NEW AGE.
NEW PARADIGMS.
NEW IDEAS.

ADITYA BIRLA
GRASIM

INTEGRATED ANNUAL REPORT
2021-22
GRASIM INDUSTRIES LIMITED

BIG IN YOUR LIFE

Shri Aditya Vikram Birla

We live by his values

Integrity, Commitment, Passion, Seamlessness and Speed.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

For many years, we have been talking about increasing volatility and unpredictability. The events of the last 24 months have heralded a new era of uncertainty where both the amplitude and frequency of shifts have vastly exceeded anything we have seen in recent decades. The unprecedented pandemic was followed by supply chain whiplash, and further disruption was brought on by the Russia-Ukraine war. We are now staring at the spectre of a high-interest rate and high-inflation regime globally.

Over the years, corporations have tried to find a balance between efficiency and resilience, with successive decades of growth having swung the pendulum in the direction of efficiency. The events of the last two years have once again taught us all the virtues of reserves and resilience.

This era of disruption also presents a unique opportunity for renewal. The exigencies of this disruption have pushed the boundaries of innovation. A world that freed thinking from its conventional shackles. And we are clearly staring at a **new age**, with **new paradigms** and **new ideas**.

GLOBAL ECONOMY: THE STORM BEFORE THE CALM?

The global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programmes. However, at the end of FY22, the war in Ukraine and the subsequent economic sanctions on Russia posed several challenges. It disrupted energy markets and supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed. The International Monetary Fund (IMF) now expects the world economy to grow by 3.6% in CY22, which is 0.8 percentage points lower than its pre-war projections.

Many economies have experienced a sharp surge in inflation, particularly in food and fuel prices, taking their inflation rates to multi-decade highs. Central banks have been forced to respond to surging prices with aggressive rate hikes. The pace of monetary tightening is turning out to be quite swift as central bankers attempt to catch up with the rising inflation from their ultra-accommodative stance during the pandemic.

As the stance of monetary policy shifts, there is greater turbulence in currency markets. The dollar has strengthened, while emerging economies have witnessed downward pressure on their currencies. At the same time, energy and commodity markets have witnessed heightened volatility. Global supply chain disruptions due to pandemic-induced lockdowns have been replaced by new disruptions caused by the war in Ukraine and the economic sanctions.

While the global economic backdrop remains challenging, there are reasons to remain optimistic. First, despite the slowdown, IMF's projection of world GDP growth in CY22 is still tracking the pre-pandemic average. Second, fiscal support in developed economies remains above the pre-pandemic trend, although diluted, versus past years. Third, mega-trends around sustainability, green investments, digitisation, and disintermediation remain well-entrenched and will support growth and productivity enhancement in the medium-term.

Thus, while businesses will need to remain on guard regarding financial market volatility and cost pressures this year, one could expect the medium-term growth recovery to remain on track.

INDIA: AN ENGINE OF GLOBAL GROWTH

The Indian economy has not remained unscathed by these global developments. Partly on account of the elevated commodity prices in global markets, India's inflation has pushed higher than the target of the Reserve Bank of India (RBI). To control inflationary risks and reduce the pressure on the rupee, the RBI has been selling reserves and unwinding the extraordinary liquidity support provided by it during the pandemic.

On the positive side, economic activity in India has witnessed a sharp recovery to pre-pandemic levels on the back of a rapid and widespread rollout of the vaccination programme. A strong digital ecosystem, fiscal and monetary policy and various government schemes helped small and medium enterprises and the worst affected sections of the population to survive while reviving demand and bringing the economy back on track.

Even as the global headwinds are being felt, India's growth recovery is progressing well, and most estimates peg economic growth during FY23 around the 7% range. India, therefore, is poised to be the fastest-growing major economy in the world and an engine of global growth.

India's exports are exhibiting a strong buoyancy, and economic sentiment has been supported by a robust pipeline of infrastructure projects as well as the government's pragmatic policies, such as the production-linked incentives schemes. Many industries have witnessed fresh project investment announcements. Foreign direct investment flows have remained strong. The burden of non-performing assets in the banking sector seems to have peaked out and is easing. Dynamism in India's digital ecosystem, diversification of global supply chains away from China and the greater emphasis of investors on sustainable finance offer new opportunities for India.

The above trends lend confidence to a robust economic narrative for India in the medium-term, which augurs well for the corporate sector as well.

ADITYA BIRLA GROUP: DYNAMISM AND RESILIENCE AT PLAY

The Aditya Birla Group's pace of activity, range of businesses, and depth of global presence provide a useful compass to navigate this age of disruption. Against the backdrop of our long history as a group, dynamism leaps out as a common theme. Over the years, we have witnessed multiple business cycles. Across businesses and markets, our evolution is a story of continuous renewal and regeneration, as we aggressively invested in growth and created long-term value for all stakeholders.

This institutional dynamism and resilience helped us navigate an unprecedented business environment in FY22.

The pandemic inordinately impacted the future of work, workforce, and workplace. We have moved with the new work ethic by focusing on a holistic employee experience that puts equal emphasis on growth, engagement, and well-being. Our employees value and appreciate the One ABG culture, which is profoundly embedded across the organization. This culture lends the ultimate competitive edge in a world where business models are easily upended.

It has been a matter of great pride for us that our employee engagement has continued to be strong despite the stresses of the pandemic. 87% of our employees stated in a survey that they have a colleague/friend at work to lean on during difficult times. 96% of our employees experienced considerate behaviour from their managers during this period.

WE ARE ONLY AS STRONG AS OUR PEOPLE

The Group's continued focus and investment in its People Processes in good times have helped us build and sustain a robust and agile workforce that is able to be nimble and responsive at all times. When corporates across the world are facing a rather unusual phenomenon – The Great Resignation, our employee survey score for Intent to stay remained strong. It is higher than the global high-performing organizations and almost similar to pre-covid levels. This strong affinity is a testimony to our relentless commitment to delivering a world of opportunities with care to our employees.

Internal employee movements of over 5,000 (within the businesses) were up 18% from the average of the last two fiscals. We also focused on bringing in young talent, with 73% of new hires being under 35 years of age. Last year, over 9,000 new employees joined the Group refreshing our competence base.

Building an aspirational workplace for a diverse workforce was identified as one of the important aspects of our new HR strategy. Enhancing the diversity of our Group is a journey, and it is getting strengthened with targeted efforts over time. Our commitment to gender diversity is evident through the appointment of 7 women to senior leadership roles. 21% of all new hires were women, and we had 102 women engineering graduates join us at plant locations.

We have always looked for opportunities to showcase the power of our women leadership. This year, our cement business, UltraTech launched India's first 'all-women' operated Ready-Mix Concrete (RMC) manufacturing plant at Bhugaon, Pune. Our list of firsts includes Aditya Birla AMC's all-women Mutual Fund branch in Bhilai, Chhattisgarh and Aditya Birla Fashion and Retail's Madura manufacturing plants in the south zone, which have 85% women employees.

Our learning strategy evolved continually to adapt in response to the dynamic external environment. This was achieved by re-designing innovative learning properties and methodologies focusing on building contemporary and contextual skills. We shifted gears across digital, blended, and now hybrid learning, making it easier to navigate the various modes of learning for different sets of learners. We strategically increased the adoption and penetration of our digital learning platform (Gyanodaya Virtual Campus) to cover 94% of our employees in the management cadre. Leveraging the power of internal and external networks, 500+ high-quality digital content modules were created on various themes and topics across the Aditya Birla Group (ABG).

The spirit of ABG's resilience and dynamism was displayed at an individual, team, and business level. This has been reflected in the business results for FY22. This year also saw the launch of new businesses, units, capacity, products, and brands. This happened seamlessly, presenting a unique human story of innovation and grit, and bringing alive our Group values of commitment and passion. We have together navigated an unprecedented period of disruption and emerged stronger and sharper— demonstrating that care, empathy, and results are mutually compatible. And especially so in periods of turmoil.

YOUR COMPANY'S PERFORMANCE

Your Company's growth and evolution over 75 years is an instructive story of entrepreneurship, resilience, dynamism, audacity, and triumph. Grasim exemplified the pioneer spirit at every stage of its growth. Early generations of the company built the foundations for an industrial giant in a country that was still in its infancy. Over the years, we have aggressively invested in growth, accelerated the pace of value-accretive acquisitions, and continue to bet on the dynamism of this institution as we expand into new lines of business.

This inherent dynamism was more than visible in your Company's performance in FY22. FY22 has been a year of growth on the bedrock of a strong ESG foundation.

On a Consolidated basis, Grasim's Revenue for FY22 stood at ₹ 95,701 Crore, up 25% YoY, and EBITDA at ₹ 17,772 Crore, increased 13% YoY.

VISCOSE

The VSF business emerged stronger from the pandemic-induced disruption on the back of an unrelenting focus on core fundamentals-cost leadership, operational excellence, VAP Focus and sustainability-driven investments.

The VSF Industry dynamics are driven by events in China, as it is the largest producer and consumer of VSF. The Chinese VSF industry experienced multiple headwinds like COVID-related curbs, restriction of energy consumption leading to production cuts, supply chain issues etc. All these factors impacted the industry operating rates and created price volatility. Inter-fibre dynamics also influenced the VSF prices.

The VSF business reported a robust increase of 38% YoY in production volume to 623 KTPA in FY22. Sales volume also witnessed a 30% YoY increase to 602 KTPA. The higher production and sales volume was on the back of the commissioning of the 600 TPD brownfield expansion at Vilayat. This makes it the single largest Integrated VSF plant globally.

The domestic sales volume surpassed the half million-ton mark in FY22 and accounted for 84% of the total sales volume. The share of value-added products (VAP) increased 57% YoY, driven by sales of Modal, Dyed and Excel fibre. The overall VAP share increased to 26% in FY22 from 22% in the previous fiscal. We are committed to improving the share of VAP products in the overall portfolio.

The Net Revenue for the Viscose business jumped 75% YoY to ₹ 12,210 Crore and EBITDA stood at ₹ 1,721 Crore, up 45% YoY in FY22. Strong operational performance, a cost-focused approach, and a higher share of VAP in the overall portfolio were the key factors that contributed to a sharp uptick in the financial performance.

The VSF business has taken a target to achieve Net Zero Carbon emissions across all its operations by 2040. The business also targets to reduce its greenhouse gas (GHG) emissions intensity to half by 2030.

The VSF Vilayat site became the first Indian site to achieve the EU Best Available Technology (BAT) compliance. The remaining Indian sites would achieve compliance by FY25.

The Nagda unit set a new benchmark by commissioning a Zero liquid Discharge plant (ZLD), a global first in Man Made Cellulose Fibre industry.

PULP JOINT VENTURES

The operational performance of the pulp plants was impacted by technical factors in the overseas plants. Better pulp prices and exceptional items supported the financial performance. The pulp JV's are of strategic importance to Grasim's operations as they cater to a significant portion of our pulp requirement and ensure consistency in the supply of prime quality pulp.

CHEMICALS

The Chemical business reported watershed performance in FY22, with both the Chlor-Alkali and Advanced material business clocking solid results.

Global caustic soda prices rallied through the year on the back of a robust recovery in demand due to the phasing out of covid-related restrictions and other geopolitical factors.

Indian caustic soda prices also trended global prices, but with a lag. The Indian demand for caustic soda was driven by pulp & paper, textile, and alumina. The prices of chlorine, a by-product of caustic soda, turned negative in H2FY22 on the back of weak demand from the end-user industry.

Improving the percentage of chlorine integration is a key element of the strategy. The business is looking to enhance the rate of chlorine integration from 30% in Q4FY22 to 40% by FY25.

The performance of the Advanced Material (Epoxy) business was robust, driven by solid demand from the end-user segment (Auto and Wind Power) and substantial improvement in realisation. Witnessing a strong demand in the Advanced Material business, your Company has decided to double its capacity.

On the sustainability front, improving the share of renewable energy in the overall power mix, and setting up Zero Liquid Discharge plants are core to the strategy.

The Net Revenue for FY22 stood at ₹ 7,888 Crore, an increase of 72% YoY, and EBITDA at ₹ 1,534 Crore was up 160% YoY.

OTHER BUSINESSES

The execution of our strategic foray into paints business is on track. We have accelerated our pace of investments in the business. This will enable your Company to create a more significant Pan India presence and harness & expand the distribution network of our white cement business to serve customers with an unmatched product offering.

The Textile business witnessed a strong recovery in operational and financial performance with a rebound in the textile demand during H2FY22.

The performance of the Insulators business for FY22 improved, driven by demand from overseas markets, higher export realisation, and recovery of old dues.

CAPEX

The total capex spent by the Company towards capacity creation and modernisation of plants stood at ₹ 1,958 Crore in FY22 compared to ₹ 1,508 Crore excluding the paints business (standalone basis). The total capex spent by the paints business since inception stood at ₹ 605 Crore. The Board of your Company has approved a total capex amount of ₹ 10,000 Crore for the paints business. This amount will be invested till FY25 with commissioning of plants starting from Q4FY24.

ULTRATECH CEMENT LIMITED (A SUBSIDIARY OF THE COMPANY)

UltraTech recorded net revenues of ₹ 52,599 Crore and an EBITDA of ₹ 12,022 Crore in FY22.

The Indian cement industry is expected to add ~80 million tonnes of capacity by FY24, the highest during the last ten years, driven by increased spending on housing and infrastructure. As India's building solutions champion, UltraTech is committed to meeting the nation's future needs for housing, roads, and other infrastructure.

ADITYA BIRLA CAPITAL LIMITED (A SUBSIDIARY OF THE COMPANY)

Aditya Birla Capital has built a platform with high quality, significant scale, and a retail franchise over the years. The company has tripled net profit over the last five years and nearly doubled over the previous two years, despite several external challenges.

Aditya Birla Capital's revenue grew 15% year-on-year to ₹ 22,230 Crore. The consolidated profit after tax (after minority interest) reflected a growth of 51% year-on-year to ₹ 1,706 Crore, the highest ever recorded by the Company.

The retailisation strategy has led to the active customer base growing to a significant ~35 million, a 36% year-on-year growth. The scale achieved by the Company's subsidiaries is evident, with overall AUM across asset management, life insurance and health insurance businesses growing 10% year-on-year to ₹ 3,70,608 Crore, making it one of the largest fund managers in the country. The overall lending book (NBFC and Housing Finance) grew 11% year on year, to ₹ 67,189 Crore, making it a lending portfolio of scale. The gross premium (across Life and Health Insurance) grew 25% year on year to ₹ 13,867 Crore, reflecting the scale in the insurance businesses.

ADITYA BIRLA RENEWABLES

The cumulative installed capacity of Aditya Birla Renewables stood at 551 MW in FY22. The share of group captive capacity stood at 209 MW in FY22. This cumulative installed capacity is expected to rise to 941 MW by FY23.

CONCLUSION

The 'Next 25 years' of the Company's journey would be filled with new challenges and opportunities. Your company's well place to navigate these challenges given your company's solid fundamentals and futuristic approach. Climate Change is one such risk which we are trying to address through ongoing business transformation and technology-led innovation.

The forces of change engulfing the world are creating a whole new set of exciting possibilities and unbelievable opportunities. Many that didn't even exist yesterday. We are uniquely privileged in that we are not passive recipients of changing circumstances but can actively shape our destiny. And this tomorrow is for us to discover and build.

Across businesses, we are at the cusp of a transformational growth cycle. As a business house, we have always made investment decisions based on long-term fundamental drivers like market opportunity, demography, technology etc. Our strong leadership position across key businesses has come on the back of bold but calibrated long-term bets. Given the inherent strengths of your Company we are again at a moment where we are uniquely positioned to invest for long-term growth and explore new paradigms. An exciting journey beckons.

Yours sincerely,

Kumar Mangalam Birla

Chairman

BUSINESS HIGHLIGHTS

Highlights of FY22

Grasim is one of independent India's first organisations and has played an integral role in the country's growth. In the past 75 years, we have grown exponentially from starting as a textiles manufacturing unit to becoming a global leader in VSF manufacturing and India's largest Chlor-Alkali and Advanced Material producer.

FY22 marked a year of strong performance. We successfully increased our VSF capacity from 591 KTPA to 824 KTPA and operated at 97% capacity utilisation. We expanded our caustic soda facility significantly and commissioned a Chloromethane plant at Vilayat.

FINANCIAL

₹95,701 Crore
Revenue

₹17,772 Crore
EBITDA

₹7,550 Crore
PAT

0.24X
Net debt to EBITDA

₹1,150
Book Value per share

ENVIRONMENTAL

15.6%
Reduction in specific freshwater consumption in domestic Chlor-alkali business

80%
Reduction in water intensity in VSF

B-
CDP Rating

63 (strong)
Crisil Rating

SOCIAL

9
CSR reach (States)

311
CSR reach (Villages)

16,89,600+
CSR beneficiaries

₹42.47 Crore
CSR expenditure

PEOPLE

23,591
Permanent employees

52%
Workforce is below age 40 years

0.22
LTIFR Total Employees

GOVERNANCE

50%
Independent Directors on Board

89%
Board meeting attendance

HIGHLIGHTS – SEGMENT WISE

GRASIM

Q1

- The VSF Vilayat site reached an ESG milestone with the achievement of EU Best Available Technology (BAT) compliance (verified by an independent third party)

Q2

- Grasim was recognised as the 7th most sustainable company in India ET Futurescape Sustainability Index Report-2021

Q3

- As a first-time participant in the Carbon Disclosure Project, CDP in 2021, Grasim received Management Band Score (B-)
- Grasim received the Gold Shield Award for 'Integrated Reporting' and 'Excellence in Financial Reporting' by The Institute of Chartered Accountants of India (ICAI)
- Grasim achieved zero net debt post adjusting for the completion of divestment of fertiliser business effective January 1, 2022
- Received environmental clearance for plants at Panipat and Ludhiana for the Paints Business
- Commissioned hybrid renewable capacity at Karwar (11.4 Mw) and at Vilayat (17 Mw). The business aims to increase the share of green energy and reduce carbon emission
- Grasim and Century Textiles & Industries forayed into manufacturing of Man-Made Cellulosic Fibre (MMCF) Knit Fabrics under 'Birla Advanced Knits'

Q4

- For our Paints Business civil construction has commenced at two of plant sites, Panipat and Ludhiana, and is expected to start shortly at Chamarajnagar. We plan to set up total capacity of 1,332 MLP

VISCOSE BUSINESS

Q1

- VSF business mitigated the domestic demand impact partially, through increase in exports and higher share of speciality products

Q2

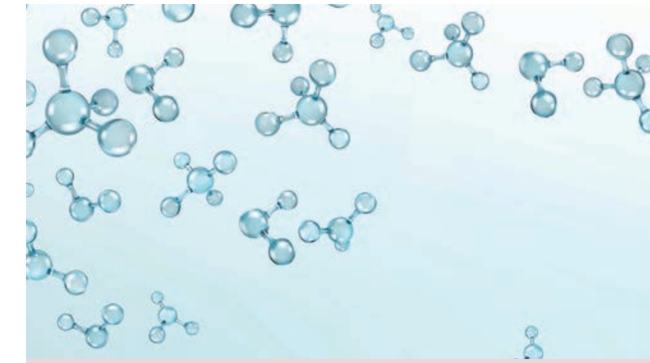
- VSF ranked #1 in Canopy Hot Button Report-2021 which ranks global VSF players
- VFY production and sales volume improved QoQ and YoY basis on liquidation of inventory in the value chain driven by strong demand and lower imports

Q3

- The VSF demand remained strong with an increased demand for textile products in the US, Europe, and India
- The VSF business has undertaken the target to achieve net-zero carbon emissions across all its operations by 2040

Q4

- Commissioned 600 TPD brownfield plant at Vilayat, contributed 32KT of sales volume during the quarter and operated at 83% capacity utilisation
- The total VSF capacity has increased by 39% to 824 KTPA from 591 KTPA



CHEMICAL BUSINESS

Q1

- Advanced Material business reported best-ever EBITDA in Q1FY22 supported by strong realisation and robust demand in wind and auto segments comprising passenger vehicles

Q2

- The domestic demand for Caustic soda was driven by the textile and pulp and paper sectors
- The capacity utilisation of Caustic soda business improved in Q2FY22 to 86%

Q3

- Commissioned the chlorine value-added plant, chloromethane plant of 55KTPA at Vilayat.
- Chlor-alkali business reported one of the best quarterly performances with significant improvement in the ECU and operational performance on QoQ and YoY basis

Q4

- Chemical business added capacity of 142KTPA across Rehla, 91KTPA, and Balabhadrapuram, 51KTPA taking the total casutic soda capacity to 1,290 KTPA

REPORTING APPROACH

ABOUT THIS REPORT

This is the third integrated report of Grasim Industries. We commenced our integrated reporting journey in 2020, to present a collective view of our value-creation encompassing our financial and non-financial performance, future strategy, resources and relationships, risks and opportunities, and governance approach, among others. This year, we strive to enhance our disclosures by combining our integrated report with our annual report to facilitate easy access for our stakeholders to all information in one interlinked document. This Report is for the period from 1st April 2021 to 31st March 2022.

FRAMEWORKS AND STANDARDS

This Report follows the guiding principles and content elements of the Integrated Reporting <IR> Framework outlined by the International Integrated Reporting Council (IIRC), now the Value Reporting Foundation (VRF). Further, this Report has been prepared in accordance with the GRI Standards: Core option.

This Report also covers information that aligns with

- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (UN SDGs)
- CDP (formerly known as Carbon Disclosure Project)
- National Guidelines on Responsible Business Conduct (NGRBC)
- Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India
- Task Force on Climate-related Financial Disclosure (TCFD)
- Business Responsibility and Sustainability Report (BRSR)
- Global Reporting Initiative (GRI)

SCOPE AND BOUNDARY

This Report covers financial disclosures of Grasim Industries at both standalone and consolidated levels. The non-financial disclosures (specifically environmental and social KPIs) pertain to our standalone domestic operations at the following sites:

- **Viscose Stable Fibre (VSF) –** Nagda, Harihar, Kharach and Vilayat
- **Pulp –** Harihar
- **Chemicals –** Nagda, Vilayat, Veraval, Karwar, Rehla, Renukoot and Ganjam
- **Textiles –** Rishra, Malanpur and Kolhapur
- **Insulators –** Halol and Rishra
- **Viscose Filament Yarn (VFY) –** Veraval and Kalyan

BOARD RESPONSIBILITY

The integrity of the information presented in this Report has been assured by our respected Board of Directors to the best of their knowledge. Our senior management comprising key managerial personnel has also reviewed the Report for consistency, clarity, and veracity of messaging.

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Further information can be found online at **grasim.com**

ABOUT GRASIM

Growing with India

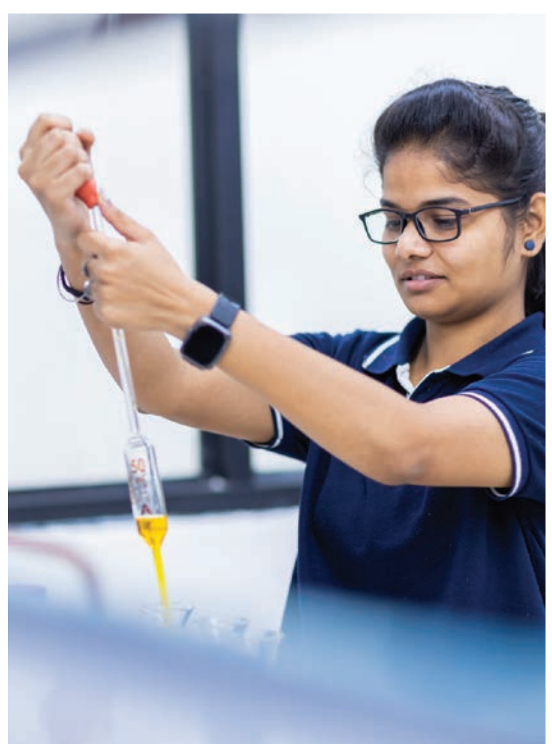
Incorporated soon after India's independence in 1947, Grasim Industries, marks 75 years of existence with the endeavour to create sustainable values for everyone. Being a flagship company of the Aditya Birla Group, Grasim is home to world-renowned fibre, and chemicals. With relentless determination, continuous innovation, and agility, we grew to become leaders at a global scale.

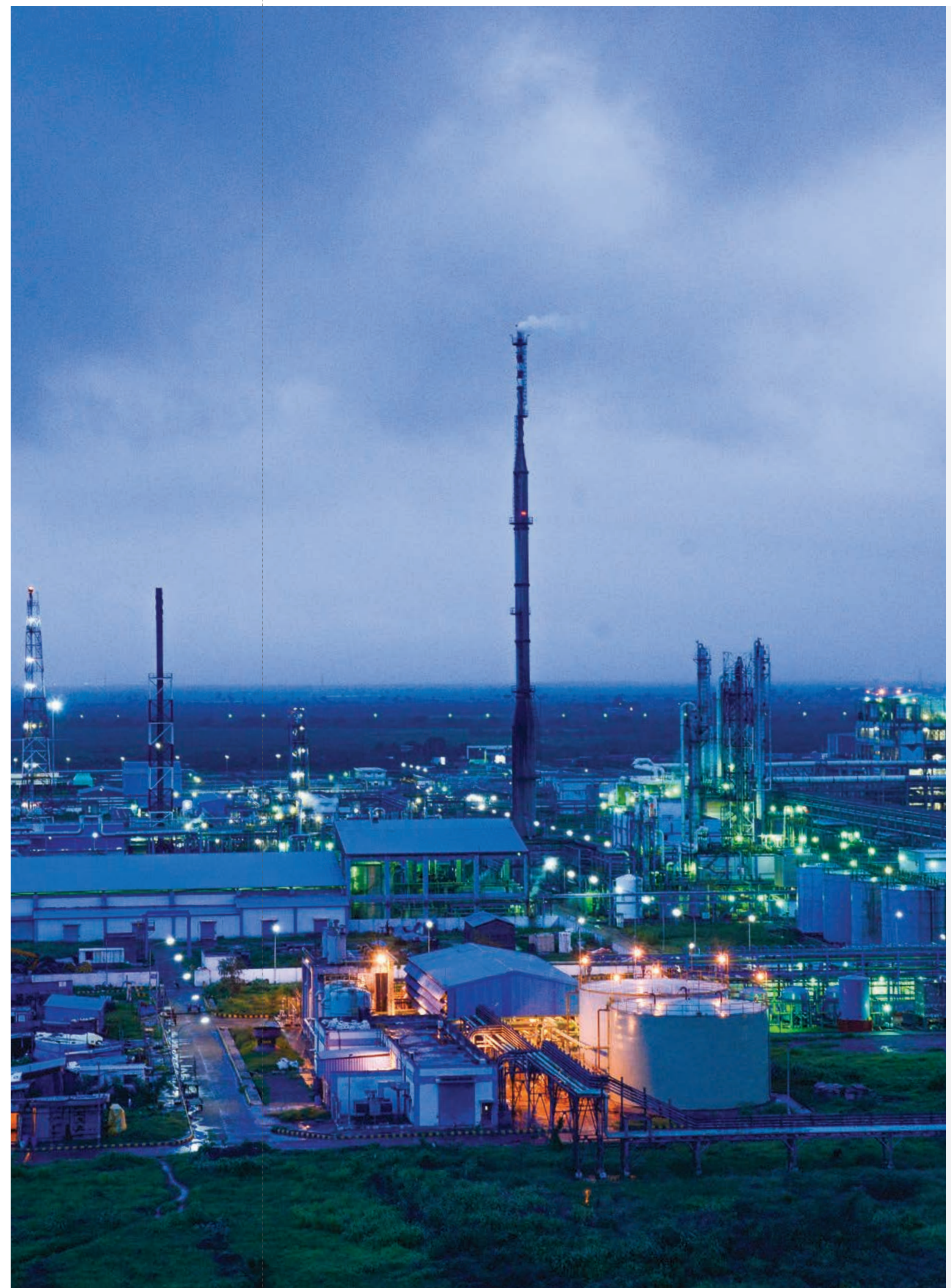
Starting our journey as a textile business, we soon focused on integration across the value-chain and diversifying into new segments. Today, we are a leading global producer of Viscose Staple Fibre and the largest Chlor-Alkali, and Advanced material player in India.

OUR VALUES

At Grasim, all our businesses are led by five timeless values that help us differentiate ourselves, propel forward and stay resilient.

- Integrity
- Commitment
- Passion
- Seamlessness
- Speed





KEY FACTS

#1
Viscose Producer

#1
In Chlor-Alkali

#1
In Advanced Material

23,591
Permanent Employees

OUR PARENTAGE

We are part of one of India's largest and most renowned business House – The Aditya Birla Group. In the league of the Fortune 500, the Group is a global premium conglomerate with a wide-ranging portfolio of leading businesses spanning metals, pulp and fibre, chemicals, textiles, carbon black, telecom, and cement.

Today, over 50% of Group revenues flow from overseas operations that span 36 countries in North and South America, Africa, and Asia. The Group is also renowned as an innovator, a social steward, and an environmental custodian with its stakeholder-centric, long-term business approach.

ADITYA BIRLA GROUP

WHAT WE DO

Grasim's diversified portfolio has helped us offer our customers a range of products and services.

VISCOSE BUSINESS

Standalone Businesses

VISCOSE STAPLE FIBRE (VSF)

Grasim has grown to become India's no. 1 player in VSF – a man-made fibre with strong sustainability credentials, an alternative to cotton. VSF can be used in its original form or blended with all-natural and synthetic fibres for enhanced comfort and feel in apparel, home textiles, dress materials, knitwear, and non-woven materials.

Key Highlights

- VSF business has taken target to achieve Net Zero Carbon emissions by 2040
- Vilayat VSF brownfield expansion 600TPD commissioned in FY22 with benchmark quality achieved
- VSF ranked #1 in Canopy Hot Button Report-2021 which ranks global VSF players
- Grasim and Century Textiles & Industries forayed into manufacturing of Man-Made Cellulosic Fibre (MMCF) Knit Fabrics under 'Birla Advanced Knits'

VISCOSE FILAMENT YARN (VFY)

VFY, which is also known as rayon, is a natural fibre that can treated to resemble silk, cotton and wool in its feel and texture. Due to this versatility, VFY's qualities include superior drape, fluidity and lustre which make it a popular choice in the manufacturing of fabrics such as georgettes, crepes, and chiffons. We are India's leading viscose filament yarn manufacturer and the fourth largest globally.

CHEMICALS

Standalone Businesses

CHLOR-ALKALI

Since its inception and operations over decades, Grasim's chemical business has gained a strong foothold in the industry, becoming India's largest producer and market leader in the Chlor-Alkali segment. We offer a wide range of products under chlorine derivatives.

Key Highlights

- We expanded our capacity by 142KTPA at Rehla (91KTPA), Balabhadrapuram (51KTPA) for caustic soda and added 55 KTPA Chloromethane plant at Vilayat

ADVANCED MATERIAL

Advanced Material (Epoxy) products range from basic liquid epoxy resins to value-added formulated resins, reactive diluents, and hardeners.

Key Highlights

- The epoxy production capacity is planned to increase from 123 KTPA to 246 KTPA by FY24

Standalone Businesses

TEXTILES

Grasim is India's leading linen and wool manufacturer, spread across three manufacturing locations. With product range spanning across linen spinning, linen fabric, wool combing, and worsted spinning, it is the only integrated linen factory in the country with state-of-the-art facilities. Our investment in world-class technology has led us to contribute to the evolving Indian fashion industry with an international edge.

INSULATORS

Aditya Birla Insulators with the installed capacity of 56,400 TPA specialises in both ceramic and composite insulators and is the largest manufacturer of electrical insulators in India and is amongst the top four insulators manufacturers globally. Its wide range of insulators in India include insulators for transmission lines and substations up to a voltage level of 1200 kV voltage level, as well as for equipment and railways.

Key Highlights

- Commissioned Composite Hollow Core Insulators (CHCI) plant at Halol, which is a joint venture with Maschinenfabrik Reinhausen GmbH (MR) of Germany

Subsidiaries with majority-stake ownership

RENEWABLE BUSINESS

SOLAR

Aditya Birla Solar Limited (ABSL) and Aditya Birla Renewables Limited (ABRL) are 100% held by Grasim.

