)
Exceptional items (net) (A-B)	(239)	(200)

NOTE 34 DISCONTINUED OPERATIONS

Pond's Exports Limited (PEL) has closed down its existing operation in line with the Group's strategy of exiting non core businesses.

A. Results of discontinued operation

	Year ended 31st March, 2021	Year ended 31st March, 2020
Income	1	0
Expenses	(2)	(6)
Results from discontinued operations before tax	(1)	(6)
Tax expense		
Adjustments related to previous years	-	(2)
Deferred tax credit/(charge)	-	-
Results from discontinued operations after tax	(1)	(8)

The Loss from discontinued operations of ₹1 crore (2019-20 loss ₹8 crores) is attributable entirely to the owners of the Holding Company.

B. Net cash (used in)/generated from discontinued operations

	Year ended 31st March, 2021	Year ended 31st March, 2020
Net cash (used in)/generated from operating activities	(0)	(1)
Net cash (used in)/generated from investing activities	-	-
Net cash used in financing activities	-	-
Net cash flows for the year	(0)	(1)

Notes to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 35 EARNINGS PER EQUITY SHARE

A. FROM CONTINUING OPERATIONS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Earnings Per Share has been computed as under:		
Profit for the year attributable to the owners of the Holding Company		
Weighted average number of equity shares outstanding during the year	2,34,95,42,101	2,16,47,95,829
Earnings Per Share (₹) -Basic (Face value of ₹ 1 per share)	₹34.03	₹31.21
Add Weighted average number of potential equity shares on account of employee stock options/ performance share schemes	50,297	1,96,123
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,92,398	2,16,49,91,952
Earnings Per Share (₹) -Diluted (Face value of ₹ 1 per share)	₹34.03	₹31.21

B. From Discontinued operations

	Year ended 31st March, 2021	Year ended 31st March, 2020
Earnings Per Share has been computed as under:		
Loss for the year attributable to the owners of the Holding Company		
Weighted average number of equity shares outstanding during the year	2,34,95,42,101	2,16,47,95,829
Earnings Per Share (₹) - Basic (Face value of ₹ 1 per share)	₹(0.00)	₹(0.04)
Add Weighted average number of potential equity shares on account of employee stock options/ performance share schemes	50,297	1,96,123
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,92,398	2,16,49,91,952
Earnings Per Share (₹) - Diluted (Face value of ₹ 1 per share)	₹(0.00)	₹(0.04)

NOTE 36 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2021	Year ended 31st March, 2020
Dividend on equity shares declared and paid during the year		
Final dividend of ₹14.00 per share for FY 2019-20 (2018-19: ₹13.00 per share)		
Dividend distribution tax on final dividend*	-	578
Special dividend of ₹5.50 per share for FY 2020-21 (2019-20: ₹11.00 per share)	2,232	-
Interim dividend of ₹14.00 per share for FY 2020-21 (2019-20: ₹11.00 per share)	3,290	2,382
Dividend distribution tax on interim dividend*	-	470
Proposed dividend on equity shares not recognised as liability	8,811	6,244
Final dividend of ₹17.00 per share for FY 2020-21 (2019-20: ₹14.00 per share)	3,994	3,289
Payout ratio #	91%	91%

*Payout ratio excluding special dividend.

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

*Dividend Distribution Tax (DDT) was applicable only up to FY 2019-20. DDT = net comprises credit in respect of tax paid under Section 115 O of the Income-tax Act, 1961 by the Holding Company on dividend received from its subsidiaries.



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to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 EMPLOYEE BENEFIT PLANS

I. Defined Contribution Plans
Refer Note 29 for Group's contribution to the defined contribution plans with respect to provident fund and other funds.

II. Defined Benefit Plans

Description of Plans
Retirement Benefit Plans of the Group 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 & Group managed trust. Pension (Management Pension and Officer's Pension) for most employees is managed through a trust, invested with an insurance service provider and for some employees' investments are managed through Group's managed trust. Provident Fund for most of the employees are managed through trust investments and for some employees through Government administered fund. Post-retirement medical benefits for most employees are managed through investment made under Group managed trust & for some employees through insurance policy.

Governance

The trustees of the trust fund 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 Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Group to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Group 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 in order to limit the cost to the Group for the benefits provided. 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.

Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

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, 2021	As at 31st March, 2020				
Present Value of Obligation	3,860	2,830				
Fair Value of Plan Assets	(3,821)	(2,768)				
(Asset)/Liability recognised in the Balance Sheet	59	62				
Or which in respect of:						
Funded plans in surplus:						
Present Value of Obligation	133	12				
Fair Value of Plan Assets	(194)	(26)				
(Asset)/Liability recognised in the Balance Sheet*	*^a	-				
*The excess of assets over liabilities in respect of Officer's Pension & Gratuity Plan II have not been recognised.						
Funded plans in deficit:						
Present Value of Obligation	3,747	2,818				
Fair Value of Plan Assets	(3,688)	(2,756)				
(Asset)/Liability recognised in the Balance Sheet	59	62				
Unfunded plans in deficit:						
Present Value of Obligation	-	-				
Fair Value of Plan Assets	-	-				
(Asset)/Liability recognised in the Balance Sheet	-	-				
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	Plan Total	Plan Assets	Plan Obligation	Plan Total
As at 31st March, 2019	2,635	2,665	30	81	157	76
Current service cost	-	112	112	-	0	0
Post service cost	-	5	5	-	-	-
Employee contributions	188	188	-	-	-	-
Interest cost	-	202	202	-	-	-
Interest income	199	-	(199)	6	-	(6)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	20	30	10	(2)	19	21
Actuarial (gain)/loss arising from experience adjustments	-	15	15	-	22	22
Employee contributions	126	-	(126)	-	-	-
Assets acquired/(settled)	(51)	(51)	-	-	-	-
Benefit payments	(336)	(336)	-	(14)	(14)	-
As at 31st March, 2020	2,781	2,830	49	71	196	125