Key Highlights

- 49 MWp solar capacity commissioned in FY22 at five locations
- 390 MWp of new capacities expected to be commissioned in FY23

RENEWABLES

Joining the global transformation in response to the climate change crisis, the Aditya Birla Group forayed into the Renewables space. Our efforts are focused on building highly reliable and durable solar plants with high uptime, state-of-the-art technology, and a customer-centric approach.

ULTRATECH

UltraTech Cement Limited, with the consolidated capacity of 119.95 million tonnes per annum (MTPA), is one of the leading global cement producers, and the largest manufacturer of grey cement, ready mix concrete (RMC) and white cement in India.

Key Highlights

- India's largest selling cement brand
- No. 1 RMC player in India with 110 plants
- Range of products to provide complete building solutions across 1,600 stores
- No.1 supplier of white cement and cement-based putty
- UltraTech added 121 MW of solar capacity and 42 MW of Waste Heat Recovery System (WHRS) capacity during FY22, increasing solar capacity to 269 MW and total WHRS capacity to 167 MW

ADITYA BIRLA CAPITAL

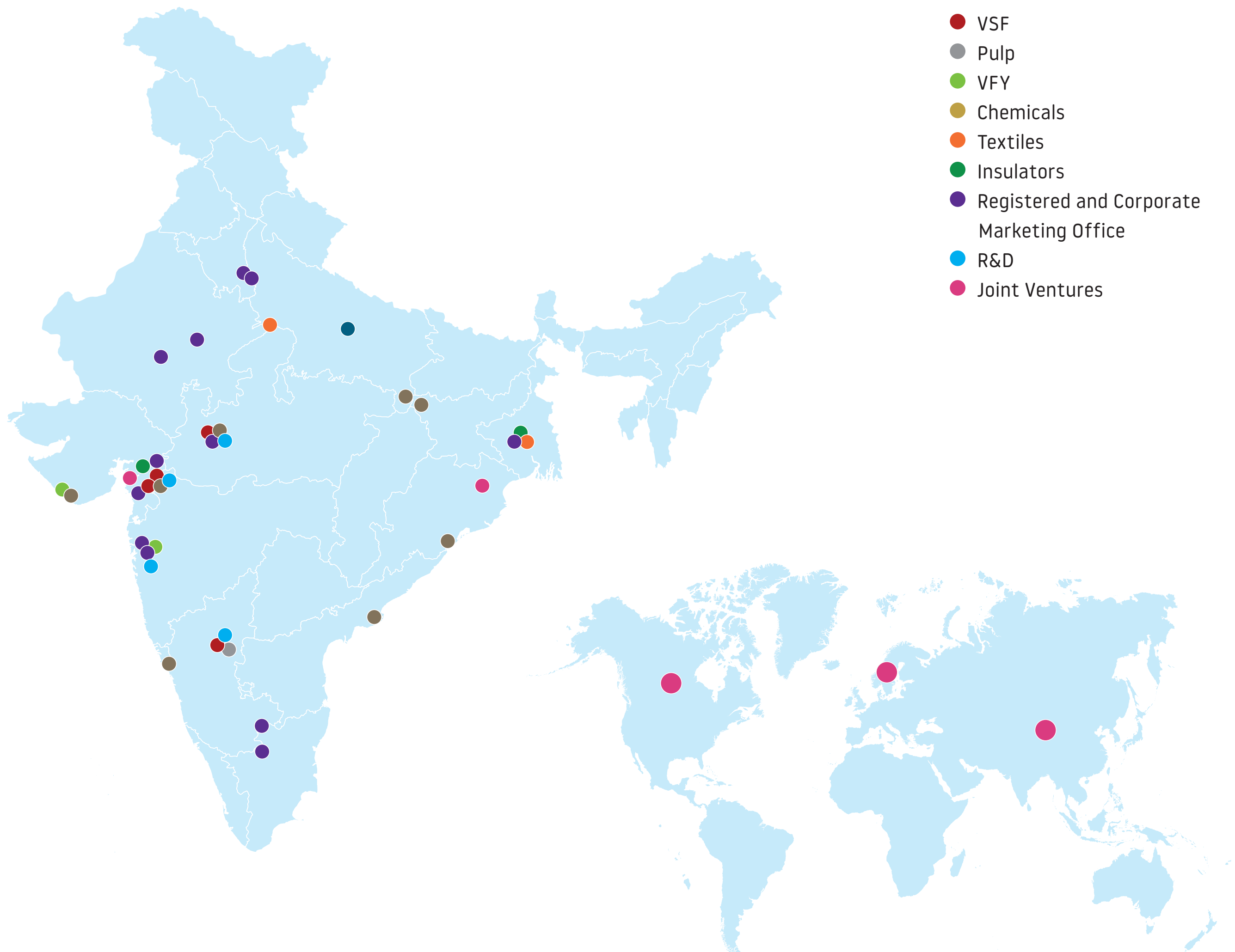
Aditya Birla Capital Limited (ABCL) has established a strong presence across Protecting, Investing and Financing solutions through its subsidiaries to cater to the distinct needs of its customers across various life stages.

Key Highlights

- Pan-India presence with 850+ branches
- 2,00,000+ agents and channel partners
- Collaborations with 88 banks and over 230 national distributors

WHERE WE ARE PRESENT

World-class Manufacturing Operations



4
VSF Plants

9
Chemicals – Chlor-alkali plants

3
Textile Plants

2
VFY Plants

2
Insulators Plants

1
Pulp Plant

MANUFACTURING SITES

VSF
Nagda, Madhya Pradesh – 156K TPA

Kharach, Gujrat – 176TPA

Harihar, Karnataka – 95TPA

Vilayat, Gujrat – 398TPA

VFY
Veraval, Gujrat – 21K TPA

Kalyan, Maharashtra – 27K TPA

PULP
Harihar, Karnataka – 74K TPA

CHEMICALS
Nagda, Madhya Pradesh – 270K TPA

Vilayat, Gujrat – 365K TPA

Renukoot, Uttar Pradesh – 129K TPA

Rehla, Jharkand – 201K TPA

Ganjam, Odisha – 91K TPA

Karwar, Karnataka – 91K TPA

Veraval, Gujrat – 91K TPA

Balabhadrapuram,
Andhra Pradesh – 51K

Vilayat, Gujrat (Epoxy) – 123K TPA

TEXTILES
Jayshree Textiles, Rishra,
West Bengal

Vikram Woolen, Malanpur,
Madhya Pradesh

Grasim Premium Fabric, Kolhapur
Maharashtra

INSULATORS
Halol, Gujrat

Rishra, West Bengal

REGISTERED AND CORPORATE MARKETING OFFICE

Grasim, Registered Office,
Birlagram, Nagda, Madhya Pradesh

VSF, Marketing Office
Mumbai, Maharashtra
Bangalore, Karnataka
Bhilwara, Rajasthan
Erode, Tamil Nadu

LAPF Design Studio (VSF)
Surat, Gujarat
Noida, Uttar Pradesh
Jaipur, Rajasthan
Tirupur, Tamil Nadu

Chemicals, Corporate Office
Mumbai, Maharashtra

Jaya Shree Textiles, Corporate Office
Rishra, West Bengal

Insulators, Marketing Office
Meghasar, Gujarat

JOINT VENTURES

Coal MDO (Bhubaneswari Coal Mining Ltd.), Talcher, Odisha

Insulators (Aditya Birla Power Composites Ltd.), Halol, Gujarat

Pulp (Domsjö Fabriker AB), Sweden

Pulp (AV Group NB),
New Brunswick, Canada

Pulp (AV Terrace Bay), Canada

VSF (Birla Jingwei Fibres Co. Ltd.),
China

R&D

Aditya Birla Science and Technology Co. Pvt. Ltd. (ABSTC),
Taloja, Maharashtra

Aditya Birla Application and Product Development Centre
Maharashtra

Next Generation Fibre Research Centre (NGFRC),
Nagda, Madhya Pradesh

Fibre Research Centre (FRC),
Kharach, Gujarat

The Textile Research and Development Centre (TRADC),
Kharach, Gujarat

Pulp & Fibre Innovation Centre (PFIC), Taloja, Maharashtra

Clonal Production Centre (CPC)
Harihar, Karnataka

Material Research Centre (Epoxy)
Taloja, Maharashtra

OUR GOVERNANCE

Performance led by accountability

At Grasim, we take pride in establishing an efficient and transparent organisational structure that is the backbone of all our efforts to create long-term value for all our stakeholders. We strive to set the benchmark in corporate governance, adhering to the laws, regulations, and best practices. Our code of conduct, policies and standards are integrated across our operations, ensuring strong governance at every touchpoint.

We are committed to the adoption of best practices and adapt ourselves to the changing times. In these 75 years of our existence, our values and culture and practices have been deeply ingrained in our governance ethos. It has helped us gain the trust of our stakeholders and is demonstrated in our consistent growth over the years.

TENETS OF GOVERNANCE

- **Accountability towards all key stakeholders**
- **Capital budgeting and allocation**
- **Strategic guidance and effective monitoring**
- **Protection of minority interests and rights**
- **Transparency and timely disclosure**
- **Compliance and governance of the highest standards**

BOARD COMPETENCIES

CORPORATE GOVERNANCE, LEGAL & COMPLIANCE

Ensuring adherence to the Corporate Governance Principles, ability to benchmark with the best governance practices globally with legal knowledge and expertise in corporate law matters and other regulatory aspects

FINANCIAL LITERACY

In depth understanding of financial statements, financial controls, proficiency in financial management and reporting process, expertise in dealing with complex financial transactions

GENERAL MANAGEMENT

Effective management of business operations, ability to guide on complex business decisions, anticipate changes, setting priorities, aligning resources towards achieving goals and protecting and enhancing stakeholder value

HUMAN RESOURCE DEVELOPMENT

Profound knowledge and expertise in the areas of Human Resource Development, attracting and retaining the right talent, benchmarking with the best practices adopted globally and ensuring safety, well-being of employees

INDUSTRY KNOWLEDGE

Deep industry knowledge across diversified businesses, technical and commercial aspects. Ability to guide and scale successful models powered by knowledge and cutting-edge management expertise

INNOVATION, TECHNOLOGY & DIGITISATION

Sound technical knowledge, ability to anticipate technological trends, create advanced business models, and provide guidance for technical collaboration

MARKETING

Experience in sales and marketing, understanding of brand equity, provide guidance in developing strategies for increasing sales, and enhancing brand value customer satisfaction

RISK MANAGEMENT

In depth knowledge and expertise of risk management, risk framework, adequacy and efficiency of controls, mitigation of risks in respect of the businesses of the Company

STRATEGY

Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals

SUSTAINABILITY

Ability to guide on sustainability initiatives and corporate social responsibility activities for betterment of the underprivileged communities and society at large

Our Board

Mr. Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla
Non-Executive Director

Mr. H. K. Agarwal
Managing Director

Ms. Anita Ramachandran
Independent Director

Mr. N. Mohan Raj
Independent Director

Mr. Cyril Shroff
Independent Director

Dr. Santrupt Misra
Non-Executive Director

Mr. Shailendra K. Jain
Non-Executive Director

Mr. Raj Kumar
Non-Executive Director

Dr. Thomas M. Connelly, Jr.
Independent Director

Mr. V. Chandrasekaran
Independent Director

Mr. Adesh Kumar Gupta
Independent Director

50%
Independent Directors

2
Women Directors

89%
Board meeting attendance

9.5 years
Average tenure on Board of the Company

65.3 years
Average age of the Board Members

KEY GOVERNANCE THEMES

At Grasim, we uphold the highest standards of corporate behaviour and ensure adherence by designing policies and frameworks that are aligned to best-in-class governance practices. To integrate these practices across our operations, we have dedicated policies across key governance themes such as corporate tax, prohibition of insider trading, human rights, related party transactions, and diversity in Board members.

Read our policies and code of conduct document at_ WWW.GRASIM.COM/INVESTORS/POLICIES-AND-CODE-OF-CONDUCT

CYBER SECURITY

We accord due importance to cyber security and information security across our operations. Multiple cyber security initiatives have progressed at Grasim including but not limited to adoption of Zero Trust approach for remote access, enhancement of SIEM coverage for effective detection of incidents, proactive threat hunting, conditional access policies for Office365, and others.

PHISHING ATTACK DRILL

Annually, we conduct a phishing attack drill to assess the security vigilance levels and response preparedness for cyber-attacks through phishing mails. In the recently conducted drill, we discovered that about 22% of users fell prey to phishing mails, and there was an average yearly increase of 8% in the number of employees that got phished, coupled with an increasing number of employees reporting phishing activity. We took necessary measures to aware and guide the employees for such mails.

RANSOMWARE PROTECTION FOR COMPUTERS

This initiative prevents the lateral spread of ransomware and other malware infections from one computer to the other within the internal network. We have deployed a cloud-based malware protection mechanism with secure and policy-driven internet access for office-based as well as remote users and devices.

The initiative brings a host of benefits such as:

- Uniform and secured internet access for roaming users or users working from home
- Improved internet speed and reliability by providing direct secure access to SaaS applications such as O365, Salesforce, PBCS, among others
- Protection from advanced threats to prevent disruption
- Granular access control for cloud applications and improved visibility of internet access usage for each user
- Mitigation of risks related to insider threats in terms of data leakages

INFORMATION SECURITY MANAGEMENT SYSTEM

Guided by the ISO 27001:2013 standards, we have developed our internal Information Security Management System (ISMS). It is governed through structured Risk Management for Cyber Security and IT Risks, covering relevant functions such as IT, HR, Finance, Production, Logistics, Safety and Instrumentation. As part of this journey, we have developed business-wide documentation and have achieved completion across VSF, Chlor-Alkali, VFY and Domestic Textiles businesses. The implementation of this control system across all businesses is in progress. Further, we have completed external red teaming exercise at all businesses to assess our breach readiness and effectiveness of our detective controls. We have certified Textile, Chlor-Alkali and VFY units with ISO:27001 certification.

GRIEVANCE REDRESSAL

The grievance mechanism procedure applies to all external stakeholders of our operations. For internal stakeholders such as employees, we have a standard grievance process.

GRIEVANCE REDRESSAL PROCESS

- **Receive grievance**
- **Record**
- **Screen**
- **Investigate**
- **Act**
- **Follow up and close out**

GRIEVANCE REPORTING CHANNELS

Through regular communication with external stakeholders, we raise awareness about the redressal procedure and encourage them to voice any concerns. We have institutionalised various channels through which external stakeholders can register their grievances formally. These include an official contact number and an e-mail ID (both directed to the Admin and Liaison Officer).

ROLES AND RESPONSIBILITIES

Role/Position Title	Responsibility
GRIEVANCE COMMITTEE (Comprises function heads of HRM, F&C and Environment)	· Investigating the grievance and liaising with the external stakeholder/s · Developing resolutions and actions to rectify any issue · Follow up and track progress of grievance resolution
STAKEHOLDER CONTACT OFFICER (Admin and Liaison officer)	· Receive grievances and forward to Grievance Committee · Ensure that the grievance mechanism procedure is being adhered to and followed correctly · Maintain grievance records and monitor any correspondence · Monitor grievances/trends over time and report findings to the Committee · Document any interactions with external stakeholders
EMPLOYEES (CSR officers, IR, Admin and Environment)	· Receive grievances in person · Report grievance to the Stakeholder Contact Officer by submitting the Grievance Lodgement Form · May provide information and assistance in developing a response and closure of a grievance

MESSAGE FROM THE MANAGING DIRECTOR

Striding forward with compassion and determination

During our journey of 75 years, we have been fortunate to build and develop strong relationships with our stakeholders by focusing on inclusive growth and prosperity. We continue to strive towards this goal by achieving sustainability and contributing to the holistic development of our people, communities and the planet.

Dear Stakeholders,

It is an incredible honour, and a matter of immense pride, to write to you as the newly appointed Managing Director of Grasim.

The privilege to lead and serve this great company comes at a momentous time— a year when this institution achieves the remarkable milestone of 75 glorious years of incorporation. The history that Grasim has created by empowering its people to accomplish extraordinary feats, make a difference in the lives of people and, ultimately contribute to building a better India and a better world, continues to remain unparalleled. I would also like to take this moment to appreciate the efforts and support of all stakeholders, including colleagues, shareholders, customers, partners, communities, and others, who have been an integral part of this journey.

Over the past seven and half decades, Grasim has witnessed varied ups and downs. We have not only survived the test of time but thrived; because we have continuously adapted to the needs of the changing world, and also proactively managed risks and opportunities. We have been the torchbearers in many ways, from the development of home-grown technology for manmade cellulosic fibres and all new generations and then branding it, enriching the portfolio of chlorine value-added products, developing textile value chain, establishing cost leadership, delivering superior value, and ensuring sustainability right from the start, in everything we do. Our resilience has only increased over time, powered by our business model, which is a winning combination of entrepreneurship, teamwork, cost leadership, innovation, and customer-first approach, which are deep rooted in our culture.

A WHOLE NEW WORLD

FY22 ended on a strong note despite a challenging start as the second wave of COVID-19 unleashed its impact—far more severe than the first one. The learnings from the first wave enabled us to respond with resilience and imbibe safety measures with agility. Our decision making was focused on ensuring the safety of all our people and their families and smooth operations across businesses.

The VSF business performance was driven by YoY improvement in the sales volume. We switched gears in our decision-making every quarter and balanced the sales and product mix based on the underlying demand.

The Chemicals business reported strong financial performance driven by Chlor-alkali and Advanced Material business. The chlor-alkali prices, which had reached historic lows, witnessed a sharp recovery aided by increasing demand and a rise in international prices. We tapped the export markets for caustic soda and chlorine value added products.

The Advanced Material business reported record-high annual performance driven by a strong demand scenario, especially in the auto and wind energy segments, and a better pricing environment both globally and in India. The pricing and margins gains started to normalise in H2FY22 with rise in key input costs.

FY22: REFLECTIONS OF STRONG RECOVERY, COST PRESSURES EMERGE

At the end of FY22, our financial performance significantly improved, even in comparison to the year before the pandemic. Our consolidated Revenue and EBITDA for FY22 grew by 25% YoY and 13% YoY to ₹ 95,701 Crore and ₹ 17,772 Crore respectively. Our Standalone Revenue and EBITDA rose by 68% YoY and 98% YoY to ₹ 20,857 Crore and ₹ 4,111 Crore respectively. We delivered a strong performance despite several challenges and disruptions faced by both the industry and the Company owing to a volatile external environment mainly on account of supply chain disruptions, geopolitical conflicts and overall cost pressure. These adversities have led to a rise in raw material and input costs across businesses and industries. Our well-laid business integration model played a crucial role in cushioning the impact and ensuring consistency of supply.

PROGRESS ON PROJECTS

Despite the pandemic-related challenges, with the sheer dedication and hard work of our teams, our recently commissioned projects have provided additional capacities at the right time.

The 600 TPD (219 KTPA) VSF plant at Vilayat (Gujarat) was commissioned in two phases during H2FY22, taking the overall VSF capacity to 824 KTPA in FY22, up 39% YoY. This new capacity positions us well to serve our customers better.

In Chlor-Alkali, we added 142 KTPA of new capacity at two of our plants at Rehla (91 KTPA) and Balabhadrapuram (51 KTPA), leading to a total capacity of 1290 KTPA by the end of FY22. The commissioning of the 55 KTPA chloromethane plant at Vilayat is a step towards improving the chlorine integration from current levels of 27% to 40% by FY25.

CAPTURING THE OPPORTUNITY IN PAINTS

We have set our sights on establishing a capacity of 1,332 MLPA in the Paints business with project cost of ₹ 10,000 Crore till FY25. The acceleration of capacity execution reflects our optimistic outlook about the sector. The commissioning of the plants is expected to begin in phases from Q4FY24.

POWERED BY INNOVATION

We expect to further enhance our direct linkage with end consumers after the launch of our saree brand, "Navyasa", created by Liva. Our aim is to reposition the saree as a garment of choice and to offer more contemporary print designs to cater to the evolved preferences of women. The saree segment in India consumes close to 1 million tonne of multiple fibres, and the share of VSF stands at only 1% and over the next 5 years, this share is expected to increase to 7%. It therefore provides a huge headroom for growth in the segment.

ESG PERFORMANCE

Our financial strength and long-term approach give us the ability to invest in sustainable initiatives with an ambition to be at the forefront of change. The VSF business has set a target of Net Zero carbon emissions across all operations by 2040 and to reduce greenhouse gas (GHG) emissions intensity to half by 2030. Nagda Plant created the distinction of being the first viscose unit globally to achieve ZLD. In another breakthrough, the VSF business has achieved the EU Best Available Technology (BAT) compliance independently verified by a third party at its Vilayat site.

We have partnered with global organisations to speed up and integrate circular economy criteria into all our processes with an objective of extending the useful life of our products via reuse or recycling.

On the reporting front, our efforts have been recognised at multiple forums. Grasim received the Gold Shield for 'Integrated Reporting' and 'Excellence in Financial Reporting' by the Institute of Chartered Accountants of India (ICAI) for FY21. The Company was assigned a 'Strong' ESG rating by CRISIL and also received a management band score of B- from CDP.

WAY FORWARD- NEXT 25 YEARS

Many companies aspire to change the world. At Grasim, we have the right elements to make a difference: talent, resources, commitment, and perseverance. As the new Managing Director, I could not have asked for a stronger foundation.

Stepping forward into the next phase of growth-"Next 25 Years", we will continue to explore new paradigms and new ideas. This is a new age. And as always, dynamism will continue to define our actions. Through our products and services, we will always endeavour to positively impact all our stakeholders and create shared prosperity—for people and the planet.

Best regards,

H K Agarwal
Managing Director

VALUE CREATION MODEL

Creating value since 75 years

It has been our endeavour to drive inclusive growth for all stakeholders. Over the past decades, we have expanded, diversified, explored new territories, with one aim—to create value. Our experience has enabled us to build an integrated value creation model that helps us deliver sustainable and profitable performance, consistently.

EXTERNAL ENVIRONMENT

INPUTS

FINANCIAL CAPITAL

Net Worth : ₹ **48,616 Crore**
Net cash position: ₹ **553 Crore**
Capex for FY22: ₹ **1,958 Crore**

MANUFACTURED CAPITAL

VSF sites: **4**
VFY sites: **2**
Chemicals sites: **9**
Textile sites: **3**
Insulator sites: **2**
Net fixed assets: ₹ **16,714 Crore**

INTELLECTUAL CAPITAL

R&D expenditure (last 3 years): ~₹ **300 Crore**
Number of R&D facilities: **8**
Patents owned: **8**

HUMAN CAPITAL

No. of employees on roll: **23,591**
No. of employees on contract: **15,799**
% women in workforce: **~2%**

SOCIAL AND RELATIONSHIP CAPITAL

Total CSR expenditure: ₹ **42.47 Crore**
Social licence to operate

NATURAL CAPITAL

Total energy consumption: **59.93 million GJ**
Total surface water withdrawal: **36.28 million m^3**
Total ground water withdrawal: **2.18 million m^3**
Total ZLD across units: **9**

GOVERNANCE

RISKS AND OPPORTUNITIES

VISCOSE

623 KT
VSF production

43 KT
VFY production

84:16
VSF domestic: exports ratio

26%
Value added products (VAP) in VSF sales

CHEMICALS

1,049 KT
Caustic soda production

28%
Chlorine Integration

665 KT
Chlorine production of value added products (VAPs)

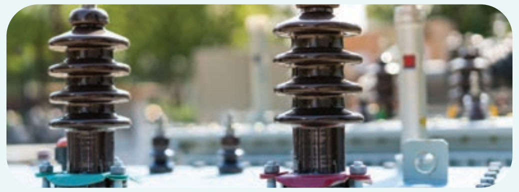
TEXTILES

7,035 tonnes
Linen yarn production

158 lakh meters
Fabric production

3,636 tonnes
Worsted yarn production

INSULATORS



20,822 tonnes
Insulators production

Details of UTCL and ABCL can be found in their respective annual reports.

STRATEGY AND RESOURCE ALLOCATION

PERFORMANCE **OUTLOOK**

OUTCOMES

FINANCIAL CAPITAL

Revenue: ₹ **20,857 Crore**
EBITDA: ₹ **4,111 Crore**
PAT: ₹ **3,051 Crore**
Return on Average Capital Employed (Viscose): **19%**
Return on Average Capital Employed (Chemicals): **26%**
DPS: ₹ **10 per equity share**
ND/EBITDA: **-0.13x**

MANUFACTURED CAPITAL

Capacity utilisation (VSF): **97%**
Capacity Utilisation (Domestic Chlor Alkali): **88%**

INTELLECTUAL CAPITAL

Launched brand 'Navyasa created by Liva' for range of fluid sarees
Patent applications: **42**

HUMAN CAPITAL

Total LTIFR: **0.22**
Percentage of employees trained (Safety): **100%**
Total employees trained (Skill Up-gradation): **19,436**

SOCIAL AND RELATIONSHIP CAPITAL

Number of beneficiaries of CSR activities: **16,89,683**
Number of total children befitted from initiatives towards education: **56,680**
Number of beneficiaries of healthcare initiatives: **4,99,198**

NATURAL CAPITAL

Wastewater recycled: **16.3 million m^3**
Solid waste recycled: **0.82 million MT**
Waste to landfill: **0.1 million MT**
Total GHG emissions: **5.96 million $MTCO_2e$**

STAKEHOLDER ENGAGEMENT

Building a relationship of trust

At Grasim, we have always been inspired to build and maintain a strong relationship with our stakeholders that is grounded in trust. By creating a channel of open communication, we regularly engage with them to gain insight of their perspectives and understand their concerns and needs. This approach not only helps to develop a meaningful relationship with our stakeholders but also enables us to strategise for the future.

By establishing proactive communication on our business purpose and objectives with our stakeholders, we are also able to assess, evaluate, and subsequently address our stakeholders' concerns and then incorporate those in our decision-making process. Our stakeholder engagement strategy ensures advocacy and transparent communication on the challenges as well as the opportunities.

We have developed a stakeholder engagement policy that allows us to build a meaningful and long-lasting relationship with our stakeholders and address their needs and concerns.

STAKEHOLDER ENGAGEMENT

EMPLOYEES

Key areas of interest

- Business performance
- Health and safety
- Learning and development
- Employee relationship
- Career growth
- Work-life balance
- Human and labour rights

Methods of engagement

- Team meetings
- Employee satisfaction survey
- Employee newsletters
- Townhall meetings
- Annual performance reviews
- Forums
- One-to-one meetings/ briefings
- Portal/intranet
- Family get-togethers

Outcomes

Ongoing

We are continuously working on improving engagement and communication with employees. We work towards being a responsible employer by promoting collaboration, diversity, and wellbeing at work. With dedicated programmes, we offer tremendous opportunities to fast-track career growth.

We conduct an annual VIBES survey for all employees to understand their feedback. The results are then shared with the employees.

CUSTOMERS AND VALUE CHAIN PARTNERS

Key areas of interest

- Customer relations and contracts
- Quality and delivery
- Health and safety
- Sustainable products
- Product innovations
- Grievance redressal
- Proactive communication
- After-sales support
- Timely project delivery
- Anti-corruption and ethical behaviour

Methods of engagement

- Customer satisfaction surveys
- In-person meetings/letters
- Social media
- Company and corporate websites
- Product information on packaging
- Customer relationship development
- Customer conferences

Outcomes

Continuous basis

Maintaining strong relationships with our customers, ensuring we listen to their needs and deliver sustainable and innovative products and solutions.

Mission Happiness is an online mechanism for customer feedback.It is an enegaging portal where nearly 95% of customers provide feedback.

SUPPLIERS

Key areas of interest

- Quality and delivery
- Health and safety
- Contract performance
- Local impacts
- Human rights
- Long-term association
- Creating a win-win situation

Methods of engagement

- Supplier evaluation questionnaires
- Contractual meetings
- Tender quotations
- Information requests

Outcomes

Ongoing

Maximising opportunities for us and our suppliers throughout our value chain, and ensuring sustainability is integrated into our procurement decisions.

We have uploaded our policy for supplier code of conduct. We ensure that the supplier is assessed and evaluated.

GOVERNMENT AND REGULATORS

Key areas of interest

- Compliance and taxes
- Timely responses to queries
- Potential local impact
- Health and safety
- Environment and climate
- Corporate governance

Methods of engagement

- Briefings and direct meetings
- Multi-stakeholder forums
- Industry associations

Outcomes

Ongoing

Continued improvement in corporate governance performance and compliance standards aligned with regulations relevant to our activities.

LOCAL COMMUNITIES

Key areas of interest

- Community issues
- Potential local impact
- Sustainability

Methods of engagement

- One-to-one meetings
- Site tours
- Participation in local events
- Corporate Social Responsibility (CSR)

Outcomes

Ongoing

We are creating strong partnerships with local communities, offering opportunities to engage with employees, supporting our supply chain and maintaining our social license.

SHAREHOLDERS, INVESTORS AND LENDERS

Key areas of interest

- Business performance
- Corporate governance and risk management
- Return on investment
- Employee relationships
- Sustainability
- Consistent disclosure on economic, social, and environmental performance

Methods of engagement

- Annual General Meeting
- Annual Reports
- One-to-one meetings and quarterly conference calls
- Investor conferences, roadshows, and plant visits
- Rating agency notes

Outcomes

Ongoing

We are disclosing sustainability KPIs and integrating financial and non-financial factors to provide high-value information and generate significant long-term value to investors and shareholders through continuous business and profit growth.

MEDIA

Key areas of interest

- Business performance
- Health and safety
- Employee relationships
- Environment and climate
- Product innovation
- Corporate governance

Methods of engagement

- Media surveys
- Interviews
- Media briefings
- Press releases
- Social media

Outcomes

Ongoing

We are proactively connecting with our stakeholders through different mediums and providing right information on our initiatives.

NGOS AND OTHER GROUPS

Key areas of interest

- Eco-efficiency
- Environment and climate
- Human and labour rights

Methods of engagement

- One-to-one meetings
- Presentations
- Participation in events

Outcomes

Need based

It provides additional stakeholder insight into emerging and established sustainability topics.

MATERIALITY ASSESSMENT

Becoming future ready

In order to identify critical and important topics that can significantly impact our value-creation, we have undertaken a detailed stakeholder engagement and materiality analysis. These topics have been arrived at after extensive stakeholder consultations and internal deliberations, reviewed in the context of the diversified conglomerate structure of Grasim. The topics play an instrumental role in aligning and re-confirming our strategic priorities and ESG focus areas. We plan to broaden the scope of KPIs which are linked to material topics which will further facilitate long-term value-creation.

During this year's assessment, we reviewed and defined our organisational priorities by taking the views of internal and external stakeholders, including the UN Sustainable Development Goals (UN SDGs) and different sustainability frameworks and standards. Subsequently, an analysis was conducted using a five-step process that included a sectoral approach, stakeholder engagement and dialogue management. The result enabled us to derive a holistic approach. As a conglomerate, we looked at various resources to analyse relevant topics for the next 3-5 years. These material topics will play an important role as input for our strategy and disclosure this year and in the future.

NEED OF ASSESSMENT

IDENTIFY → PRIORITISE → INTEGRATE

A STRATEGIC BUSINESS TOOL

While devising a business strategy, it is necessary to account for all significant ESG topics and the management of sustainability issues embedded on a broader base in every business process. The assessment also helps identify the trends on the horizon that can potentially impact the company's value creation. With the assessment, one can prioritise its resources for the organisation's most critical sustainability issues.

STAKEHOLDERS' EXPECTATION

Materiality assessment is the starting point to understanding stakeholders' expectations. The increasing expectation on issues to be reported that are relevant to stakeholders helps the organisation to build a connection.

OTHER BENEFITS

- Helps to identify newer business opportunities
- Highlights stakeholders' areas of interest to facilitate the reporting of concise and impactful information
- Enables internal and external dialogues between stakeholders
- Helps to focus on targeted communications

ASSESSMENT PROCESS

Peer review and benchmarking → Stakeholder engagement survey → In-depth analysis → Review and mapping of material topics → Establish materiality matrix

PEER REVIEW AND BENCHMARKING

We began with identification of potential list of topics based on peer review and our individual businesses. We extended our benchmarking by following the GRI standards and IIRC framework. The topics were prioritised that represented most significant impacts on the economy, environment, people and governance of a company.

STAKEHOLDER ENGAGEMENT SURVEY

We engage with a different set of our stakeholders. We designed an online questionnaire for internal and external inputs. We used a rating methodology for seeking views on potential topics. The topics were ranked under each environmental, social, governance and economic category. This survey also helped to identify the emerging issues for us.

IN DEPTH ANALYSIS

We carried out analysis based on the responses to identify issues of critical importance for our internal and external stakeholders by following the rating criteria. We built the list of prioritised material issues for each stakeholder group.

REVIEW AND MAPPING OF MATERIAL TOPICS

In this step, our senior leadership was involved and validated the identified material topics. More inputs were given by the senior management and discussions were made to map out the material topics in fine manner.

ESTABLISH MATERIALITY MATRIX

The identified topics are mapped out on the matrix reflecting the priority of the stakeholders and the management.

KEY IDENTIFIED MATERIAL ISSUES

	Very high priority topic	High priority topics	Medium priority topics
Environmental	· Water and effluents · Decarbonisation · Circular economy · Toxic emissions and waste · Resource efficiency	· Raw material sourcing and product carbon footprint · Plastic waste in the environment/packaging · Air & soil emissions · Biodiversity and land use	· Opportunities in clean technology · Spill prevention · Climate change adaption
Social	· Employee health and safety · Customer health and safety · Labour safety and working conditions · Diversity Inclusion	· Human rights · Talent management · Employee training and development · Employment opportunities	· Supply chain management · Product responsibility · Empowering communities
Governance	· Corporate governance and compliance · Business ethics and brand management · Fair employment practices	· Strategic stakeholder engagement · Organisational resilience	· Digitalisation, data privacy and security · Traceability and transparency
Economic	· Quality and customer satisfaction · Innovation and R&D	· Financial management	· Economic performance

RISK MANAGEMENT

Safeguarding in practice

We understand how the shifting external environment might impact the Company's internal operations. We continually monitor, predict, and minimise emerging and imminent risks by modifying our approach and strategies.

The experience gained from operations over the years helped us build a robust risk management framework and system. Our Board guides us through developing strategies to navigate and overcome different challenges in order to create a stronger organisation.

AVAILABILITY OF NATURAL RESOURCES BASED INPUTS

- **Scarcity of water may impact business operations in Viscose and Chemical Businesses**
- **Scarcity of coal driven by high consumption in key user industries may increase the prices**

MITIGATION PLAN

- Continuous reduction in freshwater consumption by applying the 4R Principles (reduce, reuse, recycle and regenerate), water recycling and zero liquid discharge plans under implementation across plants
- Creating new reservoirs closer to plant locations
- Developed and implemented environment friendly Lyocell technology inhouse which has near zero environmental impact
- Government taking various measures viz auctioning of coal mines to private players, removing bottlenecks for coal mining and transportation and soft demand for coal globally to improve supply of coal
- Entering into long-term contracts, securing coal supplies at competitive prices
- Increasing share of renewable energy consumption in the manufacturing process
- Optimising the fuel mix and energy efficiency
- Apart from preservation and elongation of existing reserves, a range of measures including strategic sourcing and changing input mix are adopted by the business

Capitals linked

Natural Capital | Manufactured Capital

PRICE VOLATILITY OF INPUT MATERIALS AND PRODUCTS

- **High volatility in global prices and demand**

MITIGATION PLAN

VSF

- Securing the supplies of the key raw material in the Viscose business by setting up captive caustic soda and pulp plants
- To explore new markets and improve penetration in existing markets
- Demand creation through Consumer & Trade education and increasing awareness through branding & communication
- Continuous customer engagement
- Increasing specialty products portfolio
- Continuous focus on R&D and application development/new product development
- Focus on cost reduction & higher efficiency on continuous basis
- Pass on increase in cost to the customers to the extent feasible

Chemical

- Securing the supplies of key raw material (Salt) for Chemicals business by improvising on the sourcing mix between captive and third party
- Increasing portfolio of value-added products and specialty chemicals
- Focus on cost competitiveness to reduce operational cost

Advanced Material

- Long term tie-up for inputs with index linked price contract with bulk manufacturers and diversifying supplier base. Setting up ECH project for backward integration

Textile

- Procurement of wool (imports) against confirmed customer orders thereby reducing inventory holding and price fluctuation risk

Capitals linked

Manufactured Capital | Financial Capital

ENERGY INTENSIVE OPERATION - POWER RELATED RISK (AVAILABILITY AND COST)

- **Power is the major cost in Chemical business contributing to ~70% of the variable cost**
- **Lower availability of (Captive/Exchange Power) leading to high power/steam cost**
- **Breakdown of captive power plant leading to loss of caustic production**
- **Availability of coal under Fuel Supply Agreement**

MITIGATION PLAN

- Minimising our reliance on grid/ energy exchange by setting up captive power plants in all businesses and long-term tie-ups
- Installation of fuel-efficient captive power plant at Veraval and Vilayat to meet increased power requirement for ongoing expansion. Securing linkage coal to the extent feasible
- Explore possibility of sourcing cheaper power from exchange/ bi-lateral/group captive. Source solar and wind power to reduce dependency on Grid/CPP, improve share of renewable energy/reduce carbon footprint
- Use of energy efficient equipment

Capitals linked

Natural Capital | Manufactured Capital | Financial Capital

OVER SUPPLY OF CHLORINE

- **Chlorine consumption not keeping pace with increasing Chlorine production (led by increase in Caustic Soda industry capacity) resulting into pressure on chlorine prices**

MITIGATION PLAN

- Full capacity utilisation of Chlorine Value Added Products (VAP)
- Increase in VAPs capacities, new chlorinated products development, increase in pipeline supply, ancillary industry development etc. being planned to increase Chlorine integration

Capitals linked

Manufactured Capital Financial Capital

COMPETENT HUMAN RESOURCES AVAILABILITY RISK

- **Attrition and non-availability of the required talent can affect the performance of the Company**

MITIGATION PLAN

- Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent
- Regular review, monitoring, and engagement on personal development plans of high performers and high potential employees
- Proactive action to strengthen technical and other functional bench by mapping internal/external talent market and accelerated hiring
- Focused talent development

Capitals linked

Human Capital

DELAY IN PROJECT EXECUTION

- **Any delay in execution of greenfield/brownfield projects may lead to loss of contribution and cost overruns**

MITIGATION PLAN

- Focused project implementation teams in place
- Regular follow ups for environmental clearance and statutory approvals within stipulated timelines
- Strict monitoring of project execution by unit and senior management and timely actions to execute the project within the budgeted time and cost

Capitals linked

Natural Capital Manufactured Capital Financial Capital

COMPETITION RISK

- **VSF and Chemicals are global commodities. Therefore these are exposed to any change in the competition intensity in the global market space. Further, capacities have been added by competitors in Domestic markets in Chemical and Epoxy business**

MITIGATION PLAN

- Strategic initiatives and continuous investments to enhance the brand equity of the Company by focusing on R&D, quality, cost, timely delivery, and customer service. Increasing level of customer engagement
- Customers connect initiatives to reach out end users (such as Liva brand for VSF)
- In Epoxy business, developing various customised products for customers. Long Term Volume Contract to secure sales volume

Capacity Expansion

- Vilayat 600 TPD VSF Expansion completed
- Chlor-Alkali brownfield Vilayat expansion of 400 TPD to match VSF increased capacity at marginal incremental capex
- Expansion in Chlor Alkali business – Balabhadrapuram (51KTPA) and Rehla (91KTPA) completed
- Epoxy expansion by 123 KTPA to cater to increasing domestic market demand
- Continuous endeavours to enhance brand equity through innovative marketing activities, enhancement in the product portfolio, and value added services have been our thrust areas. Our engineering expertise and our emphasis on quality also considerably minimise the risk against market fluctuations

Capitals linked

Manufactured Capital Financial Capital

ENVIRONMENTAL AND OTHER REGULATORY RISKS

- **Any default can attract penal provisions and may impact the company reputation**
- **Increased activism by society/NGOs could also impact reputation**

MITIGATION PLAN

- Adherence to regulatory norms is being ensured
- Technology/equipment upgradation is done on a continuous basis
- Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations
- Implementation of various Sustainability initiatives such as Zero Liquid Discharge at different plants
- Commitments to comply with the sustainability roadmap to meet international norms
- The community engagement programmes, the grievance management procedures, transparency in declaring our policy and performance and a series of corporate social responsibility programmes are put in place to improve our relations with community and for partnering with them for supply of materials and services
- Health management programmes and periodic monitoring are in place around the community. At the same time, the best available technologies are being installed at all the sites plants to minimise the impact of operations as a preventive measure
- EU BAT compliance for all our units

Capitals linked

Natural Capital Manufactured Capital Social and Relationship Capital

INFORMATION TECHNOLOGY / CYBER SECURITY RISK

- **Risk of financial loss, disruption, or damage to company reputation due to phishing or targeted cyber-attacks resulting from failure of its information technology systems**
- **There can be deliberate and unauthorised breaches of security to gain access to information systems**

MITIGATION PLAN

- Implementation of Grasim Information Security policy
- Grasim uses backup procedures and stores backup copies at multiple locations. Systems are upgraded regularly as per the latest security standards. For critical applications, security policies and procedures are updated periodically, and users are educated on adherence to the policies to eliminate data leakages
- Ensuring end-user awareness (E-Learning Module and Classroom Programme). Phishing campaigns are conducted to improve vigilance and user behaviour
- Brand Protection for important brands and domains of "Grasim"
- Disaster Recovery System is in place and tested periodically
- Annual security assessments of IT infrastructure and applications.
- EDR (Endpoint Detection and Response) for Advanced Threat Hunting, Threat and Vulnerability management, Attack Surface reduction and SOAR for endpoints
- Deception solution to identify intrusions and exfiltration of data - Endpoint Decoys, Network Decoys, Email Decoys
- Vulnerability Assessment and penetration testing to assess the security risk of critical IT systems. Red team exercise to identify readiness to detect and respond to a breach in IT security
- Cloud-based web security solution of Zscaler Internet access on all endpoints to prevent the risk of malware infection from website access from open internet by the user outside the corporate network
- Office 365 to create, share, and collaborate from anywhere on any device with a cloud-based suite of productivity apps and services
- Upgrade or replacement of computers/ laptops with the latest version of the operating system
- Regular patching, anti-virus updates and stringent access control for normal users and privileged accounts

Capitals linked

Financial Capital
Intellectual Capital

INDUSTRIAL SAFETY, EMPLOYEE HEALTH AND SAFETY RISK

- **The manufacturing businesses are labour intensive and are exposed to health and injury risk due to machinery breakdown, human negligence etc**
- **The Chemicals business has exposure to risks arising from the producing and handling of hazardous chemicals**

MITIGATION PLAN

- Implementation of SA 8000 at our units
- Development and implementation of critical safety standards across the Units and Project sites, establishing processes for training need identification at each level of employee, introduction of 'Life Saving Rules'
- Continuous focus on building of safety culture across units covering entire workforce
- Adequate Insurance Coverage

Capitals linked

Manufactured Capital
Social and Relationship Capital

CLIMATE CHANGE

- **Climate changes may lead to increase in frequency and severity of natural disasters (for e.g., Drought, floods, cyclones etc)**

MITIGATION PLAN

- Identifying and implementing green technologies and sustainable products development e.g., Livaeco
- Implementation of closed-loop technology, leading to reduction of emission to air and water, improves working ambience, cuts down raw material consumption
- Increased usage of renewable sources of energy for Company's operations as well as a third-party supplier of renewable energy to other group companies in manufacturing sector and state grids
- Commitments to comply with the global environmental and sustainability norms
- Adequate Insurance Coverage for all natural calamities
- Vulnerability study conducted for natural calamities and required protective measures are initiated
- Necessary steps taken to reduce losses in case of calamity (E.g., raising of boundary wall in flood prone sites)

Capitals linked

Manufactured Capital
Social and Relationship Capital
Financial Capital
Natural Capital
Human Capital

INVESTMENTS IMPAIRMENT RISK

- **Business performance of subsidiary companies and other investments could give rise to impairment charges in the future**

MITIGATION PLAN

- Investments are monitored regularly, and corrective actions are supported
- Impairment testing being done periodically and wherever the impairment is noticed it is accounted for in the books

Capitals linked

Financial Capital

SUPPLY CHAIN RISK

- **Sharp increase in freight rates due to supply chain disturbance in domestic as well as international market**

MITIGATION PLAN

- Entering into long-term agreements with shipping companies to minimise risk of increased freight
- Procurement from alternate sources for meeting disruption in supplies
- Exploring additional storage space
- Increasing the number of ports for goods movement
- Conducting supplier ratings and audit

Capitals linked

Financial Capital   Manufactured Capital

LITIGATION RISK

- **The Company faces various litigations, legal proceedings, notices, and threats etc. If these have any unfavourable outcome, it may adversely impact the financial performance of the Company**

MITIGATION PLAN

- Strict compliance to all laws, rules and regulations and contractual obligations
- Legal compliance monitoring system has been implemented
- Contesting case with relevant authorities following due legal course of action
- Leverage expertise of in-house legal experts

Capitals linked

Social and Relationship Capital

INTERNAL CONTROL SYSTEM

The Company has a well-established and robust internal control systems in place which are commensurate with the nature of its businesses, size & scale and complexity of its operations. Roles and responsibilities are clearly defined and assigned.

Standard operating procedures (SOPs) are in place and have been designed to provide reasonable assurance. We have carried out the evaluation of design and operating effectiveness of the internal controls to ensure adherence to the SOPs and noted no significant deficiencies/ material weaknesses.

In addition to the above, Internal audits are undertaken on a continuous basis by reputed experts covering all units and business operations periodically to independently validate the existing controls. The Internal audit program is reviewed by the Audit Committee to ensure that the coverage of the areas is adequate.

Internal Audit Reports are regularly reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. Significant audit observations are reviewed by the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

The Audit Committee also reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them.

STRATEGY AND PROGRESS

Leading with unwavering focus

Our corporate strategy is built on the feedback and the assessment we receive from our stakeholders, which helps us move forward with better conviction on our path of value creation. Our experienced Board of Directors and leaders provide us guidance and maintain oversight on the strategy's formation, implementation, and execution.

STRATEGIC PILLARS

Our strategy rests on three key pillars that focuses on business leadership, cost focus and innovation.

LEADERSHIP ACROSS BUSINESS

We have established a leading position across our portfolio businesses by leveraging our scale to enable better integration and investing in innovation to stay ahead of the curve. We are also preparing ourselves for the future by aligning to key trends in the markets and industries we serve. This enables us to be well positioned when the market demand emerges.

COST OPTIMISATION

We consistently prioritise the efficient management of costs to boost profitability. We target both variable and fixed costs for optimisation. This enables backward integration for key raw material used in the manufacturing of VSF and Caustic Soda and helps to optimise cost and maintain a prudent economic engine within our strong conglomerate ecosystem.

INNOVATION AND NEW PRODUCT DEVELOPMENT

Our focus on innovation and new product development has been key to market growth. Our state-of-the-art R&D infrastructure helps us stay ahead of our competitors. Our proactiveness in engagement with our customers and getting their valuable feedback helps us to innovate our practices and, identify and bridge any gaps in our products or services.

CAPITAL ALLOCATION

Our capital allocation strategy is well-aligned to our strategic priorities and supports our growth plans.

OPTIMISATION

At Grasim, we follow a clear capital allocation strategy that optimises our capital investments and manages our dividend distribution and earnings retention.

DIVIDEND DISTRIBUTION

For the year ended March 31, 2022, our Board of Directors recommended a dividend of ₹5 per equity share and a special dividend of ₹5 per equity share, taking the total dividend to ₹10 per equity share. The total outflow on account of the dividend would be ₹658 Crore.

INVESTMENT STRATEGY AND CREDIT RATING

Our investment strategy ensures that all our new capital investments deliver returns (Internal Rate of Return) above our weighted average cost of capital. With our AAA credit rating, we are assured competitive cost of capital.

Our industry leadership in core businesses generates strong ROCE and has supported a AAA rating. We are a 'Stronglomerate' with the financial heft of a conglomerate.

OUR STRATEGIC ACTIONS

ENTRY INTO PAINTS BUSINESS

The Decorative Paints market has witnessed significant growth in the last few years. Market dynamics of the decorative paints sector has changed with new capacities being announced backed by strong growth and outlook. We have accelerated the execution of our paint's capacity of 1,332 MLPA with commissioning of plants to start by Q4FY24. The project cost is likely to be ₹ 10,000 Crore by FY25. This acceleration with revision in plant configuration achieves economies of scale, comprehensive product offering, and improving lead time to serve the market.

SALE OF FERTILISER BUSINESS

We divested our Fertiliser business to Indorama India Private Limited, and the process was completed on 1st January 2022. We transferred all assets, liabilities, litigations, brands, and employees pertaining to IGF.

CAPACITY EXPANSION

We recently commissioned 600TPD VSF expansion and in the midst of completing the expansion in Chlor-alkali and Advanced Material business.

In Advanced Material, we are doubling our capacity to 246 KTPA by FY24.

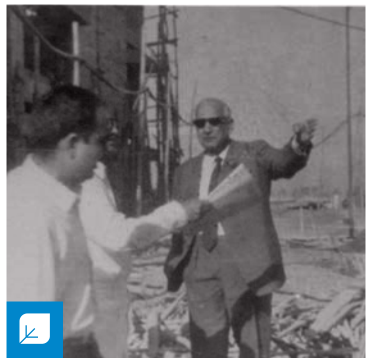
GRASIM@

75

75 GLORIOUS YEARS OF GRASIM
75 GREAT YEARS OF NATION BUILDING

Grasim was established in 1947 as one of independent India's first organisations to be incorporated and begin a new era for the country and its people. Over the years, our growth from being a textile industry to becoming a global leader in VSF manufacturing and India's largest Chlor alkali, Textile, and Advanced Material producer has enabled us to contribute to the nation's growth. Our expansion strategy has also led us to become the largest Cement producer and a diversified Financial Services player in India through our subsidiaries.

1940s



1947
Grasim was incorporated in Gwalior

1950s

1954
VSF production began at Nagda

1956
TPD Pulp plant was set up at Nagda

1960s

1963
A composite Textile mill was set up in Bhiwani and Haryana & Pulp production started at Mavoor

1963
Acquisition of Bhiwani Textile Mills

1965
Birla Research Institute of Applied Sciences was inaugurated

1968
VSF production began at Mavoor & acquired Kerela Spinners

1969
Production of spun-dyed fibres commenced at Nagda

1970s

1972
Pulp & Caustic Soda production commenced at Harihar

1977
High performance Fibre (HPF) production commenced at Harihar

1980s

1984
Grasim Forest Research Institute was established

1985
Vikram Cement is setup in Jawad

1988
Started production of speciality fibres such as high tenacity crimped fibre and flat fibre

1990s

1993
In-house research started for developing Lyocell technology

1995
Vikram Woollens was established at Malanpur in Madhya Pradesh

1996
A VSF plant was commissioned at Kharach in Gujarat

1998
Acquired AV Cell Pulp mill in Canada

1999
Lyocell Pilot plant was commissioned at Nagda

2000s

2001
Acquired 10% stake in L&T. Also, consultancy and software services integrated into Birla Technologies Ltd.

2002
Textile operations consolidated at Bhiwani to manufacture Grasim and Graviera brands

2004
Acquired controlling stake in UltraTech Cement from L&T, TRADC inaugurated

2005
Acquired AV Nackawic Pulp Mill, Canada

2006
Formed Birla Jingwei Fibres Company and acquires VSF plant in China & ABSTC inaugurated

2008
100% stake - Birla Jingwei

2009
Grasim hives off its sponge iron business

2010s

2011
Acquired key stake in Domsjo Fabriker AB, Sweden

2012
Acquired AV Terrace Bay, Canada

2013
Caustic Soda and Epoxy plant commissioned at Vilayat, Gujarat

2014
State of the art VSF plant commissioned at Vilayat, Gujarat

2015
Aditya Birla Chemicals India Limited merged with Grasim

2017
Aditya Birla Nuvo merged with Grasim. Subsequently the Financial Service business was demerged and was listed on bourses as Aditya Birla Capital Limited

2019
Livaeco was launched, Acquired Soktas India Private Limited

2020s

2020
Commissioned the third generation of speciality fibre at Kharach, Gujarat

2021
Announced foray in Paints, Commissioned 55KTPA CMS Plant & Caustic Soda expansion of 142KTPA commissioned at Rehla and Balabhadrapuram

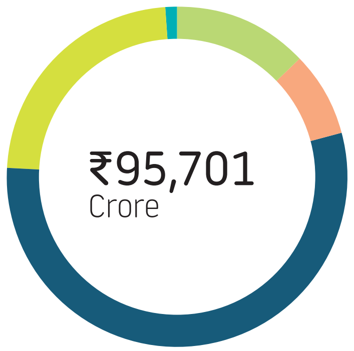
2022
600 TPD brownfield expansion at Vilayat commissioned, Launched 'Navyasa' a Saree brand

FINANCIAL CAPITAL

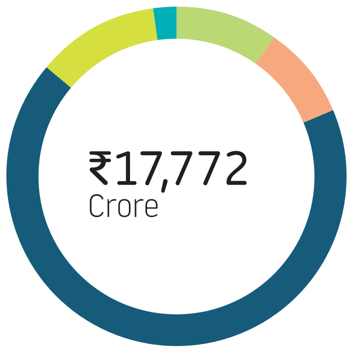
We derive our financial strength from a deleveraged balance sheet, well-managed cost structure, prudent capital management and consistent cash flow generation. Together, they power our growth and business viability and facilitate continued market success. This also supports our investment in other capitals, to create and deliver superior stakeholder returns.

STRONG OVERALL PERFORMANCE

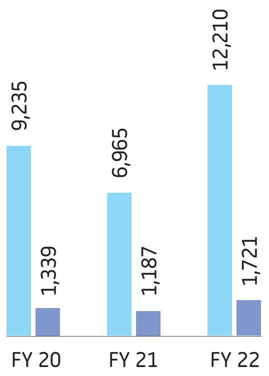
REVENUE (%)



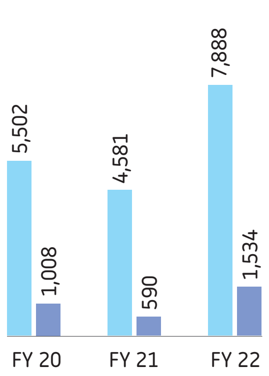
EBITDA (%)



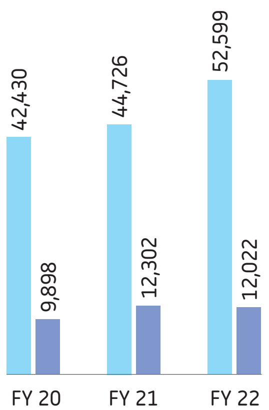
VISCOSE (₹CRORE)



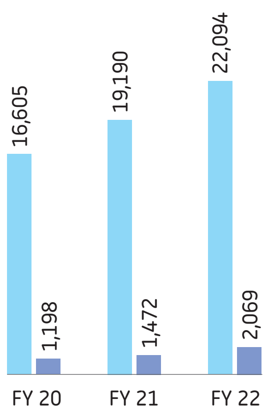
CHEMICALS (₹CRORE)



CEMENT (₹CRORE)



FINANCIAL SERVICES (₹CRORE)



Revenue EBITDA

OUR FINANCIAL STRENGTHS

OPTIMAL CAPITAL STRUCTURE

Our optimised debt-equity mix minimises our cost of debt while giving us significant headroom to pursue our growth ambitions. We take a conservative stand towards accumulating debt and finance a large share of our operational and growth objectives through internal accruals.

VALUE CREATION

Our focus has always been on value creation for our shareholders. We have applied various measures to maximise the value creation while achieving efficiencies across various aspects of the business.

RETURN-BASED APPROACH

Our competitive cost of production and value-added product mix drive our margin profile and return on capital employed (RoCE). Our capital and resource allocation policy are oriented towards generating consistent and superior returns for the business and providers of financial capital.

COST-FOCUSED STRUCTURE

We have achieved our globally recognised cost leadership in our businesses through several cost optimisation measures and backward integration that drives our efficiencies. We achieve operational efficiencies with continued technology deployment and integration, leading to lower costs and benchmark quality.

STRONG BALANCE SHEET WITH AAA RATING

Grasim enjoys the highest credit rating and maintained a robust balance sheet with a net worth of over ₹48,616 Crore and a negative net debt in FY22. With the divestment of the fertiliser business, we turned from Net Debt to Net Cash.

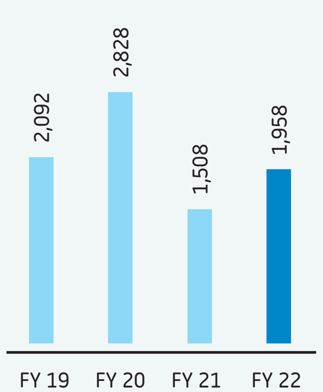
PRUDENT CASH FLOW MANAGEMENT

We balance our inflows and outflows with prudence, narrowing our reliance on third-party capital. We remain cash flow positive and maintain adequate liquidity to meet both present and future cash flow requirements.

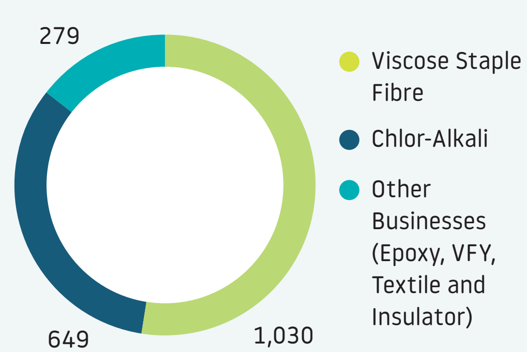
CAPITAL EXPENDITURE

We commissioned VSF & Chemicals capacities at multiple locations. By expanding our capacities, we continue maintaining the leadership position in VSF and Chemicals. We spent a large part of the CAPEX on brownfield expansion.

CAPEX (₹ IN CRORE)



BUSINESS WISE CAPEX SPENT (₹ IN CRORE)



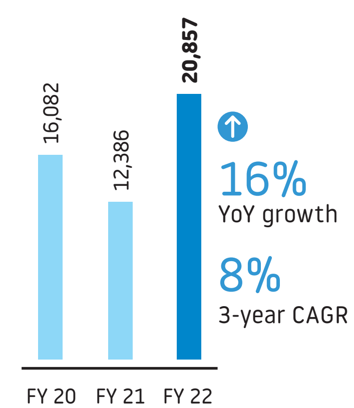
PAINTS BUSINESS

Market dynamics of the decorative paints sector has changed with new capacities being announced backed by strong growth and outlook. We have accelerated the execution of our paint's capacity of 1,332 MLPA with commissioning of plants to start by Q4FY24. The project cost is likely to be ₹ 10,000 Crore by FY25.

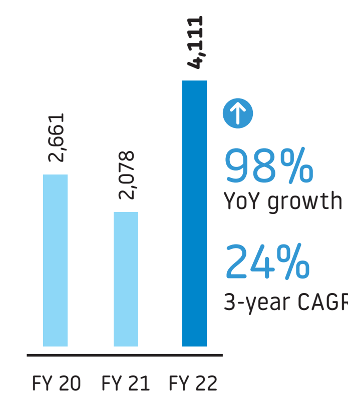
We have completed the land acquisition and registration for our six plants and four sites have already received environmental clearance - Panipat, Ludhiana, Chamarajanagar and Cheyyar. The civil work has commenced at all the four sites.

FINANCIAL HIGHLIGHTS: STANDALONE

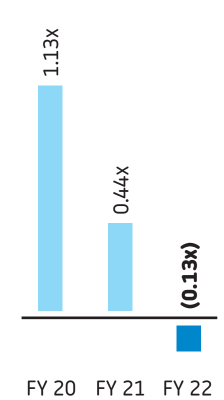
REVENUE (₹ IN CRORE)



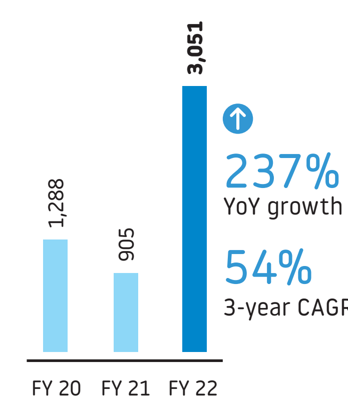
EBITDA (₹ IN CRORE)



NET DEBT TO EBITDA (IN TIMES)

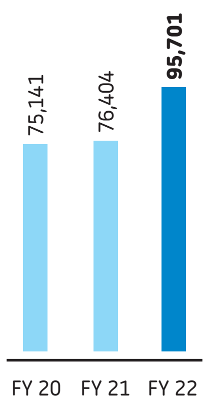


PAT (₹ IN CRORE)



FINANCIAL HIGHLIGHTS: CONSOLIDATED

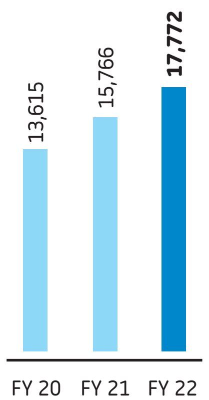
REVENUE (₹ IN CRORE)



25%
YoY growth

13%
3-year CAGR

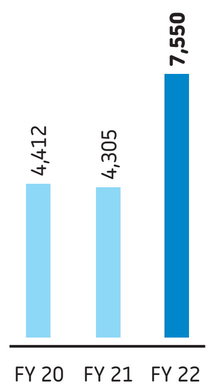
EBITDA (₹ IN CRORE)



13%
YoY growth

14%
3-year CAGR

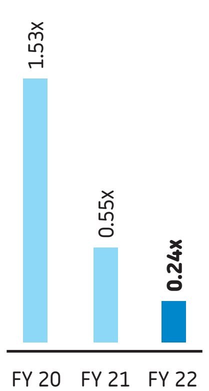
PAT (₹ IN CRORE)



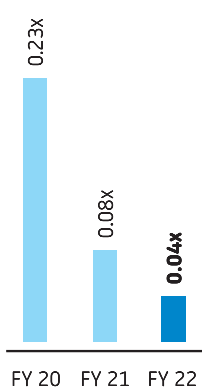
75%
YoY growth

31%
3-year CAGR

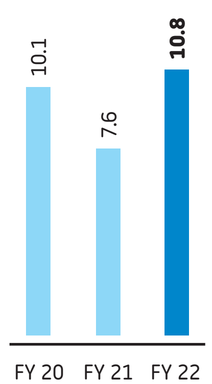
NET DEBT TO EBITDA (IN TIMES)



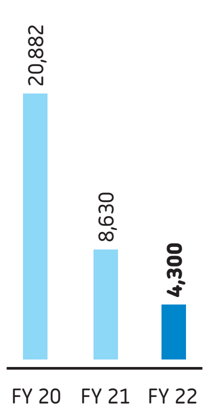
NET DEBT TO EQUITY RATIO (IN TIMES)



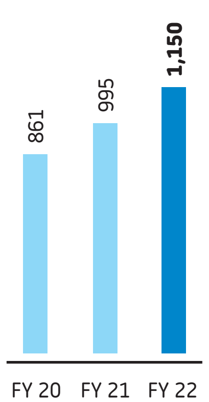
RETURN ON EQUITY (%)



NET DEBT (₹ IN CRORE)



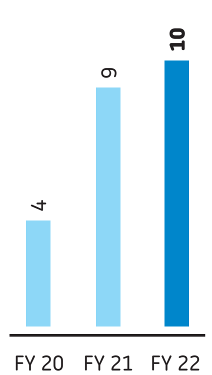
BOOK VALUE (₹ PER SHARE)



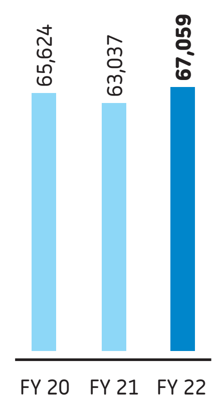
16%
YoY growth

8%
3-year CAGR

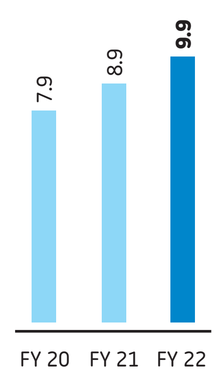
DIVIDEND (₹ PER SHARE)



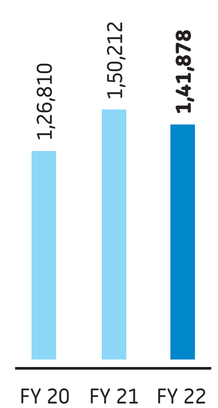
NET FIXED ASSETS (₹ IN CRORE)



RETURN ON CAPITAL EMPLOYED (%)



CAPITAL EMPLOYED (₹ IN CRORE)



MANUFACTURED CAPITAL

Operational excellence and a commitment to quality are the tenets under which we manage our facilities. We deploy state-of-the-art technology across our plants that help us realise maximum output from them and integrate continuous process improvements to raise the overall efficiency.