Notes to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 EMPLOYEE BENEFIT PLANS (CONTINUED)

C. Consolidated statement of profit and loss
The charge to the consolidated statement of profit and loss comprises:

	Retirement Benefit Plans	Other Post-Employment Benefit Plans	
	Plan Assets	Obligation	Total
As at 31st March, 2020	2,781	2,830	125
Additions due to business combination	796	796	55
Current service cost	-	143	1
Change in asset ceiling	(28)	-	-
Employee contributions	242	-	-
Interest cost	-	238	17
Interest income	237	-	(5)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	3	(1)
Actuarial (gain)/loss arising from changes in financial assumptions	89	(5)	(1)
Actuarial (gain)/loss arising from experience adjustments	-	76	(1)
Employer contributions	147	-	(1)
Assets acquired/(settled)	(122)	(122)	-
Benefit payments	(321)	(321)	-
As at 31st March, 2021	3,821	3,880	189

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

Notes to the consolidated financial statements for the year ended 31st March, 2021

(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, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Quoted				
Government Debt Instruments	1,646	1,157	-	-
Other Debt Instruments	1,241	596	66	71
Equity	185	118	-	-
Total (A)	3,072	1,871	66	71
Unquoted				
Other Debt Instruments	228	490	-	-
Others	582	420	-	-
Total (B)	810	910	-	-
Total (A+B)	3,882	2,781	66	71

Note: Assets to the extent of ₹7 crores for Officer's Pension Fund (FY 2019-20: ₹14 crores) & ₹54 crores for Gratuity Fund (FY 2019-20: Nil) are not recognised.
None of the plans invest directly in any property occupied by the Group or any financial securities issued by the Group.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Holding Company's Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Financial Assumptions				
Discount rate (per annum)	6.7%	6.7%	6.7%	6.7%
Salary Escalation Rate (per annum)				
Management employees – for first 5 years	8.0%	8.0%	8.0%	8.0%
Management employees – after 5 years	8.0%	8.0%	8.0%	8.0%
Non-management Employees	2.5%	2.5%	2.5%	2.5%
Pension Increase Rate (per annum)*				
Annual increase in healthcare costs (per annum)	9.0%	9.0%	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: IIC Buy-out Annuity Rates & Published rates under SIPA Mortality table adjusted for Indian Lives.



Notes

to the consolidated financial statements for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 EMPLOYEE BENEFIT PLANS (CONTINUED)

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 plan assumption (%)	Change in plan obligation (%)	Change in plan assumption (%)	Change in plan obligation (%)
Discount rate (per annum)	0.50%	-2.44%	0.50%	0.50%	-4.8%	-5.2%
Salary escalation rate (per annum)	Increase 0.25% Decrease 0.25%	141% -139%	-	-	-	-
Pension rate	Increase 0.25% Decrease 0.25%	3.76% -3.68%	-	-	-	-
Life expectancy	Increase 1 year Decrease 1 year	2.8% -2.9%	1 year	5.3% -5.2%	-	-
Annual increase in healthcare costs (per annum)	Increase - Decrease -	-	1.00% -1.00%	10.6% -9.1%	-	-

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

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2001 HUL Stock Option Plan	2005	27-May-05	15-47,700	7 years from date of vesting from date of grant	7 years from date of vesting	132.05	132.05
2006 HUL Performance Share Scheme	2012	17-Feb-12	4,20,080	Vested after three years 3 months from date of vesting	3 months from date of grant	1.00	1.00
	Interim 2012	30-Jul-12	51,385			1.00	1.00
Gratuity Plan I	2013	18-Mar-13	3,68,023			1.00	1.00
Gratuity Plan II	2013	29-Jul-13	25,418			1.00	1.00
Management Pension	2014	14-Feb-14	2,62,155			1.00	1.00
Officer's Pension	2014	28-Jul-14	16,805			1.00	1.00
Provident Fund Plan I	2015	13-Feb-15	1,42,038			1.00	1.00
Provident Fund Plan II	2015	27-Jul-15	12,322	Vested after three years 3 months from date of vesting	3 months from date of grant	1.00	1.00
Post-retirement medical benefits plan I	2016	11-Feb-16	1,57,193			1.00	1.00
Post-retirement medical benefits plan II	2016	25-Jul-16	11,834			1.00	1.00
Plan I refers to existing employee benefit plans of the Group.							
Plan II refers to employee benefit plans added pursuant to HUL-GSK CH merger.							
Compensated absences	2017	13-Feb-17	1,23,887			1.00	1.00
	Interim 2017	21-Jul-17	6,846			1.00	1.00
	2018	16-Feb-18	63,421			1.00	1.00
	Interim 2018	27-Jul-18	4,650			1.00	1.00

Provision for compensated absences as on 31st March, 2021 is ₹21 crores (31st March, 2020: ₹21 crores).