We have constantly expanded the capacity of our operations across businesses and upgraded our processes and practices to deliver newer and better products over the years. This approach has differentiated us and established us as leaders across various segments, globally.

CAPACITY UTILISATION

97%
VSF capacity utilisation

88%
Caustic soda capacity utilisation

SALES

602 KT
VSF Sales

44 KT
VFY sales

1,044 KT
Caustic soda sales

RESPONSIBLE SOURCING

At Grasim, our priority is to deliver high quality products. Globally, there is growing concern about sustainable practices in the production and sourcing of materials, followed by the companies. We address these concerns with transparency in our operations, and employ best practices across our various businesses.

At our VSF business, we have adopted a closed-loop process to minimise the environmental impact and address the issue of sourcing materials. Our effort has led us to emerge at the top of Canopy's Industry-Leading Hot Button Report 2021. The ranking can be attributed to our continuous efforts in the conservation of Ancient and Endangered Forests and robust initiatives to scale circular business models in the fashion industry. The Hot Button Report is the first tool of its kind that enables fashion brands and retailers to assess MMCF suppliers' forest management practices as well as their leadership in forging solutions to eliminate Ancient and Endangered Forest fibre from the rayon and viscose supply chain.

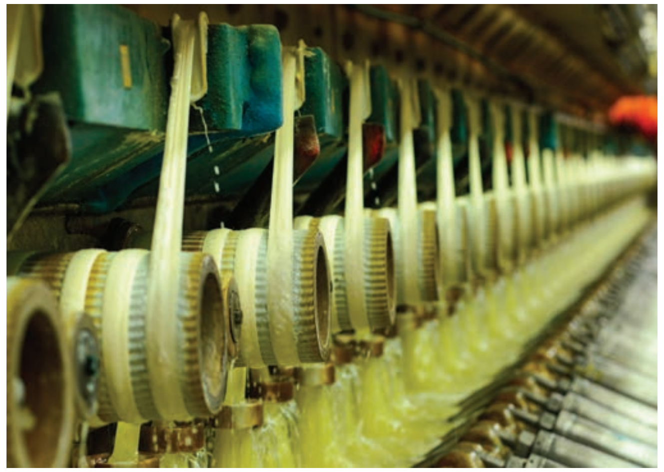
RESPONSIBLE MANUFACTURING

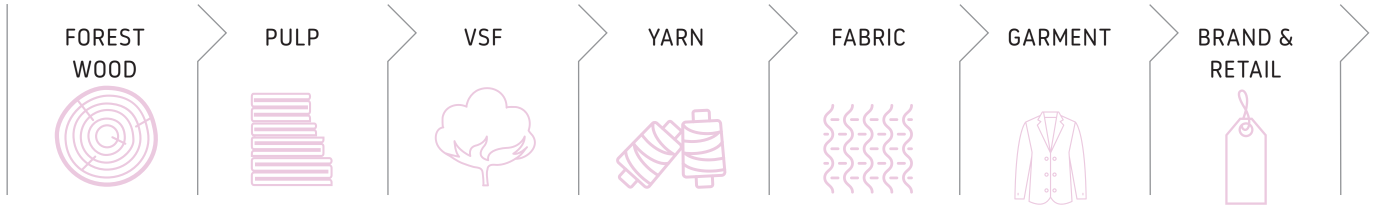
Over the years, we have developed a holistic approach with a balanced integration of best-in-class processes and technology and global management practices along with a highly-skilled and trained team to deliver quality products in an eco-friendly and safe environment.

Our pulp and fibre manufacturing sites are certified with ISO 14001:2015 Environment Management Standard (EMS). All of our fibre manufacturing network of VSF is verified for Higg (3.0) FEM with leads in the MMCF industry and we have begun rolling out Higg Facility Social & Labor Module (FSLM).

VSF – FOREST TO FASHION

Our VSF Business brings the most sustainable fibre that is made from the natural materials and degrades at faster pace than other fibres when disposed. The VSF is derived from forest wood. The wood is responsibly sourced from Canada, Sweden, and India. We manufacture VSF in India and further process it to make yarn, fabric, and garments. We are also working across our value chain partners to create and increase awareness and demand for VSF. We are even leveraging different state-of-the-art R&D centres to improve and implement solution across our value chain.





CASE STUDY

BUILDING THE WORLD'S LARGEST VSF PLANT

Vilayat is one of Grasim's flagship sites and one of the world's largest viscose manufacturing plants. It is equipped with a state-of-the-art facility.

RISING UP TO THE CHALLENGES

The Vilayat expansion project had a daunting timeline of 33 months completion target and tight project cost. The project size was 1.5 times that of the previously executed projects. The COVID-19 pandemic was something off and unforeseen risk, and it became a significant challenge to overcome. During the first COVID-19 wave, we had to suspend the project as the country-wide lockdown was announced. We ensured our workers' safety, health, well-being, and conveyance to every extent possible until they were on the project site. The workers started migrating back to their home states as time passed.

As the impact of the COVID-19 pandemic receded, we restarted the project. The restarting brought on new challenges. Almost all of the services and several supply contracts needed amendments in prices and timelines. We had multiple materials shifting processes done on-site to preserve them during monsoon.

Furthermore, there were changes in the contractor team. This change in team members led to additional training for them. We put in more resources to ensure that the training is carried out most efficiently and quickly.

ACHIEVING AND SETTING BENCHMARKS

We successfully installed our production line of 600 TDP within the first few months of construction with benchmark quality material. We reached 83% of capacity utilisation in the month of March 2022. Our project also carried out CAP installation and ETP-related up-gradation, which was critical for the site to achieve EU-BAT in line with our Sustainability vision.

PAINTS – BUSINESS PLAN UPDATE

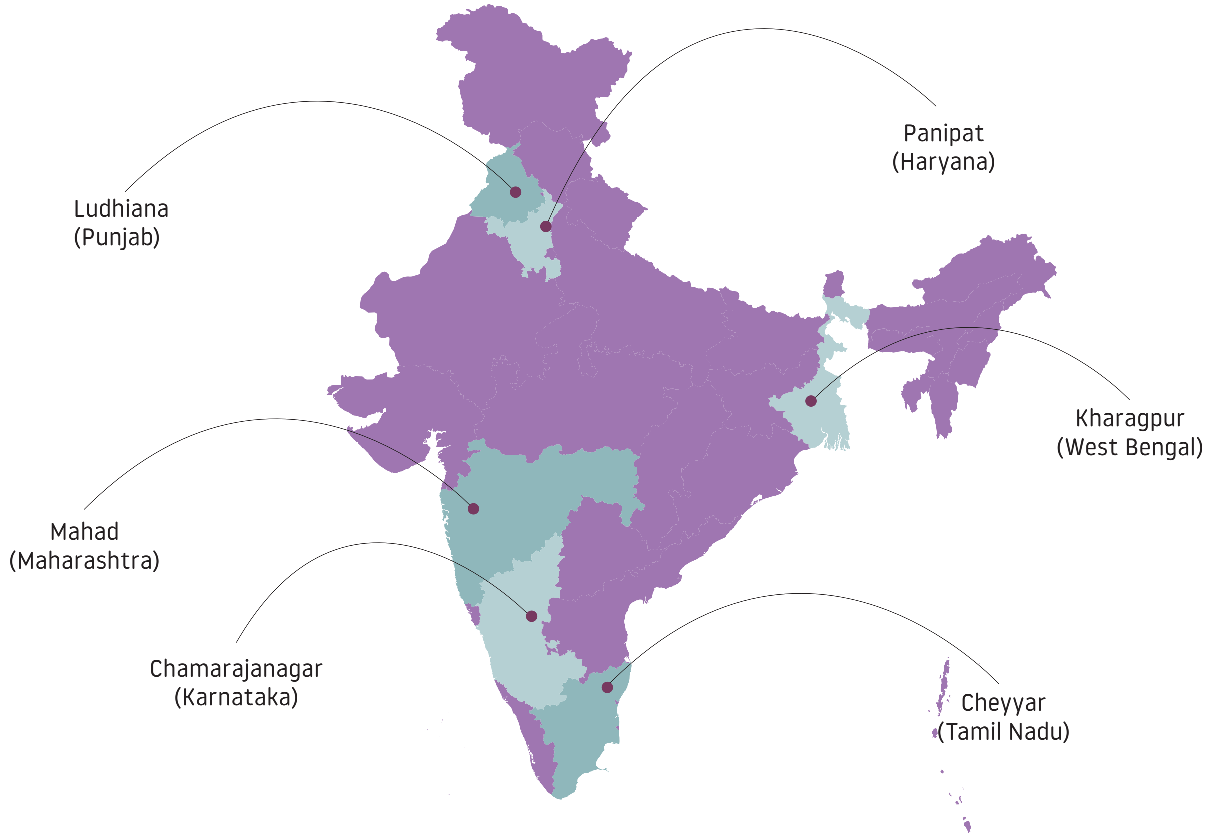
Since we announced our plans to enter Paints Business, we have made significant progress. Market dynamics of the decorative paints sector has changed with new capacities being announced backed by strong growth and outlook. We have accelerated the execution of our paint's capacity of 1,332 MLPA with commissioning of plants to start by Q4FY24. The project cost is likely to be ₹10,000 Crore by FY25.

We aim to leverage the decades of business experience gained through Birla White WALLCARE (putty brand of Grasim's subsidiary UltraTech Cement) as paint synergises well with puttyl.

OUR PROGRESS

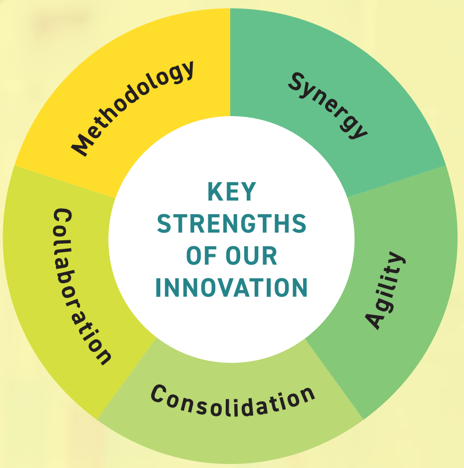
- Land possession and registration completed for six all sites
- Basic and detailed engineering contract awarded for all six sites
- Environmental Clearance received for four sites, Panipat, Ludhiana, Chamarajanagar and Cheyyar
- Civil work commenced at Panipat, Ludhiana, Cheyyar and Chamarajanagar sites
- Overall Capex of ₹605 Crore spent primarily on the acquisition of land parcels for the Paints Business

PAINTS MANUFACTURING PLANT LOCATIONS



INTELLECTUAL CAPITAL

Innovation is a continuous and one of the fundamental foundations of our Company strategy. We collaborate with technology providers, worldwide research institutes, and the value chain to develop products that satisfy our consumers by improving sustainability performance and providing environmentally friendly options. Our worldwide R&D centres have played a critical role in helping us meet evolving needs in a sustainable manner.



HIGHLIGHTS

1
Corporate R&D centre

5
Exclusive R&D centres for VSF

2
Exclusive R&D centres for Chlor-Alkali, Advanced Material, VFY & Insulator businesses

8/42
Patents granted/applied to, respectively

~₹300 Crore
Total R&D expenditure in last 3 years

KEY R&D FACILITIES INCLUDE

- Aditya Birla Application and Product Development Centre
- Aditya Birla Science and Technology Company (ABSTC), Taloja
- Clonal Production Centre (CPC), Harihar
- Fibre Research Centre (FRC), Kharach
- Pulp & Fibre Innovation Centre (PFIC), Taloja
- Next Generation Fibre Research Centre (NGFRC), Nagda
- Textile Research Application and Development Centre (TRADC), Kharach
- Material Research Centre (Epoxy), Taloja

OUR INNOVATIVE APPROACH

LIVA REVIVA

Continuing our commitment to support innovators in the field of textile waste recycling and to strengthen the supply such recycled pulp, VSF business has signed Letter of Intent with Renewcell to use their pulp once their commercial facility starts. The Company has invested further for expanding the scale of Reviva at EUBAT compliant Vilayat site by building up textile waste pre-treatment facility based on in-house developed technology.

WASTE WATER RECYCLING INNOVATIONS

Initiated implementing innovations in the process and water treatment technologies to enable recycle and re-use of waste effluent streams. The target is to pilot novel technologies for recovering useful chemicals from the waste streams and optimally use the recovered chemicals back in the process. Once fully implemented, this will simplify the ETP operations and lead way towards eventual target of minimising water usage and sustaining our leadership position as the lowest water consumer among viscose fibre manufacturers.

FLAME RETARDANT (FR) VSF: FIBER FOR FIRE SUITS AND TECHNICAL TEXTILES

Commercialised textile grade FR Fiber with certified flame retardant properties for application in fire suits, military uniforms, kids wear and technical textiles. The fibres are certified with Oeko-Tex standard100 which gives highest assurance of safety and health. After having successfully developed the FR fibre, we are uniquely positioned to offer solutions for designed technical textiles for the Protective wear segment in India and globally.

FASHION YARN

The team developed Lycra-covered yarn (Spandex covered with PSY), which is stretchable and has usage in garments and denim. The development of space-dyed yarn is in progress for usage in fashion fabrics.

LINEN CLUB

This wrinkle-resist range, offers maximum Linen with minimum creases. It is the first-of-its kind innovation in the Indian Linen fabric retail market.

It has been developed after extensive research, tests and trials using eco-friendly chemicals and processes. The Linen has added benefits of wrinkle resistance and faster crease recovery and has been successfully established to serve all categories of retail and brands.

ADVANCED MATERIAL – EPOXY RESINS BUSINESS

The R&D team is engaged in developing various bio-based products, the molecules of which are developed via a combination of the Company's formulation expertise and properties in new bio-based chemistries developed by reputed agencies. Various reactive bio-based epoxy diluents of desired viscosities, Epoxy equivalent weight (EEW) and Hydrolyzable Chloride (HyCl) content, mono, di- and multi-functional epoxy building blocks are developed by R&D.

We have also developed Epoxy system solutions for the composite segment, wind segment, pipes, LPG gas storage tanks, products for electrical and electronic industries, powder coating segment, adhesives products development, the water-soluble coating solution for can coating applications, developing products for floor coating and construction segments.

SUITABILITY OF MMCF AS AN ALTERNATIVE TO SINGLE-USE PLASTICS (SUP)

Our VSF already offers the solution for replacing synthetic or plastic fibres from these products and an apt solution for the global plastic menace for such applications.

European Union Commission's guidelines on a directive for single-use plastics covering restrictions on market placement, marking/labelling requirements, awareness creation, and EPR rules were adopted and implemented from July 2021. This category will include balloons, beverage cups, straws, wet wipes, and sanitary towels. Wet wipes are identified as one of the most commonly used SUPs as most wet wipes are a blend of viscose and synthetic fibres.

However, the wipes made from 100% viscose are made from nature-based cellulose from wood and are fully biodegradable in soil, water, and marine environments. MMCFs are excluded from the scope of single-use plastics and are sustainable materials for several single-use plastic applications.

CASE STUDY

NEXT GENERATION SOLUTIONS AND CIRCULAR FIBRES

The fashion industry generates an estimated 92 million tonnes of waste annually, out of which only 1% is recycled. The remaining waste is either incinerated or sent to landfills, thus leading to further land and water pollution.

Growing consumer awareness concerning the impact of clothing on the environment, depletion of resources and climate change has led to the industry exploring and adapting more sustainable raw material options.

The identified challenges to building a circular business model in the fashion industry are

Availability of technology	Lack of reverse logistics
Scale-up to commercial production	Develop traceable supply chain to provide end-to-end transparency

CHALLENGE

The biggest challenge was the lack of technology to recycle pre-and post-consumer cotton waste into fresh fibres. We are investing in developing textile waste recycling technology as our commitment to contributing to a circular economy by investing in textile waste recycling technology. Our R&D efforts have led to several innovations that have shown promising results and are in various stages of development.

INNOVATIONS

LIVA REVIVA

VSF Business has achieved a breakthrough in manufacturing viscose fibre "LIVA REVIVA" using pre-consumer cotton waste and following the circular economy principles. It has successfully stabilised production of the Recycled Claimed Standard (RCS) certified product, LIVA REVIVA, which contains up to 30% pre-consumer waste and the rest wood pulp from sustainable forests.

The performance of LIVA REVIVA is at par with 100% virgin wood-based cellulosic fibre, and major global brands have already adopted it. Several other brands are developing collections based on LIVA REVIVA.

LIVA REVIVA has several ecological benefits in addition to circularity. It has lower water consumption and lower GHG emission as compared to generic viscose based on the Higg MSI tool provided by SAC.

GreenTrackTM – blockchain-based traceability platform

We understand the importance of traceability and transparency. Through blockchain-based platform GreenTrack™, VSF and its value chain partners track material flow in the supply chain from forest to retail. The end-to-end sustainability journey is visible to consumers through a simple scan of the QR code and helps them make an informed purchase decision.

Circular fibres development

We are working on several other waste recycling processes, and several of these processes are looking promising. We recently filed for a joint patent for 'Nanollose Lyocell' fibres based on microbial biomass based on food waste. In addition, we are developing fibres based on agri-waste of different types and lyocell fibres derived from algae-based biomass. The Company hopes to commercialise more circular fibres in the coming years, thereby giving the brand partners and customers wider choices on circular fibres and reducing the pressure on the virgin wood-based pulp.

RECOGNITION

VSF Business has emerged as a winner in the first edition of the "National Innovative and Sustainable Supply Chain Awards" by UN Global Compact Network India held in April 2021.

The case study – LIVA REVIVA & Fully Traceable Circular Global Fashion Supply Chains – was awarded for innovation for circular fibre made with pre-consumer waste and end-to-end 'live' supply chain transparency and traceability through its unique blockchain-based platform GreenTrack™.

WAY FORWARD

Our efforts are focused on developing products made with post-consumer waste and increasing the use of alternate feedstock. We plan to aggressively scale up the production of circular fibres and are committed to accelerating innovations that are aligned with UN SDGs 2030.

NATURAL CAPITAL

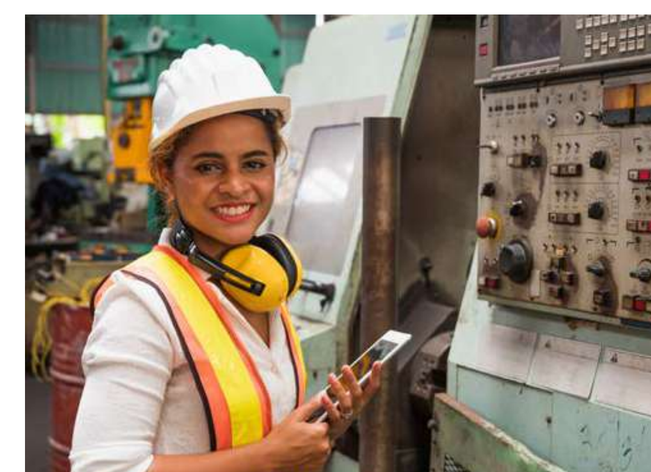
We, at Grasim, are known for our commitment towards sustainability and the protection of our planet. We always strive to be the early adopters in the industry of new processes and technology to ensure we are safeguarding our surrounding environment. From reducing the water usage to promoting circular economy—we embrace exemplary practices with responsibility.

KEY HIGHLIGHTS

- VSF business has taken target to achieve Net Zero Carbon emissions across all its operations by 2040. The Company also targets to reduce its greenhouse gas (GHG) emissions intensity to half by 2030
- Nagda plant becomes the first VSF plant globally to achieve Zero Liquid Discharge (ZLD)
- Globally, rank #1 in Canopy's Hot Button Report 2020 with 'dark green shirt' rating for three consecutive years
- Standardization of ISO certification (9001, 14001, 45001, 50001, 27001 and SA8000) by TUV-Nord for Chemicals and VFY Veraval business
- Zero Liquid Discharge commissioned in Balabhadrapuram in Feb 2022
- Installation of IOT based Energy Monitoring System at JST Rishra
- Chemical business, the share of Renewable energy increased to 5% for FY22 which is expected to go to 26% in FY30
- The Epoxy business is replacing traditional pallets with compressed wood pallets to transport material to the customer end. The pallets are eco-friendly and biodegradable as they are manufactured using sawdust. The pallets are durable and can safely carry desired weights for long distances
- Participated for first time in CDP (Carbon Disclosure Project) in 2021 and received a management band score B-
- VSF business has joined Forest Stewardship Council® mission to protect the world's forests by signing the 'Fashion Forever Green Pact' and is committed to promote MMCFs from FSC®-certified sources
- ESG rating released by CRISIL, Grasim was assigned a score of 63 with 'Strong' rating

AWARDS

- Received Gold Shield award for Integrated reporting and "Excellence in Financial Reporting" by Institute of Chartered Accountants of India (ICAI) for FY21
- VSF Kharach unit has been bestowed with the CII-ITC Sustainability Award 2021 for Excellence in Environment Management
- VSF ranked #1 in Canopy Hot Button Report-2021 which ranks global VSF players
- Stood 7th in the most sustainable companies in India ET Futurescape Sustainability Index Report – 2021
- SFD Nagda plant has been awarded The Economic Times Promising Plants 2021
- SFD Nagda unit of Grasim Industries Ltd has won the first-ever TERI-IWA-UNDP Water Sustainability Award 2021-2022.
- Felicitated with The Economic Times Sustainable Organisation 2022 award
- Textile- Rishra is Winner of Golden Peacock Award in Chemicals Environment- FY22
- Chemicals Veraval received CII's Energy efficient unit award for Excellence in Energy Management
- Chemicals Renukoot unit awarded with "Gold Medal" in National Award for Manufacturing Competitiveness 2022
- VSF Harihar was bestowed with 'Platinum Award' for Occupational Health & Safety 2021 by Grow Care India



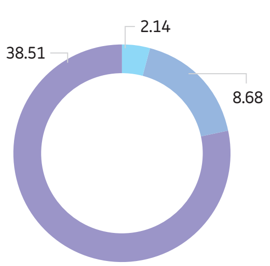
WATER

Water is an essential raw material for our operation. We have heavily focused our product and technology development on reducing our water usage. In addition, we are also focusing on reducing the water discharge at our manufacturing facilities by installing ZLD plants.

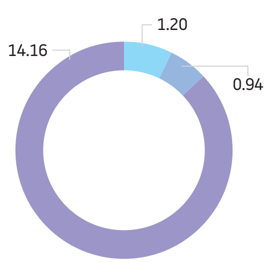
KEY HIGHLIGHTS

- SFD Nagda unit of Grasim Industries Ltd has won the first-ever TERI-IWA-UNDP Water Sustainability Award 2021-2022. The Grasim unit won the award in the 'Water for All' category.

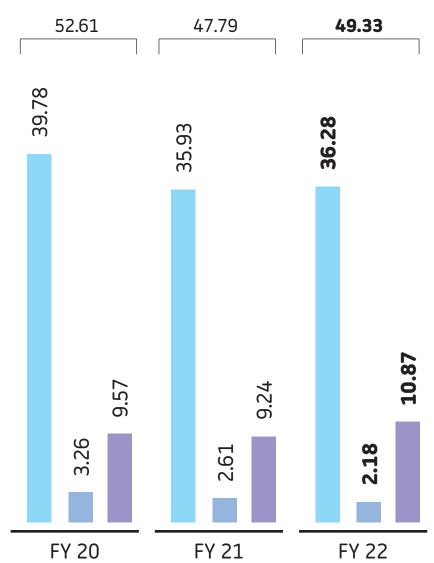
WITHDRAWN (MILLION M³)



RECYCLED (MILLION M³)

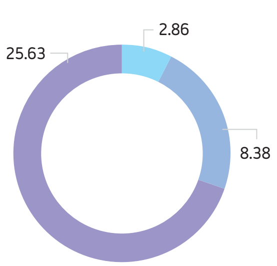


TOTAL WATER WITHDRAWAL (MILLION M³)

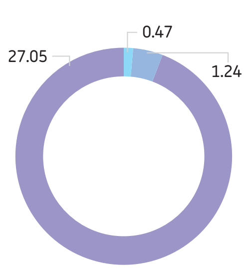


Surface water
Ground water
Water from Municipality/Water Utility

CONSUMED (MILLION M³)



DISCHARGE (MILLION M³)

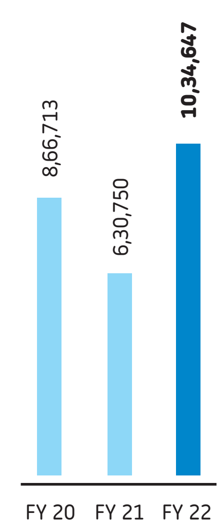


Textiles & insulators Chemicals Viscose

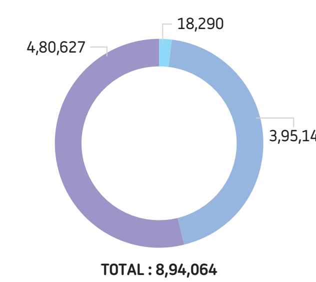
WASTE

Our goal of achieving circularity in our operations has aided us in innovating new products and processes. We maintain robust control and monitoring of waste management across locations, whether through waste reduction, alternative utilisation, or safe disposal of hazardous material.

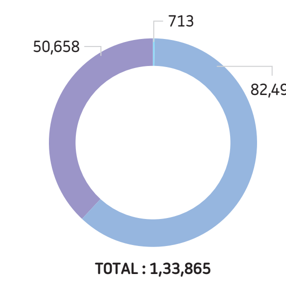
TOTAL WASTE (MT)



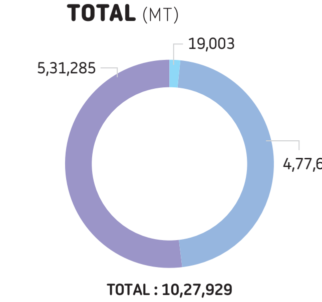
NON-HAZARDOUS (MT)



HAZARDOUS (MT)



TOTAL (MT)



Textiles & insulators Chemicals Viscose

(In MT)

Waste	Textiles and Insulators	Chlor Alkali and Epoxy	Viscose Business (incl. VFY)	Total
Hazardous Waste Diverted from Disposal				
• Recycled and reused	24.34	33,442	16,254	49,721
• Other recovery options	4.01	0.21	16,793	16,797
Non-Hazardous Waste Diverted from Disposal				
• Recycled and reused	8,319	3,63,983	3,97,892	7,70,194
• Other recovery options	1.16	6,717	79,733	86,451
Hazardous Waste Directed to Disposal				
• Incineration	1.43	515	354	870
• Landfilling	683.05	48,537	17,257	66,477
Non-Hazardous Waste Directed to Disposal				
• Incineration	-	0.44	-	0.44
• Landfilling	9,970	24,447	3,001	37,418

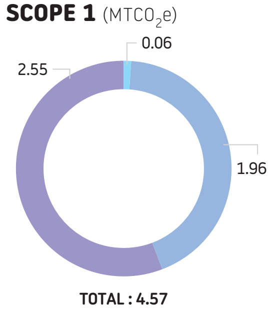
EMISSIONS

We firmly believe that climate change is a crisis and businesses around the world recognise this. Our constant endeavour is to make our processes clean and less impacting on the surrounding environment. We are adopting eco-friendly materials and processes which not only help in reducing our carbon emissions but also helps to reduce on our emissions of harmful gases like SOx and NOx, Solid Particulates (PM2.5 & PM10). We use state-of-the-art technology to ensure our emissions are under permissible limits and regulated.

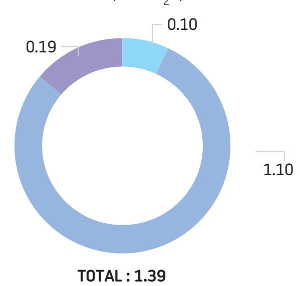
KEY HIGHLIGHTS

VSF Vilayat site has been verified and certified with EU Best Available Technology (BAT) compliance. The technology helps to drastically reduce sulphur to air emission by 85%.

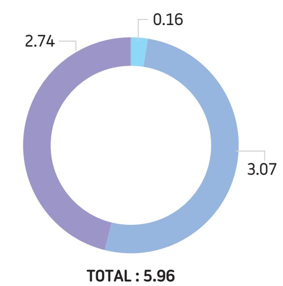
SCOPE 1 ($MTCO_2e$)



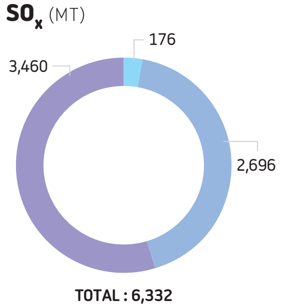
SCOPE 2 ($MTCO_2e$)



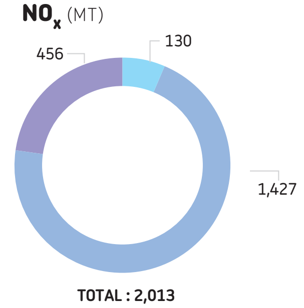
TOTAL ($MTCO_2e$)



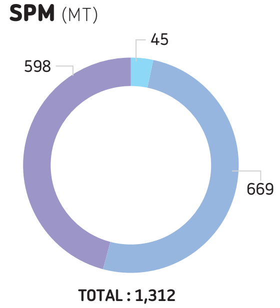
SO_x (MT)



NO_x (MT)

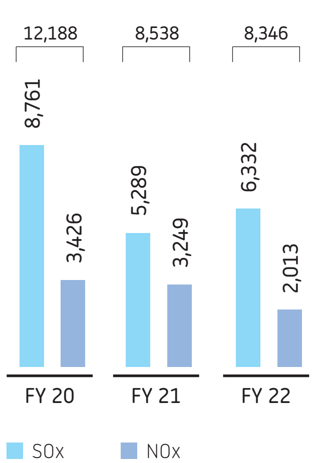


SPM (MT)

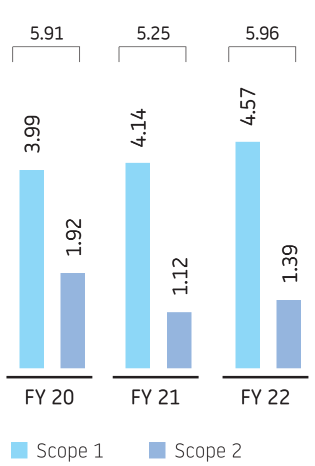


Textiles & insulators   Chemicals   Viscose

AIR EMISSIONS (MT)



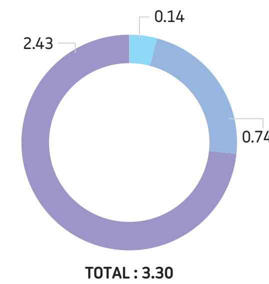
GHG EMISSIONS
(MILLION tCO_2e)



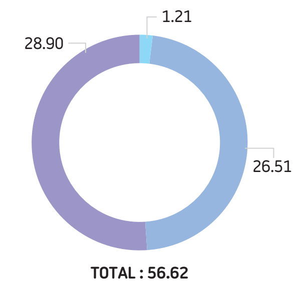
ENERGY

At Grasim, our focus is to make our processes more energy efficient and we constantly try to reduce our consumption and increase the share of renewable sources in the energy mix.

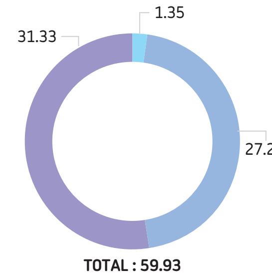
RENEWABLE ENERGY CONSUMPTION (MILLION GJ)



NON-RENEWABLE ENERGY CONSUMPTION (MILLION GJ)



TOTAL ENERGY CONSUMPTION (MILLION GJ)

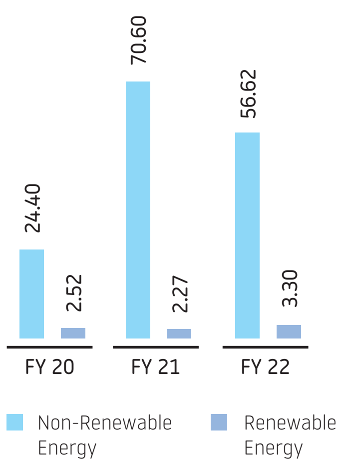


Textiles & insulators

Chemicals

Viscose

TOTAL ENERGY CONSUMPTION
(MILLION GJ)



SELECT ENVIRONMENTAL TARGETS AND PERFORMANCE

VSF

Indicator/Parameter	Target	Baseline	Status in FY22
Adoption of EU BAT technology for VSF manufacturing	EU BAT implementation at India site by FY25	FY18	Implemented at 1 site (Vilayat) Work-in-progress at other 3 sites and endeavor is to complete the same by end of FY23
Reduction in water intensity in VSF manufacturing process	50% reduction by 2025	FY15	**56%** Reduction achieved by FY22
Reduce pollution load to effluent	Reduction in COD by 2022 to meet EU BAT compliance	FY18	**41%** Reduction achieved by FY22
Reduce Lost Time Injury frequency rate (LTIFR)	Reduction in LTIFR by 90%	FY15	**80%** Reduction achieved by FY22

CFI

Indicator/Parameter	Target	Baseline	Status in FY22
Reduce Specific freshwater consumption of the main product	30% reduction by FY25	FY17	**15.6%** Reduction achieved by Chlor-Alkali business
Reduce GHG emissions of the main product	30% reduction by FY30	FY17	**11.8%** Reduction in carbon intensity achieved by Chlor-Alkali business

CASE STUDY

NAGDA - THE FIRST ZERO LIQUID DISCHARGE (ZLD) PLANT IN VISCOSE INDUSTRY IN THE WORLD

We have successfully commissioned the first ZLD plant in the MMCF industry in the world. This sets a new benchmark in the closed-loop process and increases the water recovery to the extent of 95% from the viscose process and, at the same time, reduces the liquid effluents to zero.

The MMCF wastewater is challenging to treat and not friendly to existing membrane technologies typically used for wastewater treatment.

CHALLENGE

- No established ZLD technology available to treat Viscose and lyocell effluent
- High inorganic and dissolved solids and hardness in the effluent
- High organic content leads to biofouling of membranes
- The solids need to be recovered in usable form

INNOVATIONS

- World's leading water technology companies invited to bid for technology
- VSF team worked closely with technology providers to design the process

OUTCOMES

- Freshwater withdrawal from the nearby river is reduced as 95% of recovered water from treated effluent, and the ZLD plant is now being recycled back into the process
- Positive impact on the society at large. Nagda was already a water positive site
- New benchmark in closed-loop production – zero effluents discharge from the site and zero pollution load due to wastewater
- Improved water security that addresses the water scarcity due to climate change

CASE STUDY

ADOPTION OF EU BAT ROADMAP AT VILAYAT (VSF BUSINESS)

The growing focus and adoption of business sustainability makes it an important growth driver. However, increasing awareness has led civil society organizations/NGOs to set ambitious rules for sustainability beyond regulatory standards. The new age consumers are conscious of environmental issues and demand products with a lower footprint.

In view of this, the Company has invested in cutting-edge technology for closed-loop production processes and implemented the most stringent environmental standards, going beyond the regulatory norms applicable in its countries.

CHALLENGE

During the regeneration of cellulose in the viscose process, liberated CS_2 is recovered through the condensing system, and part of it gets converted to H_2S in diluted form. This H_2S is exhausted through the chimney – the challenge was to restrict this emission by improving recovery.

Commitment to achieving stringent EU BAT (Best Available Technology) standards and ZDHC MMCF Guidelines.

To meet load-based EU BAT Standards and go beyond regulatory compliance.

ACTIONS

- Set up sulphur and CS_2 recovery project at GCD Vilayat in India

OUTCOMES

- Vilayat site operates the plant below the consumption level of CS_2 specified in the EU BAT norms and meets sulphur-to-air emission norms and other indicators
- The CS_2 recovery is 90-95% compared to conventional systems, where the recovery is 45-50%

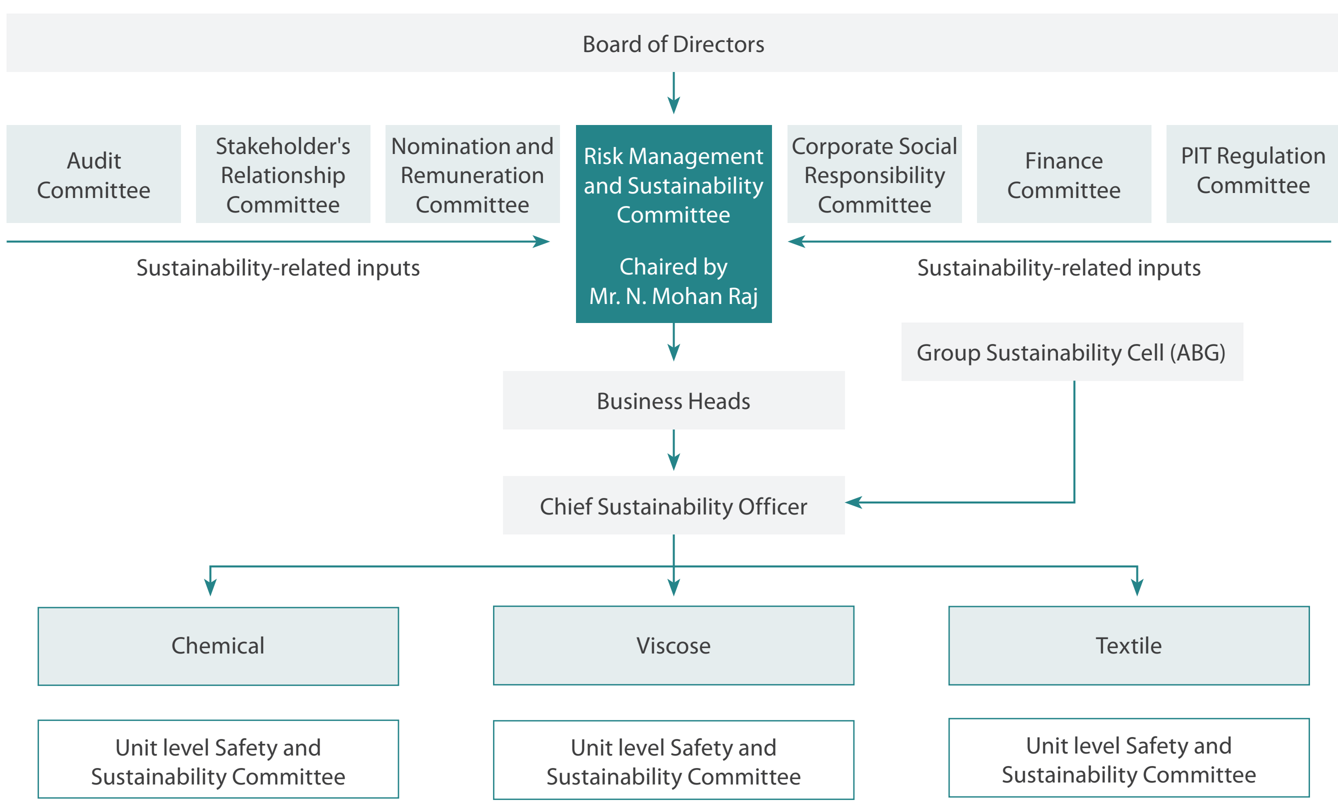
WAY FORWARD

We are in the midst of installing EUBAT technology in the other three VSF plants (Kharach, Harihar and Nagda)

TCFD Alignment

To solidify our commitment and improve our approach to becoming a more sustainable, greener, and climate-resilient business, we adopted Task Force on Climate-related Financial Disclosures (TCFD) framework and are working towards aligning ourselves with its recommendations. We are committed to fully identifying the transition risks and opportunities toward decarbonising our operations in the coming years.

We have a strong governance system to evaluate and mitigate climate-related risks and opportunities. Our Board of Directors ("Board") actively participates in the Company's sustainability strategy, including climate change, and has clear control over the implementation. The Board evaluates the agenda regularly and offers suggestions for improving performance.



BOARD AND MANAGEMENT OVERSIGHT

BOARD OVERSIGHT

Our Board is actively involved in the company's sustainability strategy, including climate change, and has clear control over the implementation. We at Grasim have a Risk Management and Sustainability Committee led by an Independent Director. The Chief Sustainability Officer (CSO) works closely with the Board Level Committee and various business units and conducts sustainability meetings monthly.

Key issues overseen by Board

- Monitoring and reviewing the progress against the targets for addressing climate–related issues
- Reviewing and guiding risk management policies
- Developing strategy and plan of action for sustainable business operations

MANAGEMENT OVERSIGHT

The Business Review Committee of each business unit meets quarterly to oversee enterprise risks, mitigation measures, and the sustainability performance of each business, including climate-related challenges. At each plant, a Safety and Sustainability Committee has been constituted, led by the Unit Head, and comprised members from critical functions. The Committee meets monthly and reports to the relevant Business level Safety and Sustainability Committee on its progress.

Key actions taken by the Business Review Committee

- Implementation of process efficiency initiatives such as reduction of steam consumption, the effluent generation
- Development of in-house technologies for energy and water conservation
- Develop a roadmap for renewable energy
- Commitment to ZLD and water security strategy
- Develop a strategy for sustainable sourcing

Incentivising Sustainability

- We have a Business Review Committee that assigns objectives that are linked to the business unit managers' KRAs

STRATEGY

In our strategy pillar of the TCFD disclosures, we provide information about company's exposure to the climate-related risks and opportunities along with the mitigation action.

We acknowledge that climate-related risks and opportunities can impact business decision in our Company. To understand the scale of impact and define our climate strategy, we analysed the frequency, impact, and exposure of physical and transition risks due to climate change. We also reviewed our approach on different opportunities to capitalise on them effectively.

Methodology

Identification of risks and opportunities

We studied and analysed our peers' risks and opportunities, sectoral trends and international policy and regulations including, risk and opportunities for all our businesses.

PHYSICAL RISK

- CHRONIC
- ACUTE

TRANSITION RISK

- REGULATORY
- MARKET
- TECHNOLOGY
- REPUTATIONAL

OPPORTUNITIES

- RESOURCE EFFICIENCY
- ENERGY SOURCE
- PRODUCTS
- MARKET
- RESILIENCE

Risk and Opportunity Analysis

We analysed our risks and opportunities with customised risk rating, timeline of impact and Shared Socioeconomic Pathways (SSP) scenario applicability. Further ,we projected emission reduction pathways as per rigid scenarios to assess impact of expected emission trading scheme in India. We also conducted physical risk assessment for our facility locations to assess the impact of changing climate on temperature, precipitation, and sea level at the sites.

Assessing climate strategy

Finally, we reviewed our resilience plans for each risk and growth strategies for each opportunity based on the assessment results. This was accomplished by detailing our objectives for various businesses and identifying critical areas for improvement. This evaluation increased our understanding of Grasim's action plan and climate strategy for multiple situations and time frames.

PHYSICAL RISK

ACUTE RISK

We conducted a site-level scenario analysis to assess the acute drought, riverine flood, coastal flood, cyclone, and heatwave risk.

CHRONIC RISK

For chronic risk, we have used IPCC's Socioeconomic pathway scenarios for projections of changes in temperature, precipitation, and sea level till CY 2100 to understand the hotspots for extreme weather events and take necessary strategic changes to increase our resilience.

TRANSITION RISK

Our commitment to transitioning different sets of challenges and risks arises across our businesses. These risks can be categorised by likelihood of changes in policies, markets, technology, and reputation.

REGULATORY RISK

- Existing regulations
- Emerging emission trading scheme
- Emerging carbon border adjustment mechanism
- Provincial fuel tax
- ZLD norms in India

MARKET RISK

- Raw material prices and availability
- Changing consumer behaviour

REPUTATION RISK

- Carbon commitments achievement failure
- No carbon emission targets leading to reduction in stakeholder confidence
- Continuation of fossil fuel for products

TECHNOLOGY RISK

- Return on investment on proprietary sustainable technologies
- Transition to lower carbon technology

NATURAL CAPITAL

Resilience measures

- We are continuously strengthening staff welfare measures to minimise the effect of high temperatures at our facilities and the existing resilience measures established to combat heatwaves.
- We are ensuring supplier diversification, increasing spare capacities, and developing better mechanisms for raw material storage to ensure supply chain resilience from floods and cyclones.
- We are also undertaking infrastructural changes, such as developing flood barriers and stormwater drainage systems for resilience during floods and heavy rainfall.
- ZLD systems, alternative water sources, and water consumption are some initiatives to ensure sufficient water availability during drought seasons.

OPPORTUNITY

RESOURCE EFFICIENCY

Water efficiency

Water is a material issue for VSF business. Over the years, business has adopted 4R Principle (Reduce, Reuse, Recycle, Regenerate) in their operations for closing the loop on water, resulting in reduction of water consumption significantly.

Energy efficiency

Our adoption of high efficiency equipment, improving utilisation of heat available in the system by heat integration of various processes, digitalisation program assisting us in decision making through data driven approaches.

Material efficiency

Our efforts are focussed on developing products made with both pre- and post-consumer waste with increased use of alternate feedstock. We plan to aggressively scale up the production of circular fibres to a level of 100,000 tons per year by 2024.

ENERGY SOURCES

Renewable energy

We are proactively installing renewable energy in our Chemical Business' operational location to increase energy mix to 26% in FY30 from 5% in FY22. In addition, our Pulp site at Harihar uses nearly 90% renewable energy for its operations. This will help us to reduce the operational cost and reducing the GHG emissions.

CO-PRODUCT DEMAND

Hydrogen generation

Hydrogen is rapidly emerging as an alternative fuel choice to combat climate change and achieve de-carbonisation across industries. As a by product of Caustic soda production, this will help to meet the growing demand of H_2 and generate additional revenue.

ACCESS TO NEW MARKETS

Sustainable products demand

Increasing awareness about climate change may impact customer preferences and focus on buying products or services with low climate impact, from companies they really trust and see as leaders in providing such products or services.

PRODUCTS AND SERVICES

Development of sustainable products

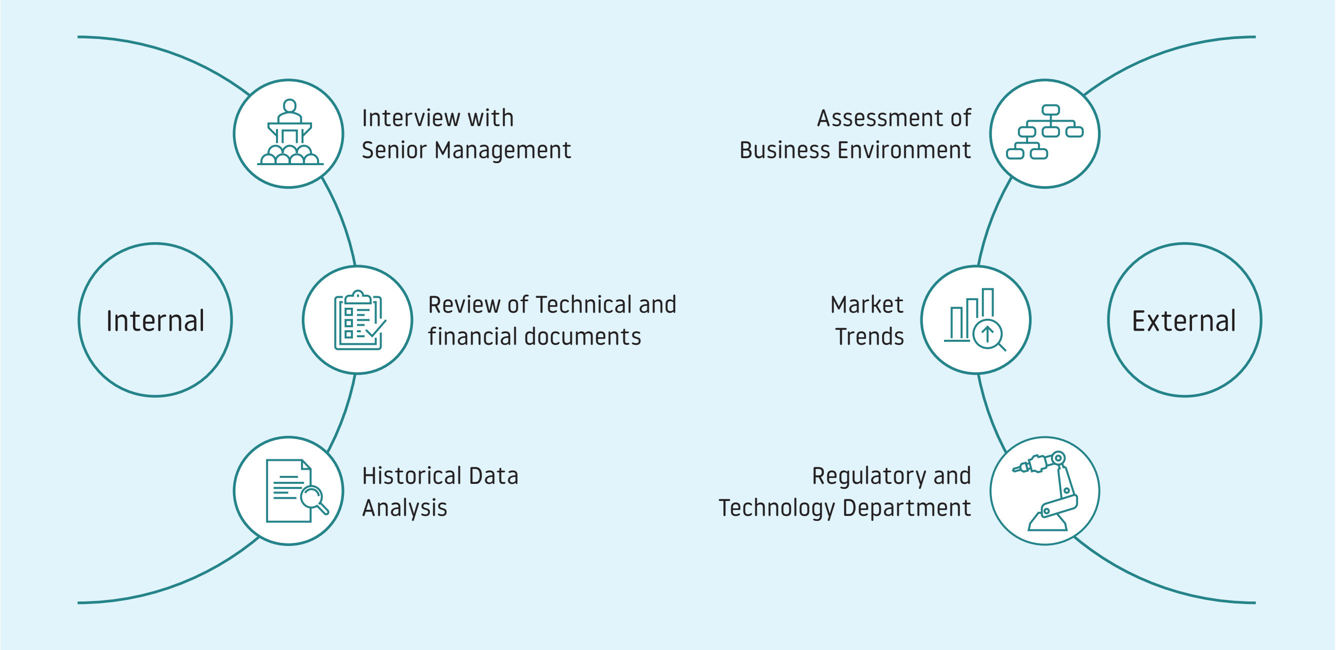
1. We, at Grasim, are continuously developing new products through R&D efforts.
2. Initiatives in the development of circular products that involves recycling of pre- and post - consumer cotton waste into fresh cellulosic fibres is in progress.
3. At Textile, innovated on the sustainable fabric through upcycling flax waste to create blended yarn and linen rich fabric blends, as well as ready-to-wear apparel.

RESILIENCE

Regulatory and market

Action on the climate mitigation initiatives such as increase renewable energy mix, use of energy efficient technology, development of sustainable products will provide the regulatory resilience to EU BAT, CBAM, PAT as well overall transition and physical resilience to business.

CLIMATE-RELATED RISK MANAGEMENT

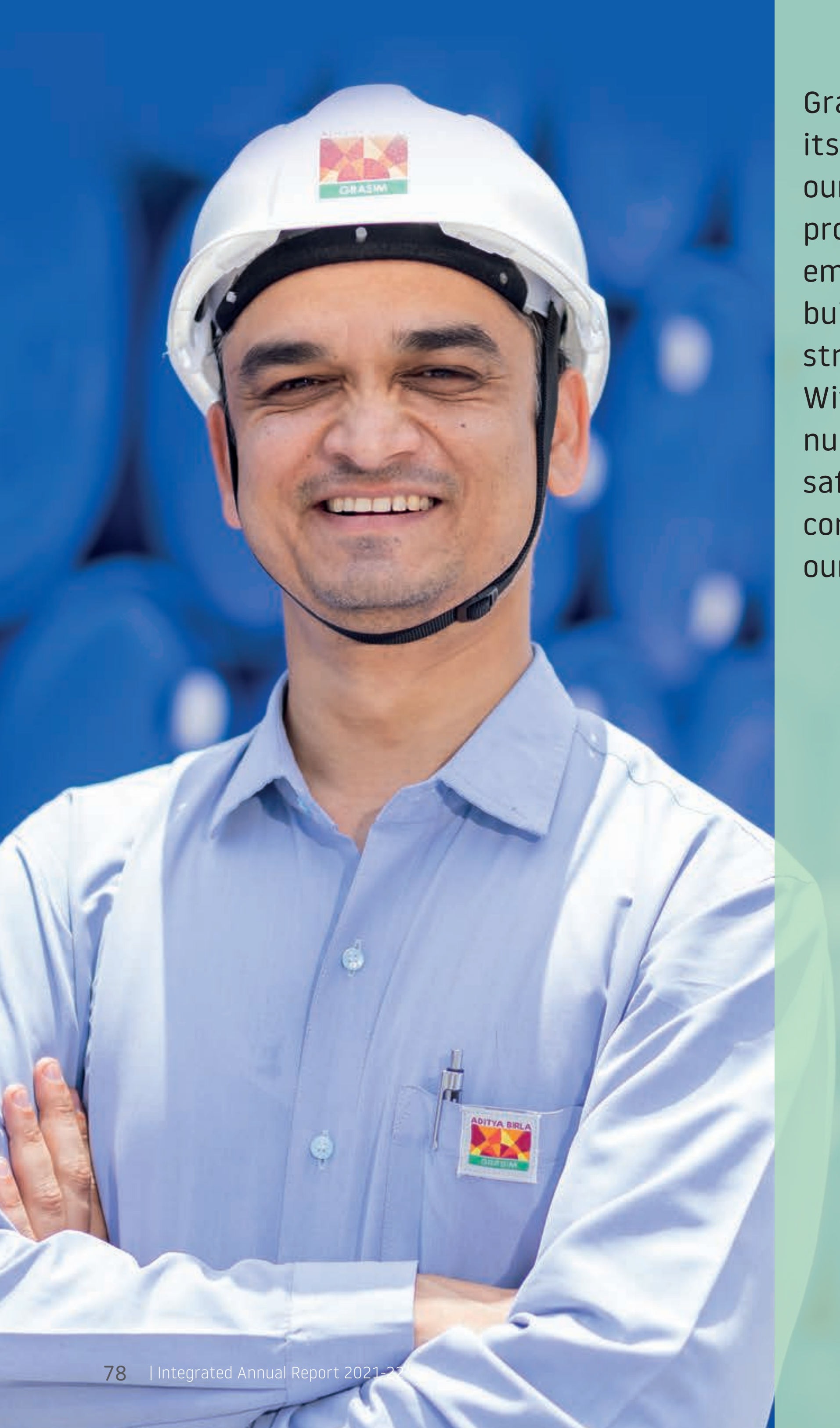


Our risk management disclosure covers how we identify, measure, monitor, manage and report on our climate-related risks. The climate-related risks are embedded in our Enterprise Risk Management (ERM Framework) and well-defined 3-step risk management approach, i.e., Risk Identification and Assessment, Risk Management and Mitigation, and Risk Monitoring and Reporting. With the involvement of our employees through our comprehensive risk management governance, we integrate climate-related risk management into our overall risk management process.

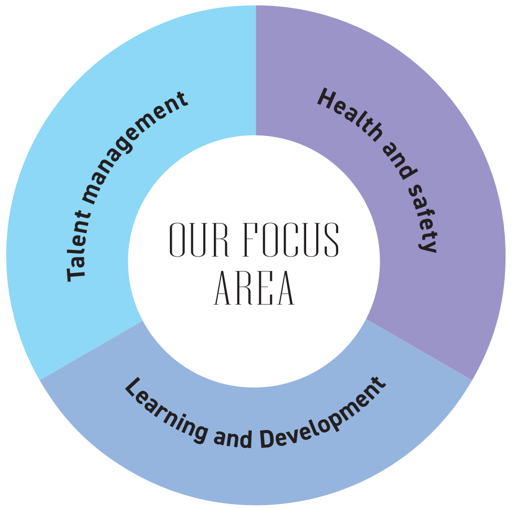
METRICS AND TARGETS

1. ABG has undertaken the target to achieve Net Zero by FY50. The roadmap is being created by Grasim businesses.
2. VSF business has pledged to achieve Net Zero Carbon emissions across all its operations by FY40.
3. CFI business has taken target for reduction of GHG emission of the main product by 30% by FY30.
4. Textile business has taken target to reduced carbon intensity by 35% by FY25.

HUMAN CAPITAL



Grasim has always believed in its people as the force driving our success. We have the best processes and practices for our employees, which enabled us to build a human capital with the strength of 23,591 employees. With policies that focus on nurturing talent and creating a safe working environment, we continue to hold the well-being of our employees above all else.



Our constant efforts to make a better place for our employees has helped us to establish a strong relationship. We ensure that our employees are being heard, accepted, treated, and compensated fairly. We also strategically introduce different training initiatives which help our employees in their overall development. We strive to provide our employees with a safe and healthy environment across our businesses.

PERMANENT EMPLOYEES

23,010	581
Male	Female

TALENT MANAGEMENT

At Grasim, talent management is a continual process that entails attracting and maintaining high-quality personnel, improving their abilities, and inspiring them to enhance their performance. The primary goal of this procedure is to build a motivated workforce that will stay with the organisation and, as a result, improve our business performance. It also helps ensure business continuity and manage succession planning and leadership pipeline.

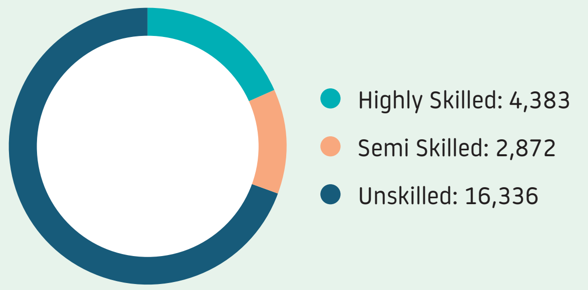
FULL STACK PROJECT

It is difficult for businesses such as VSF to identify prospective employees from across the Group or even from a general pool. As a result, we started the Full Stacking initiative last year to train multi-skilled technical leaders from within the Company. A full-stack employee will have exposure to and experience in all departments throughout the process in our organisation. The programme specifies the steps an individual must follow in each area and the timeframes required to become a full-stack employee. Its goal is to reduce the risk of the business being negatively impacted by the scarcity of competent technical people and technical leadership.

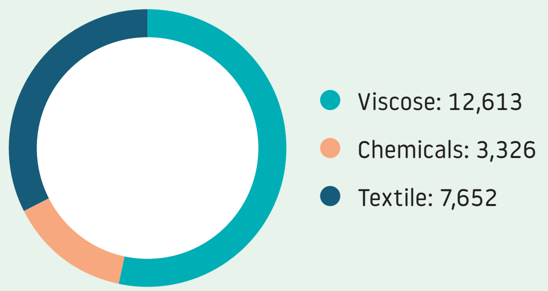
STRATEGIC WORKFORCE PLANNING

We engaged a people analytics tool designed by BCG to optimise our strategic workforce planning (SWP). This tool enables us to gauge the supply and demand of our workforce for the next three years. By analysing the current and future business scenarios, we organised existing roles into routine jobs and categorised them. Subsequently, we undertook demand and supply simulations with attrition projections and built an action plan to address the gaps and fulfil and manage future workforce requirements.

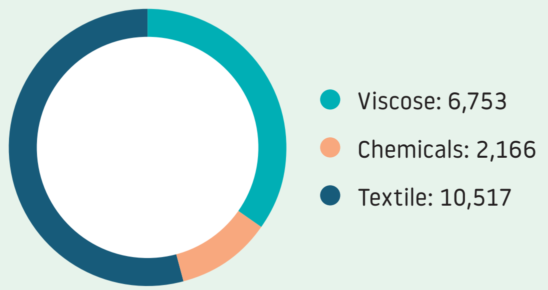
EMPLOYEE SKILL-WISE BREAKUP



EMPLOYEES TRAINED (HEALTH AND SAFETY)



EMPLOYEE TRAINED (SKILL UP GRADATION)



HEALTH AND SAFETY

We are committed to protecting human health and ensuring a safe working environment for all our employees and contractual workers. With a three-pronged approach involving felt leadership for safety, embracing world-class processes and practices, and the right governance structure for implementation, we have embedded a safety culture with a 'Zero Harm' objective throughout the organisation. A robust health and safety framework, including the management system, guides our culture. Through concerted efforts, most of our operational facilities are certified with OHSAS 18001 and other applicable international occupational health and safety management systems.

The Aditya Birla Group (ABG) recognises that sustained actions as industry leaders are necessary to prevent injuries and exposure to workplace hazards. ABG, its group companies and all employees are committed to achieving our goal of "Zero Harm" while regarding safety as a core personal and organisational value. ABG safety management system supports implementation of the ABG sustainable business framework and safety policy. Elements of ABG safety management system are – i) ABG Safety Goal ii) Safety Policy iii) Safety Principle & Life Saving Rules.

SAFETY MANAGEMENT

The ABG management system model is designed to achieve Zero Harm and is based on eight elements and 32 sub-elements that define basic requirements and expectations. The site has developed and maintained a documented management system to demonstrate alignment with the element of this model, its requirements, and expectations.

The eight elements are as under:

1. Leadership Commitment
2. Policy and Strategic Objectives
3. Organization, Resources & Competence
4. Risk Evaluation & Management
5. Planning, Standards & Procedures
6. Implementation, Monitoring & Reporting
7. Inspection and Assurance
8. Management Review

Safety goals and achievements

The safety department is constantly endeavouring to design safe processes and deploy consistent management processes and systems in pursuit of "ZERO HARM". Following safety performance of the unit is achieved by the stakeholders' hard work.

We have also developed a safety plan for greenfield and brownfield projects. A detailed plan is prepared and circulated to all contractors & project teams about the requirements. The plan is approved by the site project head and site safety head. The plan defines the safety requirements by looking at the hazards involved in the construction, erection and commissioning phase. In this plan, we have specific requirements such as a Contractor Safety Plan to be received from the contractor in which the contractor has to feed the safety requirements such as safety budget, rewards & recognition, and consequence management.

Rewards and Recognition

Apart from this, the department appreciates (Reward & Recognition) employees and workers for safe work and consequence management for unsafe work. The rewards and recognition are carried out on a weekly and monthly basis.

The list of awards and recognition that we offer our employees:

- Shabaash award
- Applaud spot award
- Applaud Quarterly award
- Pride award
- Alchemist award,
- Safety champion at the unit level

Commitment and compliance by the supply chain

Our two-way process measures the adequacy of the system and compliance with the supply chain management process:

1. Gate check (Say initial check) of all loading-unloading vehicles by the third-party
2. Safety check (Say the second check) of all vehicles by safety marshal before loading – unloading activity

The system adequacy is measured by observing the totality of vehicles & rejected against that. The compliance level of each vehicle is verified twice before the loading-unloading activity. Based on the compliance level, the vehicle can enter the premises. In case of a critical observation, irrespective of compliance level, then no such vehicle will be allowed to enter premises where a probability of emergency is involved.

SMILE

A project named "SMILE" was driven to enhance safety in transportation. We have deputed designated vehicles with GPS and particular drivers for certain hazardous chemicals. Drivers have received training and certification from a competent third-party agency. The driver is trained in such a manner that he can address any emergency during transportation.

All our businesses implement and maintain an appropriate risk assessment and management process as an integral part of their safety management system.

To assist the ABG site in institutionalising a consistent approach, this Technical Standard on Risk Assessment and Management has been established as per ABG Sustainability Standard:

- A systematic approach to managing risk at ABG sites
- A methodology which ensures the safety and environment hazards are identified, risks are assessed, and appropriate control measures are implemented and monitored
- Standard methodologies for conducting risk management and assessing compliance

Division	LTIFR*		
	Permanent	Contractual	Total
Textiles & Insulators	0.26	0.16	0.23
Chemicals	0.3	0.04	0.09
Viscose	0.28	0.31	0.29
Total LTIFR	**0.28**	**0.18**	**0.22**

*per million person hours

No. of fatalities	FY22	FY21
Permanent	0	2
Contractual	2	1
Total	**2**	**3**

LEARNING AND DEVELOPMENT

To keep up with the new technology and processes, it is important that our employees stay updated. We provide our employees opportunities to develop new skills and improve on existing skills. The learning and development strategy of our business has been transformed to maximise the use of digital learning platforms. We also deploy technology to enable accessible learning and communication methods.

KEY INITIATIVES

E-Karigar

Use Telegram for sharing technical and behavioural training programs by SMEs aimed at the workmen. It has been rolled out across the operations, covering a range of topics, such as POSH, HOTO, Hot Work, 10 tricks to improve spinning efficiency, Fibre Knowledge and others. On an average, two programs are launched monthly with regular reports on the online test scores and attendance.

Shikhar tak Safar

Day-long training program for workmen encompassing topics like business performance in the last two financial years, safety, sustainability initiatives, information security, teamwork, communication, and discipline.

Sikho aur Sikhao

Training of Trainers (from workmen) by SMEs in Management category every month on two technical and behavioural aspects and 45 days of intensive OJT training of trainees which enables them to operate the machines independently, which is at par with skilled workmen. Earlier the wait was 6 to 12 months before a machine could be operated by a trainee independently.

Blend and Grow

This programme aims to offer a smooth transition experience to the manager who would take charge of leading the new team. The programme is designed to support the manager as well as the team members to settle down. It focuses on the softer aspects of transition, especially around winning the support of the new team, building rapport with peers, and gaining support from supervisors.

Women Investing Skills and Experiences (WISE)

This programme aims to develop women employees at the junior level with a focus on building mindset, confidence to lead, and an opportunity to come together and gain a perspective that directly relates to their professional journey. The programme's second batch covered 32 women employees for this journey this year.

SOCIAL AND RELATIONSHIP CAPITAL

Our approach towards social commitment can be seen in our actions. We create an inclusive, transparent, and culturally appropriate environment which promotes goodwill in the society and improves the lives of the communities around our impact zones.

Our social outreach footprint, is spread across nine states in India. In FY22, we were able to impact the lives of over 16.9 lakh people through our interventions with, a total spending of ₹42.47 Crore.

OUR KEY FOCUS AREAS

EDUCATION

56,680
Beneficiary

Major Programmes / Schemes

- Sarva Shiksha Abhiyan

HEALTH CARE

4,99,198
Beneficiary

Major Programmes / Schemes

- Ayushman Bharat
- PMJJBY
- PMSBY
- RCH
- Swachh Bharat Abhiyan

COVID-19

9,77,114
Beneficiary

SUSTAINABLE LIVELIHOODS

82,435
Beneficiary

Major Programmes / Schemes

- MGNREGA
- Agriculture Technology

INFRASTRUCTURE DEVELOPMENT

50,341
Beneficiary

Major Programmes / Schemes

- E-Panchayat
- Khet Sadak Yojana

SOCIAL DEVELOPMENT

23,915
Beneficiary

Major Programmes / Schemes

- Atma Nirbhar Bharat
- Pensions/Subsidies

TOTAL

16,89,683
Beneficiary

₹42.47 Crore
Spent

Note: 1. PMJJBY - Pradhan Mantri Jeevan Jyoti Bima Yojana

2. PMSBY – Pradhan Mantri Suraksha Bima Yojana

3. RCH - Reproductive and Child Health

4. MGNREGA - Mahatma Gandhi National. Rural Employment Guarantee Act 2005

EDUCATION

At Grasim, we operate six company schools with a total strength of 4,886 students. We initiated digital literacy programmes which delighted 4,370 students from the villages Nagda, Kharach, Vilayat, Renukoot, Veraval, Kalyan.

CASE STUDY

PROJECT – SHISHYA

OBJECTIVE

Providing online English and Science lessons to students from Government Schools

SCHOOLS IMPLEMENTING THE PROJECT

Rishra Hindi Vidyapeeth, Rishra Government Girls School, Shimla Government Primary and High School and Satghara Primary and High School and Subhash Nagar Primary School

PROJECT PARTNERS

Krishworks Technology & Research Labs Pvt Ltd. (an IIM Kolkata incubated start-up)

TOTAL NUMBER OF STUDENTS ENROLLED

716 from 7 Government Schools of Rishra

We have aligned two full time teachers and two project co-ordinators for carrying our initiative wherein we have started teaching English and Science to students. We provided students with SLATO app and QR code enabled textbooks for easy access of educational content. There we regularly conduct virtual English teaching classes. To increase the communication between the students and school teachers we created WhatsApp groups and a Facebook page wherein the teachers share new class videos and also shares homework and resolve queries. The teachers and co-ordinators keep the student's parents and their local teacher updated with the progress the student has made and share how the student should be encouraged to continue the studies and made progress.

IMPACT ASSESSMENT STUDY: SCHOOL EDUCATION PROJECT

We conducted impact assessment study near our Nagda location where we provided schools educational services which are run by Grasim Jan Seva Trust, we also extended our support to Anganwadis and Primary schools in nearby villages with a total investment of ₹ 4,42,98,000 in FY19 and FY20. Our support benefitted around 4,000 students wherein 77% of beneficiaries of Anganwadi and primary schools are from farmer families with low to moderate financial background.

We also found out that 61% of parents felt that education of their children has supported their families in handling financial and other day to day chores. This has led to parents encouraging their children to continue their education. The intervention has resulted in improved attendance and increased participation from students.

We helped with adopting Digital Literacy classes that started in rural higher secondary school benefiting 350 children by raising awareness and advancing knowledge in course curriculum e-literacy program. The teachers have confirmed that the support given by school to financially poor students is helping in reducing students' dropout rate due to financial reason. Even though it is an industrial town, the drop-out rate is less than 10%.

Qudsiya Qureshi, 18 years old student of 12th Standard of Aditya Birla Higher Secondary School, Nagda represented Madhya Pradesh Team in weightlifting in the 81kg weight category during March 2022 Orissa (Bhuvneshwar). She also won the gold medal in Madhya Pradesh State Weightlifting Competition held on 23rd and 24th November 2021. She was guided by Mr. Devendra Singh Shaktawat, the sports teacher at Aditya Birla Higher Secondary School during the entire course of her competition. Due to her achievements, many other school students and her friends are motivated to participate in sports activities offered at the school.

OTHER ACTIVITIES

Nearly 4,925 children are enrolled at 142 Anganwadis that we support. Under the Integrated Child Development Scheme (ICDS), 185 malnourished children were nurtured by us on the road to health.

We partnered with Galaxy welfare trust to work for the 'Gyanarajan' project, which provides free of cost special coaching for Grade X-XII students to enable them to appear for JEE and NEET competitive exams. The initiative was welcomed by students overwhelmingly.

At Nagda, Rishra, Rehla, Vilayat, and Kharach, 1,301 students have been granted a scholarship.

We have also improved the infrastructure of four school buildings at Nagda, Vilayat and Ganjam areas and built sanitation and drinking water facilities at several schools.

KEY HIGHLIGHTS

6,416
Girls supported through study material

1,301
Student received educational scholarships

4,313
Students supported through Digital Literacy

6,777
Students supported for sports

2,177
Children supported in 10 government girls' school

108
Special coaching for competitive examinations

767
Students coaching for English proficiency

HEALTHCARE

At our various locations, we operate 5 hospitals with a combined capacity of 330 beds. In FY22, 1,69,447 patients underwent various treatments at our medical facilities.

KEY HIGHLIGHTS

Immunisation and Personal Health

1,05,712
Children immunised against various diseases

30,096
People reached through health and hygiene awareness

16,817
Women were reached out by our 47 Family Welfare Centres for antenatal, post-natal care, mass immunisation, nutrition, and escort services for institutional delivery

842
People reached through HIV awareness and testing

Health and Hygiene Infrastructure development

825
Individual toilets constructed

350
Washrooms constructed in Goverment Schools

26
Reverse Osmosis (RO) plants provide safe drinking water

3,385
OPD at Family Welfare Centre

Patients Screening and Testing

5,987
Patients treated under homeopathy camps

3,796
Patients screened under 22 multi-specialty camps conducted

32,788
Patients screened under 443 Mobile Medical Camps

1,660
Patients supported for Cataract surgery at 204 centres

2,428
Patient screened at 15 General Medical Camp

635
Units of blood donated at 7 Camps

235
Patients treated at 3 Dental Camps

20,025
Helped people with Malaria control

449
Patients screened for Thalassemia

221
Conducted Haemoglobin testing for patients

SUSTAINABLE LIVELIHOODS

We work closely with farmers, including those involved in animal husbandry, to counsel them on best practices and improve their overall income. We also conduct regular training programmes in villages for vocational training and skill development.

KEY HIGHLIGHTS

24,457
Cattles vaccinated

79
Drinking water tanks constructed for animals

5,900
Vermi Compost Fertilizers bags of 50 kg distributed among farmers

4,355
Beneficiaries of Cattle breed improvement projects across 72 villages

45,608
Saplings planted

478
Vermi Compost units created

75
Horticulture plots developed

4,993
Trained farmers through 158 programs conducted

300
Students trained under the Kaushalya project across 2 centre

390
Farmers supported with Zero Budget Farming initiative

48
Benefitted from provision of solar cookers

248
Kitchen garden created for farmers

IMPACT ASSESSMENT STUDY - SERAMPU UTTARPARA AGRO PCL

The 'SSSS' promoted Serampur Uttarpara Agro PCL under the Aditya Jan Seva Trust-funded project and has spread its operations across 49 Farmer Interest Groups in 10 villages and 4 Panchayats. The Company registered in December 2020 and now has 1,000 members. As the operations are still nascent, the Company's share capital has gone up and now ranges from ₹ 300 to ₹ 1000 per member. The Company being a Farmer Producer Company (FPC), its governance aspect is more evolved than others. It has 10 Directors, and the management team is led by the CEO and three staff members of '4S'.

Business Services Provided

- Animal Feed Marketing for Cattle and Fish
- Bio-Agri input marketing
- Procurement and marketing of Agri-commodities

Financial Capabilities

- Share Capital: ₹ 5.08 lakh with 924 members
- Revenue of ₹ 7.37 lakh and ₹ 0.27 as profit
- Books of record well maintained except for cash/bank book

Key roles

- **Continued Handholding Support** – The promoting institutions, i.e., 4S and ABJST, have continued the support, which is critical given the FPC is in a nascent stage
- **Convergence support** – Various activities, including training & CB of the trust through the FPC, are helping it to build member centrality and recall effectively
- **Huge opportunity for the FPC** – There is a huge opportunity for the FPC to intervene, especially in animal feed, potato seed and other agri-input business.

CASE STUDY

PROJECT SANSKRUTI

OBJECTIVE

To create livelihood opportunities for women through Vermi compost beds.

BENEFICIARIES

30 women of Galabpura village in Sathrota Panchayat of Halol.

We developed a module where we provided training support for making a Vermi compost beds and guided on the operational aspects of packaging of ready materials and market linkages. We worked with the local panchayat to set up 30 Vermi Compost beds using HDPE Bags.

RESULTS

A production of 6,000-7,000 kgs of compost per unit in 6 cycles worth around ₹ 18,000 - ₹ 21,000 per annum to each member was achieved. The project also promoted organic farming in the nearby villages that also led to increase in demand for the Vermi compost. We are looking forward to expanding this project to other villages to create more women Agri entrepreneurs.

PROJECT KAUSHALYA

OBJECTIVE

To provide vocational skills training to local unemployed youth in trades like retail sales and beauty/hair care among others.

We have partnered up LabourNet Services India Pvt. Ltd. with a target of training 150 students in Retail Sales, Beauty, and Hair Care Trade. Under this project around 53 students enrolled and are undergoing training. With an aim to improve on the employment aspect of the unemployed youth we'll work towards increasing the reach of this program in coming future.

INFRASTRUCTURE DEVELOPMENT

We engage with the communities to create socially relevant spaces such as schools, community centres, Anganwadis and others for the benefit of communities in and around our operational areas. Our infrastructure projects consist of connectivity projects, road repairs, community halls and assets, rest places, installation of solar lights, cement benches, construction of water tanks and installation of piped water supply. Through our initiatives, we have made a difference in the lives of 45,936 people.

KEY HIGHLIGHTS

4
Schools in villages upgraded

5
Internal village roads constructed giving enhanced access to ~7970 people

131
Anganwadi centres created across 33 villages benefitting 11,550 children

12,750
Community assets such as Panchayat building, community halls and dais constructed

80
Cement benches constructed across various villages

400
Streetlights installed

17
Rainwater, Roof Water Harvesting Soak Pit constructed

3
Villages benefited from pond deepening and construction

5
Villages benefitted from renovation of Check Dams

SOCIAL DEVELOPMENT

We believe that real social progress is closely tied with meaningful women empowerment. There are several interventions we have taken to support and enable women, such as Self-Help Groups (SHGs), and vocational training. Our aim is to provide women with a transformative journey which empowers them and improves their livelihood.

KEY HIGHLIGHTS

642
Women received skill training

353
Self-help groups with 3,757 members

₹3,000 - ₹5,500
Average monthly income generated

50
Sewing machines provided

LEADERSHIP TEAM

KEY MANAGERIAL TEAM

Mr. H. K. Agarwal
Managing Director
Business Director - Pulp & Fibre

Mr. Ashish Adukia
Chief Financial Officer
(till 14th August 2022)

Mr. Pavan K. Jain
Chief Financial Officer
(w.e.f. 15th August 2022)

Mr. Sailesh Daga
Company Secretary

PULP & FIBRE BUSINESS

Mr. Kalyan Ram Madabhushi
Business Head and Chief Operating Officer

TEXTILE BUSINESS

Mr. Thomas Varghese
Business Head

Mr. Satyaki Ghosh
Chief Executive Officer

PAINTS BUSINESS

Mr. Rakshit Hargave
Chief Executive Officer

CHEMICALS, FASHION YARN AND INSULATORS BUSINESSES

Mr. Jayant V Dhobley
Business Head & Chief Executive Officer

Mr. Ajit Rajagopalan
Chief Executive Officer- Insulators

Mr. Jayant Dua
Chief Executive Officer-Chlor Alkali

Mr. Pradip Kumar Dubey
Senior President and SBU Head -
Advanced Material

Mr. O. R. Chitlange
Chief Executive Officer- Fashion Yarn

SUBSIDIARIES

Mr. K. C. Jhanwar
Managing Director -
UltraTech Cement Limited

Ms. Vishakha Mulye
Chief Executive Officer -
Aditya Birla Capital Limited

Mr. Rajesh Shrivastava
Chief Executive Officer-
Solar Power Business

LEADERSHIP TEAM

PULP & FIBRE BUSINESS

Dr. Aspi Patel
Chief Technology Officer

Mr. Anil Rustogi
Chief Financial Officer

Ms. Anupama Mohan
Chief Human Resources Officer

CHEMICALS, FASHION YARN AND INSULATORS BUSINESSES

Mr. Manoj Kedia
Chief Financial Officer

Ms. Chandra Bhattacharjee
Chief Human Resources Officer

TEXTILE BUSINESS

Mr. Ashok Machher
Chief Financial Officer

Mr. K. H. Venkatachalam
Chief Human Resources Officer

PAINTS BUSINESS

Mr. Ajith Kumar
Chief Operating Officer

Mr. Shantilal Dugar
Chief Financial Officer

CORPORATE

Mr. Hemant K. Kadel
Senior President

Mr. Saugata Chakravarty
Chief Legal Officer

Mr. Surya Valluri
Chief Sustainability Officer

Mr. Vikram Sondhi
Joint President

CORPORATE INFORMATION

STATUTORY AUDITORS

M/s. S R B C & CO LLP, Mumbai
M/s. BSR & Co. LLP, Mumbai

REGISTRAR & TRANSFER AGENT

KFin Technologies Limited

GRI INDEX

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS CORE OPTION.

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	102-36	Process for determining remuneration	Grasim Industries Integrated Annual Report FY22
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INDEPENDENT ASSURANCE STATEMENT

Ernst & Young Associates LLP
5th Floor, Block B-2 Nirlon Knowledge Park
Off. Western Express Highway Goregaon (E),
Mumbai – 400063, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 3000
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THE MANAGEMENT AND BOARD OF DIRECTORS

Grasim Industries Limited,
Mumbai, India

SCOPE

We have been engaged by Grasim Industries Limited to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements (ISAE 3000), hereafter referred to as the engagement, for Grasim Industries Limited's Sustainability data in Integrated Report FY 22 (the "Subject Matter") for the period from 01st April 2021 to 31st March 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

CRITERIA APPLIED BY GRASIM INDUSTRIES LIMITED

In preparing the Integrated Report FY 22, Grasim Industries Limited applied, The International Integrated Reporting Council (IIRC framework), and Global Reporting Initiative (GRI) Standards, in accordance with Core (Criteria). GRI Standards - Core Criteria were specifically designed for Integrated Report FY 22; As a result, the subject matter information may not be suitable for another purpose.

GRASIM INDUSTRIES LIMITED'S RESPONSIBILITIES

Grasim Industries Limited management is responsible for selecting the Criteria, and for presenting the integrated report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Grasim Industries Limited on 9th December 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY CONTROL

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the integrated report and related information and applying analytical and other appropriate procedures

Our procedures included:

- Conducted interviews with select personnel at sites and corporate teams to understand the process for collecting, collating and reporting the subject matter as per Global Reporting Initiative (GRI) Standards;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data
- Site verification of data, on a selective test basis, for the following sites, through consultations with the site team and sustainability team;
  - Chlor Alkali — Nagda, Vilayat
  - Epoxy— Vilayat
  - Viscose Stable Fibre — Nagda, Vilayat
  - Viscose Filament Yarn — Kalyan
  - Textiles — Jaya Shree Textiles
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting;
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues
- Review of selected qualitative statements in various sections of the integrated report

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

EMPHASIS OF MATTER

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Integrated Annual Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Integrated Report FY 22 for the period from 01st April 2021 to 31st March 2022, in order for it to be in accordance with the Criteria.

For and on behalf of Ernst & Young Associates LLP

Shailesh Tyagi
25th July 2022 Mumbai, India

Building a better working world

SUSTAINABILITY DATA FOR FY 22 AS PER GRI CORE OPTION

Sustainability Indicators	Unit	Business of Grasim Industries Limited			
		Textiles and Insulator	Chemicals	Viscose	Total
Water and Effluents					
Surface water	Million Cubic Metre	0.1	5.65	30.52	36.28
Ground water	Million Cubic Metre	1.76	0.42	-	2.18
Water from Municipality / Water utility	Million Cubic Metre	0.28	2.6	7.99	10.87
Total water withdrawn	Million Cubic Metre	2.14	8.68	38.51	49.33
Total water discharge	Million Cubic Metre	0.47	1.24	27.05	28.75
Total water consumption	Million Cubic Metre	2.86	8.38	25.63	36.87
Water recycled	Million Cubic Metre	1.2	0.94	14.16	16.3
Waste					
Hazardous Waste Diverted from Disposal					
Recycled and reused	MT	24.34	33,442.00	16,254.19	49,720.53
Other recovery options	MT	4.01	0.21	16,793.11	16,797.33
Non-Hazardous Waste Diverted from Disposal					
Recycled and reused	MT	8,318.87	3,63,982.57	3,97,892.22	7,70,193.66
Other recovery options	MT	1.16	6,716.79	79,733.15	86,451.10
Hazardous Waste Directed to Disposal					
Incineration	MT	1.43	514.9	353.74	870.06
Landfilling	MT	683.05	48,537.23	17,256.82	66,477.10
Non-Hazardous Waste Directed to Disposal					
Incineration	MT	-	0.44	-	0.44
Landfilling	MT	9,969.70	24,446.84	3,001.36	37,417.90
Total Waste disposal	Million MT	0.02	0.48	0.53	1.03
Hazardous waste	Million MT	0	0.08	0.05	0.13
Non-Hazardous waste	Million MT	0.02	0.4	0.48	0.89
Energy and Emission					
Non-Renewable Energy Consumption	Million GJ	1.21	26.51	28.9	56.62
Renewable Energy Consumption	Million GJ	0.14	0.74	2.43	3.3
Total Energy Consumption	Million GJ	1.35	27.25	31.33	59.93
Scope 1 Emissions (direct emissions)	Million MT CO2 eq	0.06	1.96	2.55	4.57
Scope 2 Emissions (indirect emissions)	Million MT CO2 eq	0.1	1.1	0.19	1.39
Total scope 1 and 2 emissions	Million MT CO2 eq	0.16	3.07	2.74	5.96
SOX	MT	176.24	2,695.66	3,460.11	6,332.01
NOX	MT	130.51	1,426.74	456.24	2,013.49
SPM	MT	44.49	669.05	598.18	1,311.72

Building a better working world

Sustainability Indicators	Unit	Business of Grasim Industries Limited			
		Textiles and Insulator	Chemicals	Viscose	Total
Social					
LTIFR – Permanent employees	Per million hours worked	0.26	0.3	0.28	0.28
LTIFR – Contractual employees	Per million hours worked	0.16	0.04	0.31	0.18
LTIFR – Total employees	Per million hours worked	0.23	0.09	0.29	0.22
Total number of employees					
Permanent (M)	Number	7,494	3,143	12,373	23,010
Permanent (F)	Number	158	183	240	581
Total Permanent employees	Number	7,652	3,326	12,613	23,591
Permanent Trainees (M)	Number	375	42	151	568
Permanent Trainees (F)	Number	16	17	63	96
Total Trainee employees	Number	391	59	214	664
Total employees (Permanent+Trainee)	Number	8,043	3,385	12,827	24,255

FINANCIAL HIGHLIGHTS - CONSOLIDATED

Financial Year ----->	Unit	2021-22	2020-21	2019-20	2018-19	2017-18
Production						
Cement (Inlcudes White Cement, Putty, Others)	Million Tonnes	91.83	84.01	81.33	82.65	62.08
Viscose Staple Fibre	Lakh Tonnes	8.24	4.52	5.67	5.41	4.99
Caustic Soda	Lakh Tonnes	10.49	8.94	9.98	9.95	8.86
Turnover *						
Cement (Inlcudes White Cement, Putty, Others)	Million Tonnes	93.99	86.40	83.11	86.45	64.60
Viscose Staple Fibre	Lakh Tonnes	6.02	4.63	5.54	5.41	5.08
Caustic Soda	Lakh Tonnes	10.44	9.00	9.91	10.03	8.79

* (Including Captive Consumption)

₹ Crore

Profit & Loss Account	2021-22		2020-21	2019-20	2018-19	2017-18
	(USD million[1])	₹ Crore				
Revenue from Operations (Net)						
Cement	7,061	52,599	44,726	42,430	41,609	30,979
Financial Services	2,966	22,094	19,190	16,605	15,032	9,083
Viscose	1,639	12,210	6,965	9,235	10,325	8,374
Chemicals	1,059	7,888	4,581	5,502	6,437	5,004
Others	312	2,321	1,454	2,287	4,831	3,372
Inter-segment Elimination	(189)	(1,411)	(511)	(919)	(1,034)	(918)
Total Revenue from Operations	**12,847**	**95,701**	**76,404**	**75,141**	**77,200**	**55,894**
EBITDA						
Cement	1,614	12,022	12,302	9,898	7,810	6,734
Financial Services	278	2,069	1,472	1,198	1,060	756
Viscose	231	1,721	1,187	1,339	2,052	1,680
Chemicals	206	1,534	590	1,008	1,827	1,300
Others/ Unallocated/Inter-segment Elimination	57	427	215	172	654	413
Total EBITDA	**2,386**	**17,772**	**15,766**	**13,615**	**13,404**	**10,883**
Interest	174	1,296	1,809	2,276	2,010	1,364
Gross Profit (PBDT)	**2,212**	**16,477**	**13,957**	**11,340**	**11,394**	**9,519**
Depreciation	559	4,161	4,033	4,004	3,571	2,724
Profit before Tax and Exceptional Items	**1,653**	**12,316**	**9,924**	**7,335**	**7,823**	**6,795**
Exceptional Items (EI)	(9)	(69)	(342)	(1,406)	(2,688)	(433)
Profit before Tax	**1,644**	**12,247**	**9,582**	**5,929**	**5,134**	**6,362**
Total Tax Expenses	260	1,936	3,022	(84)	2,419	1,947
Net Profit from continuing operations	**1,384**	**10,310**	**6,560**	**6,014**	**2,716**	**4,415**
Profit from discontinued operations (Net of tax)	69	516	237	63	-	-
Net Profit before Minority Interest	**1,453**	**10,826**	**6,797**	**6,076**	**2,716**	**4,415**
Less: Minority Interest	491	3,657	2,682	2,227	1,052	1,008
Add: Share in Profit/(Loss) of Equity Accounted Investees	51	380	189	562	29	(727)
Net Profit	**1,013**	**7,550**	**4,305**	**4,412**	**1,693**	**2,679**
Other Comprehensive Income (Owners of the Company)	441	3,282	4,781	(5,067)	(2,823)	(166)
Total Comprehensive Income (Owners of the Company)	**1,454**	**10,832**	**9,085**	**(655)**	**(1,130)**	**2,513**

Note [1] – 1 USD = ₹ 74.4956

Balance Sheet	2021-22		2020-21	2019-20	2018-19	2017-18
	(USD million[2])	₹ Crore				
Net Fixed Assets (incl. CWIP and Capital Advances)	10,308	78,123	73,033	73,645	70,638	57,615
Long-Term Loans, Advances & Non-current Assets	552	4,185	3,018	4,129	3,287	1,730
Loans and Advances of Financing Activities	8,735	66,199	59,862	58,504	61,972	50,649
Investments (Non-current and Current)	4,398	33,329	32,928	23,261	21,065	28,268
Investments of Insurance business	4,393	33,292	27,135	20,263	16,532	13,020
Goodwill	2,647	20,059	20,014	20,047	21,346	16,192
Deferred Tax Assets	32	246	205	138	47	21
Assets held to cover Linked Liabilities	3,979	30,160	27,969	22,829	25,166	24,709
Current Assets	3,141	23,803	23,391	21,504	21,120	15,718
	38,184	**289,395**	**267,554**	**244,319**	**241,174**	**207,922**
Equity Share Capital	17	132	132	132	132	131
Reserves and Surplus	9,971	75,567	65,362	56,501	57,888	57,230
Net Worth	**9,988**	**75,698**	**65,494**	**56,632**	**58,020**	**57,362**
Non-controlling Interest	5,341	40,476	37,068	34,305	30,503	26,337
Deferred Tax Liabilities	1,125	8,527	8,457	6,979	8,843	5,618
Long-Term Liabilities & Provisions	337	2,557	2,549	2,130	688	494
Policy Holders Liability	8,032	60,873	52,476	41,265	40,150	36,373
Total Loan Funds [3]	2,075	15,727	25,879	29,031	29,178	26,918
Borrowings related to Financial Services	7,557	57,276	51,530	54,182	55,310	40,151
Current Liabilities [3]	3,729	28,259	24,102	19,795	18,484	14,669
	38,184	**289,395**	**267,554**	**244,319**	**241,174**	**207,922**

Note [2] – 1 USD = ₹ 75.7887

Note [3] - Short-Term Borrowing and Supplier's credit have been included in Total Loan Funds excluding the same from Current Liabilities.

Ratios & Statistics	Unit	2021-22	2020-21	2019-20	2018-19	2017-18
EBITDA Margin (EBITDA / Total Income)	(%)	18.4	20.4	17.9	17.2	19.2
Net Margin (before exceptional)	(%)	11.1	9.2	10.5	7.0	7.1
Interest Cover* (EBITDA – Current Tax/Total Interest)	(x)	11.4	7.5	5.3	5.5	6.7
ROACE (EBIT/Avg.CE) (Excl. CWIP)	(%)	10.5	9.4	7.9	8.4	10.0
RONW (PAT before EI/ EO/ Avg. NW)	(%)	10.8	7.6	10.1	7.6	6.8
Total Debt Equity Ratio*	(x)	0.14	0.25	0.32	0.33	0.32
Net Debt to Equity Ratio	(x)	0.04	0.08	0.23	0.25	0.16
Net Debt to EBITDA Ratio	(x)	0.24	0.55	1.53	1.65	1.25
Basic Earnings per Share (before EI/EO)	₹ / Share	116	71	88	62	46
Book Value per Share@	₹ / Share	1,150	995	861	879	873
Market Capitalisation	₹ in Crore	**109,540**	**95,493**	**31,330**	**56,419**	**69,086**

@ Previous year numbers are adjusted for split of shares

* Excluding ABCL funds

FINANCIAL HIGHLIGHTS - STANDALONE

₹ Crore

Financial Year ----->	2021-22		2020-21	2019-20	2018-19	2017-18
Profit & Loss Account	(USD million[1])	₹ Crore				
Revenue from Operations (Net)	2,800	20,857	12,386	16,082	20,550	15,786
EBITDA	552	4,111	2,078	2,661	4,639	3,542
Interest	33	247	236	238	199	128
Gross Profit (PBDT)	519	3,864	1,842	2,423	4,440	3,414
Depreciation	123	914	828	814	760	628
Profit before Tax and Exceptional Items	396	2,950	1,014	1,610	3,680	2,786
Exceptional Items (EI)	(9)	(69)	(81)	(318)	(2,368)	(273)
Profit before Tax	387	2,881	933	1,292	1,312	2,513
Total Tax Expense	25	186	122	66	797	744
Net Profit from continuing operations	362	2,695	810	1,225	515	1,769
Profit from discontinued operation	48	356	95	63	-	-
Net Profit	410	3,051	905	1,288	515	1,769
Other Comprehensive Income	432	3,219	4,589	(5,070)	(2,798)	(222)
Total Comprehensive Income	842	6,270	5,494	(3,782)	(2,283)	1,547
Equity Dividend (including CDT)	88	658	592	263	516	455

Cash Profit Calculation	2021-22		2020-21	2019-20	2018-19	2017-18
	(USD million[1])	₹ Crore				
Profit Before Tax and exceptional items	396	2,950	1,014	1,610	3,680	2,786
Add: Depreciation	123	914	828	814	760	628
Less: Current Tax	58	435	127	235	977	767
Cash Profit	460	3,430	1,715	2,188	3,463	2,647

Balance Sheet	2021-22		2020-21	2019-20	2018-19	2017-18
	(USD million[2])	₹ Crore				
Net Fixed Assets (incl. CWIP and Capital Advance)	2,205	16,714	15,093	15,199	13,044	11,712
Long-Term Loans, Advances & Non-current Assets	62	470	338	296	215	282
Investments (Non-current & Current)	5,105	38,691	33,640	27,542	31,128	35,547
Goodwill	0.37	3	3	3	-	-
Current Assets	892	6,759	5,626	6,539	7,407	6,177
	8,265	62,636	54,700	49,579	51,794	53,718
Share Capital	17	132	132	132	132	131
Reserves and Surplus	6,397	48,484	42,816	37,560	41,828	44,658
Net Worth	6,415	48,616	42,948	37,692	41,960	44,790
Deferred Tax Liability (Net)	243	1,841	1,734	1,405	1,879	1,835
Long-Term Liabilities & Provisions	24	185	205	199	97	76
Total Loan Funds [3]	568	4,304	4,163	5,087	3,311	2,969
Current Liabilities [3]	1,015	7,690	5,650	5,196	4,548	4,048
	8,265	62,636	54,700	49,579	51,794	53,718

Ratios & Statistics	Unit	2021-22	2020-21	2019-20	2018-19	2017-18
EBITDA Margin	(%)	15.7	13.1	13.8	20.2	19.9
Net Margin (before exceptional Item)	(%)	12.9	6.5	7.6	2.5	11.2
Interest Cover	(x)	12.2	5.9	7.6	5.8	19.1
Total Debt to Equity Ratio	(x)	0.1	0.1	0.1	0.1	0.1
Net Debt to Equity Ratio[4]	(x)	(0.01)	0.02	0.08	(0.01)	(0.01)
Net Debt to EBITDA Ratio	(x)	(0.1)	0.4	1.1	(0.1)	(0.1)
Dividend per Share[5]	₹ / Share	10.0	9.0	4.0	7.0	6.2
'Basic Earnings per Share (before EI/EO)[5]	₹ / Share	47.4	15.0	24.4	39.1	30.1
Book Value per Share[5]	₹ / Share	738	653	573	638	681
No. of Equity Shareholders	No.	262,650	222,181	233,934	232,610	230,926
No. of Employees	No.	23,591	23,561	24,123	24,390	24,286

Note [1] – 1 USD = ₹74.4956

Note [2] – 1 USD = ₹75.7887

Note [3] – Short-Term Borrowing and Supplier's credit have been included in Total Loan Funds excluding the same from Current Liabilities.

Note [4] – From FY17 to FY19 and FY22, liquid Investments are higher than total debts.

Note [5] – Adjusted for share split.

SDG INDEX

SDG		Page No.
1 No Poverty	**End poverty in all its forms everywhere**	85, 91, 239
2 Zero Hunger	**End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**	89-90, 239
3 Good Health and Well-being	**Ensure healthy lives and promote well-being for all at all ages**	81-82, 88, 239
4 Quality Education	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	83, 86-87, 89-91, 239
5 Gender Equality	**Achieve gender equality and empower all women and girls**	79, 87, 89-91, 239-240
6 Clean Water and Sanitation	**Ensure availability and sustainable management of water and sanitation for all**	66, 70-71, 88, 91, 238-239
7 Affordable and Clean Energy	**Ensure access to affordable, reliable, sustainable and modern energy for all**	91
8 Decent Work and Economic Growth	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	48-57, 78-91
9 Industry, Innovation and Infrastructure	**Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation**	48-83, 240
10 Reduced Inequalities	**Reduce income inequality within and among countries**	33
11 Sustainable Cities and Communities	**Make cities and human settlements inclusive, safe, resilient, and sustainable**	89
12 Responsible Consumption and Production	**Ensure sustainable consumption and production patterns**	54-63, 70-71
13 Climate Action	**Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy**	54-57, 64-77
14 Life Below Water	**Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	66, 70-71
15 Life on Land	**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**	55-56, 62-63
16 Peace, Justice and Strong Institutions	**Promote just, peaceful and inclusive societies**	84-91
17 Partnerships for the Goals	**Revitalize the global partnership for sustainable development**	26, 80-81, 86-87

Board's Report

Dear Members,

Your Directors are pleased to present the 75th Annual Report in the form of Third Integrated Report of your Company along with the Audited Financial Statements for the year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March 2022 is summarised below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Continuing Operations				
Revenue from Operations	95,701.13	76,404.29	20,856.84	12,386.36
Other Income	821.34	1,045.48	895.31	513.68
Total Revenue	**96,522.47**	**77,449.77**	**21,752.15**	**12,900.04**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**17,772.41**	**15,766.22**	**4,111.47**	**2,078.00**
Less: Finance Costs	1,295.70	1,808.88	247.24	235.95
Less: Depreciation and Amortisation Expenses	4,161.07	4,033.40	913.96	828.17
Profit Before Share in Profit of Equity Accounted Investees, Exceptional Items and Tax	**12,315.64**	**9,923.94**	**2,950.27**	**1,013.88**
Share in Profit of Equity Accounted Investees	380.33	189.22	-	-
Exceptional Items	(69.11)	(341.73)	(69.11)	(80.99)
Profit Before Tax (PBT) from Continuing Operations	**12,626.86**	**9,771.43**	**2,881.16**	**932.89**
Tax Expenses from continuing operations	1,936.31	3,022.19	185.71	122.44
Profit for the Period from Continuing Operations Attributable to:	**10,690.55**	**6,749.24**	**2,695.45**	**810.45**
Shareholders of the Company	7,102.37	4,128.41	2,695.45	810.45
Non-Controlling Interest	3,588.18	2,620.83	-	-
Discontinued Operations				
Profit Before Tax (PBT) from Discontinued Operations	352.52	162.79	155.98	145.44
Exceptional Items	670.71	166.50	510.79	-
Tax Expenses from Discontinued Operations	(440.07)	(66.10)	(310.95)	(50.89)
Provision of Impairment of Assets Classified as Held for Sale	(67.42)	(25.73)	-	-
Profit for the Period from Discontinued Operations Attributable to:	**515.74**	**237.46**	**355.82**	**94.55**
Shareholders of the Company	447.41	176.41	355.82	94.55
Non-Controlling Interest	68.33	61.05	-	-
Other Comprehensive Income for the Year Attributable to:	**3,280.80**	**4,840.92**	**3,219.07**	**4,588.91**
Shareholders of the Company	3,281.85	4,780.54	3,219.07	4,588.91
Non-Controlling Interest	(1.05)	60.38	-	-
Total Comprehensive Income for the Year Attributable to:	**14,487.09**	**11,827.62**	**6,270.34**	**5,493.91**
Shareholders of the Company	10,831.63	9,085.36	6,270.34	5,493.91
Non-Controlling Interest	3,655.46	2,742.26	-	-
Profit for the Period Attributable to Shareholders of the Company	**7,549.78**	**4,304.82**	**3,051.27**	**905.00**
Opening Balance in Retained Earnings	**6,021.21**	**4,605.56**	**5,529.53**	**4,838.60**
- Gain/(Loss) on Re-measurement of Defined Benefit Plans	23.18	81.96	24.71	48.58
- Gain on Sale of Non-Current Investments transferred to Retained Earnings from equity instruments through OCI	(1.37)	-	-	-
- Stake Dilution in Subsidiary Companies	(14.82)	(7.97)	-	-

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Amount Available for Appropriation	**13,577.98**	**8,984.37**	**8,605.51**	**5,792.18**
Add/Less: Transfer (to)/from Debenture Redemption Reserve	110.60	(11.50)	-	-
Less: Transfer to General Reserve	(2,752.48)	(2,581.87)	-	-
Less: Transfer to Special Reserve Fund	(190.75)	(107.14)	-	-
Less: Dividend Paid on Equity Shares	(592.26)	(262.65)	(592.26)	(262.65)
Other movements during the year	6.63	-	-	-
Closing Balance in Retained Earnings	**10,159.72**	**6,021.21**	**8,013.25**	**5,529.53**

DIVIDEND

Based on your Company's performance, your Directors have recommended dividend of ₹ 5/- per equity share and a special dividend of ₹ 5/- per equity share, taking total dividend to ₹ 10/- per equity share of face value of ₹ 2/- each for the year ended 31st March 2022.

The dividend, if approved by the members, would involve a cash outflow of ₹ 658 Crore.

In terms of the provisions of the Finance Act, 2020, dividend shall be taxed in the hands of shareholders at applicable rates of tax and your Company shall withhold tax at source appropriately.

The recommended divided is in line with your Company's Dividend Distribution Policy. Dividend Distribution Policy, in terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is available on your Company's website at https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf

TRANSFER TO RESERVES

The Board of Directors of your Company has decided not to transfer any amount to the General Reserves, for the year ended 31st March 2022.

PERFORMANCE REVIEW

On a consolidated basis, the revenue from operations for FY 2021-22, stood at ₹ 95,701 Crore registering a growth of 25% as compared to the previous year (₹ 76,404 Crore in FY 2020-21). The Consolidated EBITDA increased to ₹ 17,772 Crore for FY 2021-22, which was 13% higher than that of the previous year (₹ 15,766 Crore in FY 2020-21).

On a standalone basis, revenue from operations for FY 2021-22 stood at ₹ 20,857 Crore, registering a growth of 68% as compared to the previous year (₹12,386 Crore in FY 2020-21). The standalone EBITDA is ₹ 4,111 Crore for FY 2021-22 which was 98% higher than that of the previous year (₹ 2,078 Crore in FY 2020-21).

STRATEGIC INITIATIVES AND SIGNIFICANT DEVELOPMENTS

Divestment of Indo Gulf Fertiliser Business

The Scheme of Arrangement between the Company and Indorama India Private Limited ('IIPL') and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ('the Act') was approved by the Board of Directors of your Company and IIPL and necessary application/petitions for approving divestment of Business Undertaking (as defined in the Scheme) were filed with respective jurisdictional National Company Law Tribunals ('NCLT'). The Hon'ble NCLT Indore Bench at Ahmedabad approved the Scheme vide its order dated 2nd September 2021 along with the order for condonation of delay to file the requisite e-form with the Ministry of Corporate Affairs on 23rd December 2021. Your Company has filed the copy of the order with Registrar of Companies ('ROC'), Gwalior on 1st January 2022. The Scheme has been effective from 1st January 2022.

Update on Paints Business

The organised decorative paints industry has grown by 32% in terms of revenue during FY 2021-22 over previous year. It has grown at 12% CAGR from FY 2017-18 to FY 2021-22.

Considering the changing market dynamics of the decorative paints sector, the Company has accelerated the execution of paints capacity of 1,332 MLPA with commissioning of plants in phases from Q4 FY 2023-24 at 6 locations namely Panipat (Haryana), Ludhiana (Punjab), Chamarajanagar (Karnataka), Cheyyar (Tamil Nadu), Mahad (Maharashtra) and Kharagpur (West Bengal). The project cost is likely to be ₹ 10,000 Crore by FY25.

The Company has got the land possession at all these sites and civil works have commenced at Panipat, Ludhiana, Cheyyar and Chamarajanagar sites. The project work at other sites will be started as soon as all relevant statutory approvals are received. Basic and detailed engineering contracts have been awarded for all the 6 sites. Ordering for equipment and other works for the project is going on. R&D Pilot plant is expected to be commissioned at Taloja by Q3 of FY 2023-24.

Board's Report (Contd.)

The Company aims to be number two player in decorative paint industry. Entry in the paints sector will add size, scale, and diversity to the existing business portfolio of the Company.

The Company has spent ₹605 Crore cumulatively up to FY 2021-22 primarily on acquisition of 6 land parcels for the Paints Business.

Update on B2B e-commerce platform

The Board of Directors of your Company has approved a foray into B2B e-commerce platform for the Building Materials segment with an investment of ₹2,000 Crore over the next 5 years. This investment adds a new high-growth engine with clear adjacencies within Company's standalone businesses as also that of its subsidiaries and associate companies.

Aditya Birla Power Composites Limited

Aditya Birla Power Composites Limited ('ABPCL'), is a joint venture between the Company and Maschinenfabrik Reinhausen Gmbh, Germany ('MR'), wherein the Company holds 51% of share capital and the balance share capital (49%) is held by MR. The Company has set up a state-of-the-art Composite Hollow Core Insulators ('CHCI') manufacturing plant (Phase-I) at Halol, Gujarat, India at a project cost of about ₹ 74 Crore for the manufacture and sale of CHCI to serve the power transmission and distribution industry. The plant commissioned from February 2022.

Amalgamation of Grasim Premium Fabric Private Limited with your Company

The Scheme of Arrangement between Grasim Premium Fabric Private Limited ('GPFPL') and Grasim Industries Limited and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 was approved by the Board of Directors of your Company and GPFPL respectively and necessary application/petitions for amalgamation were filed with jurisdictional National Company Law Tribunals (NCLTs). The Hon'ble NCLT Indore Bench at Ahmedabad approved the Scheme vide its order dated 12th November 2020 as amended vide its order dated 28th January 2021. Your Company had filed the copy of the order with Registrar of Companies ('ROC'), Gwalior. The Hon'ble NCLT Mumbai Bench approved the Scheme vide its order dated 23rd March 2021. The certified copy of the order of the Hon'ble NCLT Mumbai Bench was filed with the ROC, Pune by GPFPL. The Scheme has become effective from 21st June 2021 with appointed date being 1st April 2019.

Amalgamation of Sun God Trading and Investment Limited with ABNL Investment Limited

The Board of Directors of ABNL Investment Limited (wholly-owned subsidiary of your Company) and Sun God Trading and Investment Limited (wholly-owned subsidiary of ABNL Investment Limited) had approved the Scheme of Amalgamation between Sun God Trading and Investment Limited (Transferor Company) and ABNL Investment Limited (Transferee Company) and their respective shareholders and creditors ('Scheme') under Section 233 of the Companies Act, 2013. The Scheme was approved by the Hon'ble Regional Director (North-Western Region), Ahmedabad (Regional Director) vide its order dated 3rd February 2021. Transferee Company had filed copy of the order of Regional Director with the Registrar of Companies, Ahmedabad. A copy of the order of the Regional Director was received by the Transferor Company on 15th June 2021 and filed with Registrar of Companies, Gwalior on 29th June 2021. The Scheme has become effective from 29th June 2021 with appointed date being 1st April 2019.

Amalgamation of Aditya Birla Solar Limited with Aditya Birla Renewables Limited

Aditya Birla Solar Limited ('ABSL') and Aditya Birla Renewables Limited ('ABReL') are wholly-owned subsidiaries of your Company, both engaged in the business of electric power generation using solar energy. ABReL and ABSL had filed the Application and the Scheme of Arrangement with the Hon'ble National Company Law Tribunal, Mumbai ('NCLT') on 27th March 2020 for the amalgamation of ABSL with ABReL under Sections 230 and 232 of the Companies Act, 2013. Subsequent to directions received from the Hon'ble NCLT, the meetings of shareholders and unsecured creditors of both the Companies were dispensed with and both the Companies complied with the directions of the Hon'ble NCLT order. The Companies filed the petition on 18th June 2021 seeking sanction on the said scheme. The said petition got transferred to Bench II of the Hon'ble NCLT Bench, Mumbai and was admitted on 27th April 2022 and is reserved for the orders.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ('the Act') read with the Companies (Accounts) Rules, 2014, Listing Regulations and IND AS 110 – Consolidated Financial Statements and IND AS 28 – Investment in Associates/Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Following were the additions during the year:

- Birla Advanced Knits Private Limited became a Joint Venture of the Company w.e.f. 14th July 2021 and the Company holds 50% of the paid-up equity share capital.
- Renew Surya Uday Private Limited became an associate Company of the Company w.e.f. 25th November 2021 and the Company holds 26% of the paid-up equity share capital.
- ABReL Solar Power Limited (ABRSPL) was incorporated on 31st August 2021 as a wholly owned subsidiary of Aditya Birla Renewables Limited (ABReL) and the Company acquired 26% stake in ABRSPL w.e.f. 22nd October 2021.

Grasim Premium Fabric Private Limited ceased to be the subsidiary of the Company with effect from 21st June 2021.

Apart from this, there were no changes in the direct subsidiaries, associates and joint venture Companies of your Company.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is provided, in the prescribed Form AOC-1, in **Annexure 'A'** to this Report.

In accordance with Section 136 of the Act, the Audited Standalone and Consolidated Financial Statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website of the Company at https://www.grasim.com/investors/results-reports-and-presentations

UltraTech Cement Limited and Aditya Birla Capital Limited are the material listed subsidiary Companies of your Company. Your Company does not have any material unlisted subsidiary Company. The Audit Committee and the Board reviews the financial statements, significant transactions and working of all subsidiary Companies, and the minutes of unlisted subsidiary Companies/Joint Venture are placed before the Board.

Your Company has in accordance with the Listing Regulations adopted the Policy for determining material subsidiaries. The said Policy is available on your Company's website at https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsidiary_Cos.pdf

CONVENING ANNUAL GENERAL MEETING (AGM) THROUGH AUDIO-VISUAL MEANS FACILITY

The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May 2020, General Circular No. 14/2020 dated 8th April 2020; General Circular No. 17/2020 dated 13th April 2020; and General Circular No. 02/2021 dated 13th January 2021 and General Circular No. 2/2022 dated 5th May 2022 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and SEBI circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 issued by the Securities and Exchange Board of India ('SEBI') (collectively referred to as 'MCA and SEBI Circulars') permitted convening the Annual General Meeting through Video Conference ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, applicable provisions of the Act and the Listing Regulations, the 75th Annual General Meeting of your Company will be convened and conducted through VC / OAVM.

ULTRATECH CEMENT LIMITED ('ULTRATECH')

The Indian Cement demand contracted by 10-12% in FY 2020-21, given the economic standstill in H1FY 2020-21. However, H2FY 2020-21 witnessed a steady demand recovery. The uptick in demand for cement was driven by affordable housing projects and Government infrastructure projects like roads, metro, irrigation projects and others.

The cement demand growth in FY 2022-23 is expected to remain strong considering the Government's thrust on infrastructure and roads development, housing, and rural infrastructure.

UltraTech reported net revenue of ₹52,599 Crore and EBITDA of ₹12,022 Crore during FY 2021-22. UltraTech has approved a fresh capex of ₹5,477 Crore towards increasing capacity by 12.8 MTPA with a mix of brownfield and greenfield expansion, in addition to a 6.7 MTPA capacity expansion currently underway. Upon completion of the latest round of expansion, UltraTech's capacity will grow to 136.25 MTPA, reinforcing its position as the third-largest cement company in the world, outside of China.

ADITYA BIRLA CAPITAL LIMITED ('ABCL')

ABCL reported a Consolidated Revenue of ₹ 22,230 Crore (grew 15% year on year) and Net Profit was ₹ 1,706 Crore (grew 51% year on year). On a Standalone basis, revenue of ABCL was ₹ 453 Crore and Net Profit was ₹ 345 Crore.

Active customer base at 35 Million (grew 36% year on year) aided by focus on granular retail growth across all businesses of the subsidiaries of ABCL. Overall AUM across asset management, life insurance and health insurance at over ₹ 3,70,608 Crore (grew 10% year on year). Overall lending book (NBFC and Housing Finance) at ₹ 67,185 Crore (grew 11% year on year). Gross premium (across Life and Health Insurance) at ₹ 13,867 Crore (grew 25% year on year).

SHARE CAPITAL

Pursuant to the Scheme of Arrangement between Grasim Premium Fabric Private Limited and the Company, the Authorised Equity Share Capital of the Company has increased from ₹ 294,50,00,000/- (147,25,00,000 equity shares of ₹ 2/- each) to ₹ 412,50,00,000/- (206,25,00,000 equity shares of ₹ 2/- each).

Accordingly, the Authorised Share Capital of the Company stood at ₹ 423,50,00,000/- comprising of 206,25,00,000 equity shares of ₹ 2/- each and 11,00,000 Redeemable Cumulative Preference Shares of ₹ 100/- each as at 31st March 2022.

Issued, subscribed and paid-up capital of the Company stood at ₹ 1,31,65,90,852/- comprising of 65,82,95,426 equity shares of ₹ 2/- each fully paid up as at 31st March 2022.

During the year, your Company allotted 2,50,582 equity shares of ₹ 2/- each pursuant to the exercise of Stock Options and Restricted Stock Units in terms of the Employees Stock Option Schemes of your Company.

Board's Report (Contd.)

PURCHASE OF TREASURY SHARES

During the year, Grasim Employees' Welfare Trust ('Trust') acquired 4,21,880 equity shares of your Company from the secondary market. As per IND AS, purchase of own equity shares are treated as treasury shares. The Trust constituted in terms of the Company's Employee Stock Option Scheme 2018 ('ESOS 2018') holds 15,33,787 equity shares of your Company as on 31st March 2022 for allotment to the eligible employees under ESOS 2018.

DEPOSITS

During the year, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014, and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

ISSUE OF NON-CONVERTIBLE DEBENTURES

During the year, your Company has issued 10,000 fully paid-up, Unsecured, Listed, Rated, Redeemable, Non-convertible Debentures of face value of ₹ 10,00,000/- each aggregating to ₹1,000 Crore, at par, on private placement basis.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, disclosures relating to loans, advances and investments as on 31st March 2022 are given in the Notes to the Financial Statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act read with the Rules issued thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year, as stipulated under the Listing Regulations, is presented in a separate section and forms an integral part of this Annual Report.

CORPORATE GOVERNANCE

Your Directors re-affirm their continued commitment to the best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of your Company. Your Company was compliant with the provisions relating to Corporate Governance.

The Corporate Governance Report for the year, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of this Annual Report. A certificate from the Statutory Auditors on its compliance is given in **Annexure 'B'** to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment of Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Smt. Rajashree Birla and Mr. Shailendra K. Jain, Non-executive Directors of your Company, are liable to retire by rotation at the AGM and, being eligible, have offered themselves for re-appointment. Brief profiles of Smt. Rajashree Birla and Mr. Shailendra K. Jain are provided in the Corporate Governance Report.

The Board of Directors at its meeting held:

- On 1st September 2021, has appointed Mr. Harikrishna Agarwal (DIN: 09288720) as an Additional Director and Managing Director and Key Managerial Personnel ('KMP') of the Company, not liable to retire by rotation, with effect from 1st December 2021. The members of the Company have approved his appointment as Managing Director and KMP of the Company for a period of 2 years through Postal Ballot on 16th November 2021.
- On 12th November 2021, has appointed Mr. Raj Kumar (DIN: 06627311) as an Additional Non-executive Non-Independent Director, liable to retire by rotation, with effect from 12th November 2021. The members of the Company have approved his appointment as Non-executive Non-Independent Director of the Company, through Postal Ballot on 30th December 2021.
- Ms. Anita Ramachandran (DIN: 00118188) was appointed as an Independent Director at the AGM of your Company, held on 14th September 2018, for a period of 5 consecutive years.

  Based on the report of performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 19th July 2022, has, subject to the approval of the shareholders, approved the appointment of Ms. Anita Ramachandran, Independent Director, for a second term of 5 years, commencing from 14th August 2023.

  Resolution seeking the appointment of Ms. Anita Ramachandran as an Independent Director for a second term along with the brief profile, forms part of the Notice of the Annual General Meeting.

  Your Directors recommend the resolution pertaining to appointment of Ms. Anita Ramachandran as an Independent Director for a second term for your approval.

Cessation of Directors

- Mr. Vipin Anand, Non-executive Non-independent Director resigned from the Board of Directors of the Company with effect from 14th October 2021, to avoid any potential conflict of interest consequent to his appointment as an Insurance Ombudsman, Bengaluru. There was no other material reason for his resignation except as stated.

- Mr. Dilip Gaur, Managing Director of the Company, took an early retirement and ceased to be the Managing Director and Key Managerial Personnel of the Company with effect from the close of business hours of 30th November 2021.

The Board placed on record its sincere appreciation for the valuable contribution and services rendered by Mr. Vipin Anand and Mr. Dilip Gaur during their tenure with the Company.

There is no pecuniary or business relationship between the Non-executive Directors and the Company, except for the sitting fees and commission payable to the Non-executive Directors, in accordance with the applicable laws and approval of the shareholders of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, Mr. Harikrishna Agarwal, Managing Director, Mr. Ashish Adukia, Chief Financial Officer ('CFO') and Mr. Sailesh Daga, Company Secretary are the Key Managerial Personnel ('KMP') of the Company as on 31st March 2022.

Mr. Pavan Jain has been appointed as CFO and KMP of the Company with effect from 15th August 2022. The appointment comes in the wake of Mr. Ashish Adukia's plan to pursue career opportunities outside the Aditya Birla Group. He will be relieved from his current responsibilities as CFO and KMP of the Company with effect from 14th August 2022.

The Board placed on record its sincere appreciation for the valuable contribution made by Mr. Ashish Adukia during his tenure as the CFO and KMP of the Company.

MEETINGS OF THE BOARD

The Board of Directors of the Company met 6 (six) times during the year to deliberate on various matters. The meetings were held on 24th May 2021, 13th August 2021, 1st September 2021, 12th November 2021, 31st December 2021 and 14th February 2022.

Further details are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of your Company, confirming that:

(a) they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations; and

(b) they have registered their names in the Independent Directors Databank.

Your Company's Board is of the opinion that the Independent Directors possess requisite qualifications, experience and expertise in Corporate Governance, Legal, Compliance, Financial literacy, General Management, Human Resource Development, Industry knowledge, Innovation, technology & digitisation, Marketing, Risk Management, Strategy and Sustainability and they hold highest standards of integrity.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-executive Directors, Executive Director and the Chairman of the Board.

The Nomination and Remuneration Committee ('NRC') of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/ Non-executive Directors/ Executive Director and the Chairman of your Company.

The performance of Non-independent Directors, the Board, as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Director and Non-executive Directors. Evaluation as done by the Independent Directors was submitted to the NRC and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the NRC after seeking inputs from all the Directors, on the basis of criteria such as the Board/ Committee composition and structure, effectiveness of the Board/ Committee process, information and functioning, etc.

The performance evaluation of all the Directors of your Company (including Independent Directors, Executive Director and Non-executive Directors and Chairman), is done at the NRC meeting and the Board meeting by all the Board Members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others. Following the meetings of Independent Directors and of NRC, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors.

Board's Report (Contd.)

The Board expressed satisfaction on the overall functioning of the Board and its Committees. The Board was also satisfied with the contribution of Directors, in their respective capacities, which reflected the overall engagement of the Individual Directors.

The new Director inducted on the Company's Board attends an orientation programme. The details of the programme for familiarisation of Independent Directors are provided in the Corporate Governance Report, which forms an integral part of this Annual Report and is also available on your Company's website at https://www.grasim.com/Upload/PDF/familiarisation-programme-independent-directors.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year are in conformity with the requirements of the Companies Act, 2013 ('the Act') and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the accounting policies selected have been applied consistently, and judgements and estimates are made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at 31st March 2022, and of the profit of your Company for the year ended on that date;

c) proper and sufficient care have been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) annual accounts have been prepared on a 'going concern' basis;

e) the Directors have laid down proper internal financial controls, and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in **Annexure 'C'** to this Report.

INTEGRATED REPORT

The Company has provided Integrated Report. This report is prepared in alignment with the Integrated Reporting Framework laid down by the International Integrated Reporting Council and aims at presenting the value creation approach for our stakeholders.

AUDITORS AND AUDIT REPORTS

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold office till the conclusion of the 79th Annual General Meeting of the Company. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

Pursuant to the provisions of the Act, the term of office of M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003), shall complete at the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board has recommended the appointment of M/s. KKC & Associates LLP, Chartered Accountants (formerly known as Khimji Kunverji & Co. LLP) (Registration No. 105146W/ W100621), as a Joint Statutory Auditors of the Company, for a first term of 5 consecutive years from the conclusion of 75th AGM till the conclusion of 80th AGM of the Company, subject to the approval of the Members in the ensuing AGM.

They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

Accordingly, an Ordinary Resolution, proposing the appointment of M/s. KKC & Associates LLP, Chartered Accountants (Registration No. 105146W/ W100621), forms part of the Notice of the 75th AGM of the Company.

The observations made by the Joint Statutory Auditors on the Financial Statements (Standalone and Consolidated) of the Company, in their Report for the financial year ended 31st March 2022, read with the Explanatory Notes therein, are self-explanatory and, therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

Cost Auditors

Your Company is required to prepare and maintain the cost accounts and cost records pursuant to Section 148(1) of the Act read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

Based on the recommendation of the Audit Committee, the Board of Directors appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), as the Cost Auditors to conduct the cost audit for all divisions of the Company for FY 2022-23 at a remuneration of ₹18.50 lakh plus applicable taxes and reimbursement of out-of-pocket expenses.

The Company has received consent from M/s. D. C. Dave & Co., Cost Accountants, to act as the Cost Auditors of your Company for FY 2022-23, along with certificate confirming their eligibility.

In accordance with the provisions of Section 148(1) of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, an Ordinary Resolution, for ratification of remuneration payable to the Cost Auditors for FY 2022-23, forms part of the Notice of the 75th AGM of the Company.

Secretarial Auditors

The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries, Mumbai, for the financial year 2021-22, is given in **Annexure 'D'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Compliance Report for the financial year ended 31st March 2022, in relation to compliance of all applicable SEBI Regulations/ circulars/ guidelines issued thereunder, pursuant to the requirement of Regulation 24A of the Listing Regulations, is available on the website of the Company at https://www.grasim.com/Upload/PDF/secretarial-compliance-report-aug22.pdf

Pursuant to the provisions of Section 204 of the Act and Rules made thereunder, M/s. BNP & Associates, Company Secretaries, Mumbai, are appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for FY 2022-23.

SECRETARIAL STANDARDS

During the year, your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

REPORTING OF FRAUDS BY AUDITORS

During the year, none of the Auditors of your Company, i.e, the Statutory Auditors, Cost Auditors and Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Act any instances of fraud committed against your Company by its officers and/or employees, details of which would need to be mentioned in the Board's Report.

DISCLOSURES

Contracts and Arrangements with Related Parties

During the year, all contracts/ arrangements/ transactions entered into by your Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

In line with the requirements of the Act and amendment to the Listing Regulations, all Related Party Transactions have been approved by the Audit Committee and reviewed by it on a periodic basis. Your Company has formulated a 'Policy on Related Party Transactions', which is also available on the Company's website at https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf . The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The details of contracts and arrangements with Related Parties of your Company for the financial year ended 31st March 2022, are given in Notes to the Standalone Financial Statements, forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE-BLOWER POLICY

Your Company has established a mechanism for directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud, or violation of your Company's Code of Conduct. It also provides adequate safeguards against the victimisation of employees who avail the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee.

The details of the Vigil Mechanism are also provided in the Corporate Governance Report, which forms an integral part of this Annual Report and the Whistle-Blower Policy is available on the website of your Company at https://www.grasim.com/upload/pdf/whistle_blower_policy.pdf

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act and Rules made thereunder, the Board of Directors has a Corporate

Board's Report (Contd.)

Social Responsibility ('CSR') Committee, which is chaired by Smt. Rajashree Birla. The other Members of the Committee as on 31st March 2022, are Ms. Anita Ramachandran, Independent Director, Mr. Shailendra K. Jain, Non-executive Director and Mr. Harikrishna Agarwal, Managing Director. Dr. Pragnya Ram, Group Executive President - CSR is a permanent invitee to the Committee. The Corporate Social Responsibility Policy ('CSR Policy'), indicating the activities undertaken by your Company, is available on your Company's website at https://www.grasim.com/investors/policies-and-code-of-conduct.

Your Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. Your Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Rural Development, Sustainable Livelihood, Health Care and Education, during the year, and initiated various activities in neighbouring villages around its plant locations. Your Company undertook several initiatives to help nation fight against COVID-19 crisis including supply of healthcare equipment, oxygen concentrators, organisation of medical camps, distributing face masks, hand gloves, sanitiser bottles, COVID-19 testing kits, PPE kit, creating COVID-19 related awareness, etc.

During the year, the Company spent ₹42.47 Crore, of which ₹38.40 Crore (excluding CSR of ₹4.75 Crore which remained unspent and has been transferred to separate bank account in April 2022 and classified as ongoing project by the Board) was spent towards mandatory CSR obligations of the Company and additionally ₹4.07 Crore was spent towards voluntary CSR activities.

The initiatives undertaken by your Company on CSR activities, during the year, are given in **Annexure 'E'** to this Report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

RISK MANAGEMENT AND SUSTAINABILITY

Your Company has constituted Risk Management and Sustainability Committee, which is *inter alia*, mandated to review the risk management plan/process of your Company. Risk evaluation and management is an ongoing process within the organisation. Your Company has a comprehensive Enterprise Risk Management framework to periodically assess risks in the internal and external environments and incorporates mitigation plans in its business strategy and operation plans. The same is periodically reviewed by the Committee. The scope of the Committee has been enhanced to include activities pertaining to overseeing sustainability activities, advising the Board on sustainability practices, etc, and accordingly, the Risk Management Committee was renamed as Risk Management and Sustainability Committee ('RMSC') effective from 24th May 2021. During the year, the RMSC met twice to review the risk management activities of the Company which includes Risk Identification, Assessment, Evaluation and Mitigation plans.

Based on the aforesaid review, there are no risks, which in the opinion of the Board, threaten the existence of the Company. However, key risks are set out in the Management Discussion and Analysis, which forms part of this Annual Report.

The Risk Management Policy is available on the Company's website at https://www.grasim.com/Upload/PDF/risk-management-policy.pdf

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34(2)(f) of the Listing Regulations, a separate section on Business Responsibility and Sustainability Report, describing the initiatives taken by your Company from environmental, social and governance perspective, forms an integral part of this Annual Report.

ANNUAL RETURN

Pursuant to Section 92 and Section 134 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company as on 31st March 2022 is available on Company's website at https://www.grasim.com/Upload/PDF/annual-return-aug22.pdf

INTERNAL CONTROLS

Your Company has in place adequate internal control systems (including internal financial control system) commensurate with the size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations. During the year, no material or serious observation has been received from the Joint Statutory Auditors of your Company, citing inefficiency or inadequacy of such controls.

REMUNERATION POLICY

The Company's remuneration policy is directed towards rewarding performance based on review of achievements. The remuneration policy is in consonance with existing industry practice. There has been no change in the policy during the year.

The Remuneration Policy of your Company, as formulated by the Nomination and Remuneration Committee of the Board of Directors, is given in **Annexure 'F'** to this Report and is also available on your Company's website at https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf

STATUTORY COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprises of Mr. N. Mohan Raj, Chairman, Mr. V. Chandrasekaran, Dr. Thomas M. Connelly Jr. and Mr. Harikrishna Agarwal as its members. Majority of the members including Chairman of Audit Committee are Independent Directors. The CFO of your Company is the permanent invitee at the Audit Committee Meetings.

Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

All the recommendations made by the Audit Committee, during the year, were accepted by the Board of Directors of your Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') comprises of Ms. Anita Ramachandran, Chairperson, Mr. Kumar Mangalam Birla, Mr. Cyril Shroff and Mr. Adesh Kumar Gupta as its members. Majority of the members including Chairperson of NRC are Independent Directors.

Further details relating to the NRC are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee comprises of Smt. Rajashree Birla, Chairperson, Ms. Anita Ramachandran, Mr. Shailendra K. Jain and Mr. Harikrishna Agarwal as its members.

Further details relating to the CSR Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') comprises of Ms. Anita Ramachandran, Chairperson, Mr. Shailendra K. Jain and Mr. Harikrishna Agarwal as its members.

Further details relating to SRC are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee ('RMSC') comprises of Mr. N. Mohan Raj, Chairman, Mr. V. Chandrasekaran, Dr. Thomas M. Connelly, Jr., Mr. Harikrishna Agarwal, Mr. Kalyan Ram Madabhushi, Mr. Jayant Dhobley and Mr. Thomas Varghese.

Mr. Surya Valluri was appointed as Chief Sustainability Officer ('CSO') of the Company w.e.f. 16th June 2022. He is the permanent invitee at the RMSC.

Further details relating to the RMSC are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

RESEARCH AND DEVELOPMENT (R&D)

The R&D projects portfolio is focused on improving the relative market position of your Company's businesses in the face of increasingly volatile and competitive business environment. The focus is on developing and commercialising premium differentiated products, improving our competitive cost position, product quality and environmental sustainability. To support these goals, the businesses are managing a pipeline of projects that are addressing near and mid-term needs, as well as the exploration of future opportunities.

PULP AND VISCOSE STAPLE FIBRE (VSF)

The Pulp Technology team continues with the quality improvement drive. Implementation of advanced quality assurance practices like first pass yield and uptime have been initiated in the pulp manufacturing units to ensure continual improvement. AI and machine learning based models and tools continue to be explored to improve consumption ratios the performance on major quality parameters like pulp viscosity, brightness, and purity. Considering the abundance of agro-waste in India, your Company has initiated exploration of alternate sustainable cellulosic feedstocks at R&D scale for manufacturing of dissolving grade pulp.

Fibre production units have created new benchmarks in releasing hidden capacity. Your Company has also set new global benchmarks in consumption ratios. This was facilitated by developing new recipes, piloting them quickly and gradually implementing at commercial scale while sustaining best in class Fibre quality. The novel recipes integrated with improved digitalisation-based process control strategies helped challenge the conventional norms and resulted in significant productivity increase in some of our units, while paving way of similar initiatives in other units. Your Company has progressed on sustainability initiatives of reducing freshwater consumption and at the same time, recovering and recycling chemicals from effluent streams. These schemes are now thoroughly tested and are being implemented at multiple sites. Your Company progressed further on commitments for reducing its environmental footprint and commissioned a state-of-the-art effluent RO system at Vilayat and Nagda. This enabled Vilayat to effectively double capacity without significant change in freshwater usage or effluent load.

Aditya Birla Science and Technology Company Private Limited ('ABSTCPL') actively provided fundamental R&D support to the business in the areas of process intensification, digitalisation, sustainability, and value-added products. Post successful piloting, these novel processes are moving to advanced stages of engineering for commercialisation. Process fundamentals-based solutions have been developed for the improvement of

Board's Report (Contd.)

H2S treatment and the CS2 recovery process. Combined with the plant's operational know-how, these solutions are being tested at the plant for improving efficiency and robustness of emission control processes. Similarly, fundamental science based digitalisation programme continue to be focusses on improving energy efficiency, asset uptime, quality and productivity.

Our product innovation initiatives took a stride this year by successfully developing and scaling up phosphate-based textile grade FR fibre. These fibre are technical textile grade specialty products, and are now registered as 'Active Chemical Product' by reputed certifying agencies. Another specialty product Purocel EcoFlush non-woven Fibre(s), was tested by international customers and qualified for regular commercial usage for making of flushable wet wipes. In view of SUPD in Europe we have initiated work on developing 100% cellulose-based fibre solutions for making of disposable products like non-woven wipes. Similarly, cellulosic hydrophobic fibres Purocel, EcoDry have been developed and are being tested to replace plastic based top sheet in hygiene products like sanitary pads. Our textile recycling innovation, Liva Reviva, is gaining recognition and acceptance in the trade. Establishment of a semi-commercial scale facility completed at Vilayat site, which will give us a capacity to upcycle ~3 tons/day of textile waste. This will establish your Company as a front-runner in innovations related to chemical recycling of textile waste. Your Company has also initiated work on creating a larger recycling ecosystem to include both chemical and mechanical recycling. We are in the process of putting up a pilot facility for demonstrating novel ways of mechanically upcycling textile waste to new fabrics. We actively collaborate with global innovators and start-ups in the field of sustainability and recycling. LivaEco, offering a rich sustainability quotient, has grown in volume and reach, is now also being offered in specialty segments like Modal and Purocel.

All units have institutionalised quality system driven metrics FPY (First Pass Yield) and Uptime for process/product consistency. These metrics are continuously upgraded based on learnings and customer feedback.

New product development initiatives to increase the value-added product portfolio within Excel fibre have progressed well with projects such as coarse denier Excel for fibrefill and carpet application reaching pilot scale demonstration and initial customer evaluation. The first pilot scale spinning of eco-friendly lyocell fibre containing 20% Nanollose microbial cellulose (Nullarbor-20TM) was accomplished. This demonstrates the potential for making lyocell fibre from agro-waste using existing industrial equipment. Successful pilot scale demonstration of producing lyocell fibre with 31% textile waste recycled pulp marks another important milestone in our commitment to continually raise the bar on sustainability front.

VISCOSE FILAMENT YARN (VFY)

Your Company has been consistently developing new product variants according to consumer's needs. During the year, your Company has successfully developed Monofilament yarn in CSY by two routes – Mother Yarn (splitting of multi-filaments to single filament) and increasing regeneration length, High DPF (Denier Per Filament) products in SSY and Low DPF in PSY. On new application side, your Company has developed Lycra covered yarn (Spandex covered with PSY), which is stretchable, having usage in garment and denim. Development of space dyed yarn is under progress for usage in fashion fabrics.

CHEMICAL

Your Company's Research and Development ('R&D') efforts stand on the five pillars of – Customers, Innovation, Quality, Sustainability and Profitability. R&D department is putting concerted efforts on Innovation, Process improvement for cost optimisation, product development, application development and introducing new products and innovative solutions to the customers. Your Company's innovation practices are led by proactive identification of customer needs, and then expanding value-added chlorine derivative products portfolio for meeting explicit and latent needs of the customers.

Your Company's R&D model involves collaborative working with all major customers for long-term development of innovative products, and continuously looking at new technologies that will help enhance performance of your Company's offerings. Water Treatment Business being focus, your Company leveraged its R&D Centre - Aditya Birla Application and Product Development Centre ('ABAPDC') for solving water treatment problems in potable water, some major health problems (removal of fluoride from ground water-jointly with MNIT), working on STP supporting the 'Namami Gange' project, providing water & waste-water treatment solutions to Oil & Gas, Power, Pulp & Paper and Textile industry.

ABAPDC is also working on improvement of existing processes and enhancements of existing chemicals, in addition to identification, development, and production of new chemicals. ABAPDC has filed 3 patents in the last 12 months. Your Company's R&D Centre has been approved by the Dept. of Scientific and Industrial Research (DSIR) and is executing collaborative project with many renowned institutes like DST, NEERI, CIFE, CIBA, CLRI, MNIT, IITs, IICT, NCL, etc. Your Company received NSF/ANSI and Kosher certifications for its operating Units and certifications from FSSAI for food grade calcium chloride products. R&D Centre published more than 10 research articles/papers and presentations in the area of Water Treatment at various forums like EA Water Magazine, EA Water Virtual Conference, Finest-50 Global Case Studies – Smart Water & Waste World Magazine.

Your Company's R&D Centre has also collaborated with the Aditya Birla Science and Technology Company Private Limited ('ABSTCPL) and the academia in the scientific and technical forums. Innovation is the driving force of our product stewardship, benefiting not just our customers but the industry as a whole. R&D Centre has worked with the Industry to develop multiple coagulants for water treatment with unique specifications (e.g, low cost product for CETP, decolourant for coloured effluent, new product for coating and PVC sheets based on long chain chlorinated paraffin for export markets) based on specific end uses, in addition to the development of various water treatment products. Your Company is also developing specialty blends (plastics, water treatment, etc.) and new chemicals for personal care and pharmaceutical applications.

Various enhancements in production process have also been undertaken by the team to enhance its efficacy and quality of deliverables. Your Company observed an improvement in production in HSBP plant, resolution of issues in Phosphoric Acid plant, modified recipes in PAC liquid production for better product and standardisation of shelf life for all products. This has helped your Company to focus on process improvements of basic raw material blends to achieve process accelerations and engineering improvements.

ADVANCED MATERIALS (EPOXY)

Your Company's R&D team is leading and driving the Sustainability portfolio through New Product Development in the area of Bio-Based products, waterless, solvent free, green processes and chemistries, as well as innovation in the area of Recyclability & Circularity of Materials. R&D team is working with leading Universities, Institutes and Global experts in building the innovation footprint and speeding up the research to commercialisation of product. Teams are involved in synthesising new molecules and in developing products and applications that drive growth of specialty segment for the business.

R&D team is engaged in development of various bio-based products. Bio-based and high performing molecules are developed via combination of the Company's formulation expertise and properties in new bio-based chemistries developed by reputed agencies through business collaboration/partnerships. Various reactive bio-based epoxy diluents of desired viscosities, Epoxy Equivalent Weight ('EEW') and Hydrolyzable chloride ('HyCl') content, mono, di and multi-functional epoxy building blocks are developed by R&D.

R&D team is involved in application development in epoxy system solutions for composite segment, wind segment, pipes, LPG gas storage tanks, products for electrical and electronic industries, powder coating segment, adhesive product development, water soluble coating solution for can coating applications, developing products for floor coating and construction segments.

INSULATORS

Your Company's R&D efforts were focusses on innovation and introduction of new products to meet customer requirements. Developments during the year included the following:

- New product development with specifications of narrow strength variations in product to meet export customers' requirement.
- Design optimisation of Composite Long Rod Insulators by controlling Electric Field Magnitude using latest 3D Simulation Software to comply with international standard.
- First time development of polymer solid core insulators for optical fiber technology application to cater to special customer needs.
- Development of stainless steel cap design for Station Post Insulators to meet customers special application.

TEXTILES

Your Company is involved in driving innovation, servicing new customers with focus on sustainability and customers emerging needs, and constantly improving its processes.

Your Company has launched self-cleaning performance finish range named as 'SmartCare' with stain repellency properties reducing frequency of washes and increasing durability without compromising natural properties of linen.

Your Company continues to develop blends in both linen and wool with sustainable fibres, such as Silk, Lyocell, Bamboo, etc, that offer organic product certifications with complete traceability from farm to fashion.

In collaboration with Birla Cellulose, your Company developed Cotton blends with sustainable fibres like Liva Eco, Lyocell, Bamboo, etc.

As a response to the consumers' demand, your Company has developed wool and wool blends for athleisure/active wear using Super wash technology (First in India) and yarn for protective wear applications using merino wool blended with Pyrotex®.

Your Company is also working in collaboration with Aditya Birla Science and Technology Company Private Limited ('ABSTCPL') and other vendor for exploring feasibility of developing a hemp value chain in India. Your Company is also working with global partners, e.g., CELC, LP Studio, Wool Mark, etc., and other specialty fibre suppliers to explore and develop innovative yarns and fabric.

Thus, the wide span of the R&D activities address the present and future needs of the Textile business.

Board's Report (Contd.)

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

No material changes and commitments, which could affect your Company's financial position, have occurred between the end of the financial year and the date of this Report. There has been no change in the nature of business of your Company.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure 'G'** to this Report.

In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of your Company, excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at grasim.secretarial@adityabirla.com.

EMPLOYEE STOCK OPTION SCHEMES (ESOS)

ESOS-2006

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 16,800 equity shares of ₹2/- each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

ESOS-2013

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 2,33,782 equity shares of ₹2/- each of the Company to Stock Option and Restricted Stock Units ('RSUs') Grantees, pursuant to the exercise of the Stock Options and RSUs, under ESOS-2013.

ESOS-2018

During the year, the Nomination and Remuneration Committee ('NRC') of the Board of Directors approved grant of 4,02,606 Stock Options and 1,26,798 Restricted Stock Units ('RSUs') to the eligible employees, including Managing Director of the Company, under ESOS-2018 and also approved vesting of 4,35,952 Stock Options and 2,18,800 RSUs. NRC also approved 52,847 Stock Options not be vested, due to vesting criteria not being met in accordance with the provisions of ESOS-2018. The ESOS-2018 is being administered through the Grasim Employees' Welfare Trust ('Trust').

2,06,437 equity shares were transferred from the Trust account to the employees account on account of exercise of Stock Options and RSUs by the grantees.

The details of Stock Options granted pursuant to ESOS-2006 and the Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018, and the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is available on your Company's website at https://www.grasim.com/Upload/PDF/esos-disclosure-aug22.pdf

A certificate from the Secretarial Auditors, with respect to implementation of your Company's ESOS, will be available electronically for inspection, without any fee, by the members from the date of circulation of the Notice of the Annual General Meeting up to the date of Annual General Meeting. Members seeking to inspect such documents can send an e-mail at grasim.secretarial@adityabirla.com.

ESOS-2022

The Company intends to reward, attract, motivate and retain employees and directors of the Company, its subsidiary or associate company(ies) for their high level of individual performance, by offering them equity shares by way of an Employee Stock Options Scheme.

Towards this, the Company seeks the approval of the members to adopt the 'Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme, 2022' (hereinafter referred to as 'the Scheme 2022') in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB & SE Regulations'). The Company intends to offer not more than 44,14,000 Equity Shares of ₹2/- each (which represents 0.67% of the paid-up equity share capital as on 31st March 2022) in one or more tranches, in accordance with the Scheme 2022, SEBI SBEB & SE Regulations or other provisions of law as may be prevailing at that time.

The Scheme 2022 shall be implemented through the Grasim Employees' Welfare Trust ('Trust'), since it is proposed that the equity shares of the Company would be acquired by the Trust from the secondary market. The Company proposes to extend financial assistance to the Trust for this purpose, subject to the overall limits specified under the applicable laws.

The broad framework of the Scheme 2022 is detailed in the Notice of the AGM. Your Directors recommend the resolutions seeking your approval for Scheme 2022 and related matters form part of the Notice of the AGM.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has zero tolerance for sexual harassment at workplace. Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), and the Rules framed thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has constituted Internal Complaints Committee to redress and resolve any complaints arising under the POSH Act. There were 3 (Three) complaints received during the year, out of which 2 (Two) were outstanding as on 31st March 2022. As on the date of this report, there is no outstanding complaint. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

HUMAN RESOURCES

Your Company's human resource is the strong foundation for creating many possibilities for its business. The efficient operations of manufacturing units, market development and expansion for various products was the highlight of our people effort.

Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the Organisation. Your Company's employee engagement score reflects high engagement and pride in being part of the Organisation.

The Group's Corporate Human Resources plays a critical role in your Company's talent management process.

AWARDS AND ACCOLADES

Some of the significant accolades earned by your Company during the year include:

- Ranked 7th among the India's Top Companies for Sustainability and CSR by The Economic Times, and Futurescape Responsible Business Rankings 2021.
- Gold Shield Award for Integrated Reporting in Manufacturing Sector and Excellence in Financial Reporting – 'ICAI Sustainability Reporting Awards 2020-21'.
- Economic Times and Machinist awarded the Promising Plant 2021 Award to Staple Fibre Division, Nagda Unit.
- Jaya Shree Textiles, Rishra has been declared the Winner of 'Golden Peacock Environment Management Award' for the year 2021.
- Birla Cellulose won the first edition of the 'National Innovative and Sustainable Supply Chain Awards' by UN Global Compact Network India.
- Grasilene Division awarded 'Platinum Award 'under the category 'Occupational Health and Safety Award -2021' by Grow Care India, Delhi.
- Birla Cellulose Ranked No. 1 in 2021 Hot Button Ranking by the Canada-based environmental not-for-profit Canopy Planet Society.
- Birla Cellulosic Kharach received the award for Excellence in Environment Management CII-ITC Sustainability Awards 2021.
- Grasilene Division, Harihar has won the Silver Medal in the National Awards for Manufacturing Competitiveness 2021.
- Synthetic & Rayon Textiles Export Promotion Council ('SRTEPC') 2019-20 and 2020-21 award for the second-best overall export performance in synthetic and rayon textiles and Gold for Viscose Staple Fibre.
- TERI-IWA-UNDP Water Sustainability Awards 2022 under Category 'Water for All' to Nagda Unit.
- National Awards for Excellence in CSR – 7th Edition 2021, Special Covid Category – Best COVID-19 Solution for Community Care to Nagda Unit.
- Manufacturing Today Conference & Awards 2021, Excellence in CSR- Grasim Industries Limited – Vilayat Unit, Bharuch, Gujarat.
- Apex India CSR excellence gold award, 2021 for Livelihood creation by ABI – Halol.

UPDATE ON MATERIAL ORDERS PASSED BY THE REGULATORS

- Competition Commission of India ('CCI') had passed an order under Section 4 of the Competition Act, 2002, dated 16th March 2020, imposing a penalty of ₹301 Crore on your Company in respect of its domestic man-made fibre turnover for the period from 2008-09 to 2011-12. Your Company had filed an appeal against the order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT'), and has obtained a stay by depositing ₹30 Crore with NCLAT. While the matter is pending before the NCLAT, CCI has passed another order dated 3rd June 2021, and levied a penalty of ₹3.49 Crore on your Company (@ ₹ 1 lakh per day for a period of 349 days and continuing thereafter) for non-compliance with its order passed on 16th March 2020. Your Company has filed a writ petition with the Hon'ble Delhi High Court, and the Hon'ble Delhi High Court has stayed the operation of the CCI order.
- The CCI has passed another order dated 6th August 2021, under Section 4 of the Competition Act, 2002, for the period of 2017-18. However, because of the penalty of ₹301 Crore has already been imposed on the Company in a previous order; the CCI deemed it appropriate not to impose any further monetary penalty on the Company. The Company filed an appeal before the NCLAT.

Board's Report (Contd.)

- The Deputy Commissioner of Income Tax ('Assessing Officer') has vide order dated 14th March 2019 raised a demand of ₹5,872 Crore on account of dividend distribution tax (including interest) alleging that the demerger of financial services business is not a qualified demerger and holding that the value of shares allotted by Aditya Birla Capital Limited ('ABCL') to the shareholders of the Company in consideration of the transfer and vesting of the financial services business into ABCL pursuant to duly approved Scheme of Arrangement, amounted to distribution of dividend by the Company.

  Your Company had challenged the said order by filing an appeal before the Commissioner of Income Tax ('CIT') (Appeal). The CIT (Appeal) upheld the order of the Assessing Officer and reduced the quantum of demand from ₹5,872 Crore to ₹3,786 Crore. The Company has filed an appeal against the order of CIT (Appeal) before the Tribunal and has obtained stay on demand by furnishing the requisite security to the Assessing Officer. The appeal is presently pending before the Tribunal.

  Further, the Assessing Officer has passed draft assessment order for the AY 2018-19 on 30th September 2021. As a corollary to the earlier order referred above, the Assessing Officer has also made addition of ₹22,772 Crore towards capital gains in draft assessment order passed by him. The Assessing Officer valued shares issued by ABCL to shareholders of your Company at ₹24,037 Crore and treated it as sale consideration for transfer of Financial Services Business undertaking.

  Your Company has filed objections before Dispute Resolution Panel ('DRP') against the draft order passed by the Assessing Officer. The DRP has passed an order dated 30th June 2022 and allowed the objection of the Company that the demerger was a tax compliant demerger as all the conditions of Section 2(19AA) of the Act are fulfiled. The Assessing Officer needs to pass the final assessment order and quantify the tax liability for AY 2018-19 by following the directions of the DRP.

  Your Company, backed by independent expert's opinion, believes that the above orders of the Assessing officer are not tenable in law. Accordingly, no provision has been made in the books of account on account of these matters.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these matters during the year:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of your Company under any Scheme save and except ESOS referred to in this report;
3. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
4. There were no revisions in the financial statement(s);
5. There has been no change in the nature of business of your Company;
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in the future. The update on the status of material orders passed by the Regulators or Court or Tribunals is provided in this Report;
7. There were no proceeding initiated under the Insolvency and Bankruptcy Code, 2016;
8. There was no instance of one time settlement with any Bank or Financial Institution; and
9. There was no failure to implement any Corporate Action.

ACKNOWLEDGEMENT

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

Your Directors very warmly thank all our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 19th July 2022

Annexure 'A' to the Board's Report

FORM AOC - 1

Statement containing salient features : Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Part 'A' - Subsidiaries

Sr. No.	1	2	3	4	5	6
Name of Subsidiaries	Samruddhi Swastik Trading And Investments Limited	ABNL Investment Limited	ABRel Solar Power Limited (w.e.f. 31st August 2021) ¥¥	Aditya Birla Renewables Limited (ABREL)	Aditya Birla Solar Limited	Aditya Birla Renewables SPV 1 Limited ¥¥ +
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	6.50	28.14	19.36	378.23	66.59	62.61
Other Equity	54.15	35.35	(0.26)	(26.97)	27.66	5.84
Total Assets	61.70	68.59	41.01	1,112.49	318.39	279.03
Total Liabilities	1.05	5.10	21.91	761.23	224.14	210.58
Investments	57.22	11.57	-	199.04	-	-
Revenue from Operations	0.91	4.64	-	109.25	45.48	36.29
Profit/(Loss) before Tax	1.73	1.84	(0.26)	(4.81)	12.26	4.84
Tax Expenses	0.42	0.97	-	(0.95)	2.92	1.22
Profit/(Loss) for the Year	1.31	0.87	(0.26)	(3.86)	9.34	3.62
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%	100.00%	100.00%	100.00%	100.00%	88.90%
Exchange Rate as on 31st March 2022	NA	NA	NA	NA	NA	NA

Sr. No.	7	8	9	10	11	12
Name of Subsidiaries	Aditya Birla Renewables Subsidiary Limited ¥¥	Aditya Birla Renewables Utkal Limited ¥¥	Aditya Birla Renewables Energy Limited ¥¥ +	Aditya Birla Renewables Solar Limited ¥¥	ABReL SPV 2 Limited ¥¥	Waacox Energy Pvt. Ltd. (w.e.f. 5th July 2021) ¥¥
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	26.52	4.90	17.75	31.95	4.90	62.51
Other Equity	1.18	0.36	1.30	2.02	(0.94)	4.98
Total Assets	118.66	20.54	70.09	160.70	4.07	115.06
Total Liabilities	90.96	15.28	51.04	126.73	0.11	47.57
Investments	1.51	-	-	-	-	30.17
Revenue from Operations	14.92	3.16	8.03	8.09	-	10.19
Profit/(Loss) before Tax	2.42	0.86	1.47	2.84	(0.45)	3.01
Tax Expenses	0.60	0.22	0.26	0.49	-	0.72
Profit/(Loss) for the Year	1.82	0.64	1.21	2.35	(0.45)	2.29
Proposed/Interim Dividend	3.18	-	-	-	-	-
Percentage Holding as on 31st March 2022	74.00%	74.00%	88.90%	74.00%	100.00%	100.00%
Exchange Rate as on 31st March 2022	NA	NA	NA	NA	NA	NA

¥¥ Subsidiaries of ABREL

+ 74% shares held by ABREL and 26% shares held by UTCL

Annexure 'A' to the Board's Report (Contd.)

Sr. No.	13	14	15	16	17	18
Name of Subsidiaries	**Aditya Birla Power Composites Limited**	**UltraTech Cement Limited (UTCL)**	**Harish Cement Limited** [!]	**Gotan Limestone Khanij Udyog Pvt. Ltd.** [!]	**Bhagwati Lime Stone Company Pvt. Ltd.** [!]	**UltraTech Nathdwara Cement Limited (UNCL)** [!]
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	44.57	288.67	0.25	2.33	0.01	3,400.00
Other Equity	(3.65)	48,981.97	154.38	16.55	1.61	(4,794.23)
Total Assets	94.61	80,661.73	157.00	20.15	2.58	1,523.21
Total Liabilities	53.69	31391.09	2.37	1.27	0.96	2,917.44
Investments	3.91	11,724.51	-	-	-	-
Revenue from Operations	0.74	50,663.49	-	-	0.60	1,651.03
Profit/(Loss) before Tax	(3.29)	8,293.09	(ß)	(0.64)	(0.05)	286.79
Tax Expenses	-	1,226.55	-	-	-	-
Profit/(Loss) for the Year	(3.29)	7,066.54	(ß)	(0.64)	(0.05)	286.79
Proposed/Interim Dividend	-	1,096.95	-	-	-	-
Percentage Holding as on 31st March 2022	51.00%	57.27%	100.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31st March 2022	NA	NA	NA	NA	NA	NA

Sr. No.	19		20		21	
Name of Subsidiaries	**UltraTech Cement Lanka Pvt. Ltd.** [!]		**UltraTech Cement Middle East Investment Ltd. (UCMEIL)** [!]		**Star Cement Co LLC, Dubai** [@]	
Currency	SLR in Crore	₹ in Crore	AED in Crore	₹ in Crore	AED in Crore	₹ in Crore
Share Capital (Equity)	50.00	13.11	34.37	709.21	1.50	30.95
Other Equity	(106.26)	(27.87)	20.73	427.76	(24.31)	(501.58)
Total Assets	1,037.37	272.07	106.59	2,199.53	42.97	886.73
Total Liabilities	1,093.63	286.83	51.49	1,062.56	65.78	1,357.36
Investments	-	-	-	-	-	-
Revenue from Operations	2,554.39	933.62	-	-	34.04	690.40
Profit/(Loss) before Tax	(179.57)	(65.63)	0.90	18.35	(1.76)	(35.79)
Tax Expenses	(43.67)	(15.96)	-	-	-	-
Profit/(Loss) for the Year	(135.89)	(49.67)	0.90	18.35	(1.76)	(35.79)
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	80.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2022	BS - SLR 3.8129 = 1.00 INR PL - SLR 2.736 = 1.00 INR		BS - AED 0.0485 = 1.00 INR PL - AED 0.0493 = 1.00 INR		BS - AED 0.0485 = 1.00 INR PL - AED 0.0493 = 1.00 INR	

[!] Subsidiaries of UltraTech Cement Ltd.
[@] Subsidiaries of UltraTech Cement Middle East Investment Ltd.
[ß] Represents that the amount is less than 50,000

Sr. No.	22		23		24	
Name of Subsidiaries	Arabian Cement Industry LLC, Abu Dhabi @		Star Cement Co LLC, Ras Al Khaimah @		Al Nakhla Crushers LLC, Fujairah @	
Currency	AED in Crore	₹ in Crore	AED in Crore	₹ in Crore	AED in Crore	₹ in Crore
Share Capital (Equity)	1.00	20.64	0.50	10.32	0.20	4.13
Other Equity	(7.14)	(147.35)	26.13	539.29	7.27	150.06
Total Assets	14.27	294.39	57.42	1,184.92	8.57	176.74
Total Liabilities	20.41	421.11	30.79	635.31	1.09	22.55
Investments	-	-	-	-	-	-
Revenue from Operations	16.74	339.49	42.91	870.37	5.02	101.81
Profit/(Loss) before Tax	0.86	17.35	3.09	62.62	1.53	30.94
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	0.86	17.35	3.09	62.62	1.53	30.94
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2022	BS - AED 0.0485 = 1.00 INR PL - AED 0.0493 = 1.00 INR		BS - AED 0.0485 = 1.00 INR PL - AED 0.0493 = 1.00 INR		BS - AED 0.0485 = 1.00 INR PL - AED 0.0493 = 1.00 INR	

Sr. No.	25		26		27	
Name of Subsidiaries	UltraTech Cement Bahrain Company WLL, Bahrain @		PT UltraTech Mining Indonesia !		PT UltraTech Investment Indonesia !	
Currency	BHD in Crore	₹ in Crore	IDR in Crore	₹ in Crore	IDR in Crore	₹ in Crore
Share Capital (Equity)	0.03	6.03	1,150.19	6.07	1,992.40	10.52
Other Equity	1.33	267.25	(1,150.19)	(6.07)	10.55	0.08
Total Assets	1.70	341.63	-	-	2,033.46	10.74
Total Liabilities	0.34	68.34	-	-	30.51	0.14
Investments	-	-	-	-	-	-
Revenue from Operations	1.26	249.89	-	-	-	-
Profit/(Loss) before Tax	0.12	24.45	(111.93)	(0.58)	(23.52)	(0.12)
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	0.12	24.45	(111.93)	(0.58)	(23.52)	(0.12)
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		80.00%		100.00%	
Exchange Rate as on 31st March 2022	BS - BHD 0.0050 = 1.00 INR PL - BHD 0.0051 = 1.00 INR		BS - IDR 189.4050 = 1.00 INR PL - IDR 192.4690 = 1.00 INR		BS - IDR 189.4050 = 1.00 INR PL - IDR 192.4690 = 1.00 INR	

! Subsidiaries of UltraTech Cement Ltd.
@ Subsidiaries of UltraTech Cement Middle East Investment Ltd.

Annexure 'A' to the Board's Report (Contd.)

Sr. No.	28		29		30	
Name of Subsidiaries	**PT UltraTech Cement Indonesia [&]**		**Krishna Holdings Pte. Ltd.(KHL) - Under Liquidation [$$]**		**Mukundan Holdings Ltd. (MHL) [#] [$$]**	
Currency	IDR in Crore	₹ in Crore	USD in Crore	₹ in Crore	USD in Crore	₹ in Crore
Share Capital (Equity)	2,033.46	10.74	0.09	7.04	7.70	583.64
Other Equity	(1,361.77)	(7.19)	0.03	2.20	(7.21)	(546.19)
Total Assets	671.69	3.55	0.12	9.24	0.49	37.45
Total Liabilities	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	-	-	-	-
Profit/(Loss) before Tax	20.52	0.10	(0.00)	(0.20)	0.01	0.88
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	20.52	0.10	(0.00)	(0.20)	0.01	0.88
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	99.00%		UNCL-55.54% & MHL-44.46%		100.00%	
Exchange Rate as on 31st March 2022	BS - IDR 189.4050 = 1.00 INR PL - IDR 192.4690 = 1.00 INR		BS - USD 1.00 = INR 75.7925 PL - USD 1.00 = INR 74.5055		BS - USD 1.00 = INR 75.7925 PL - USD 1.00 = INR 74.5055	

Sr. No.	31		32	33	34	
Name of Subsidiaries	**Murari Holdings Ltd. (MUHL) [#] [$$]**		**Swiss Merchandise Infrastructure Limited [#]**	**Merit Plaza Limited [#]**	**Bhumi Resources (Singapore) PTE. Ltd (Bhumi) [#] [$$]**	
Currency	USD in Crore	₹ in Crore	₹ in Crore	₹ in Crore	USD in Crore	₹ in Crore
Share Capital (Equity)	5.48	415.38	0.05	0.05	1.50	113.69
Other Equity	(5.48)	(415.38)	1.89	(35.74)	(1.49)	(112.82)
Total Assets	0.00	0.06	59.83	7.30	0.01	0.88
Total Liabilities	0.00	0.06	57.88	42.99	0.00	0.01
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	-	-	-	-
Profit/(Loss) before Tax	(0.00)	(0.03)	ß	ß	(0.01)	(0.89)
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	(0.00)	(0.03)	ß	ß	(0.01)	(0.89)
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		100.00%	100.00%	100.00%	
Exchange Rate as on 31st March 2022	BS - USD 1.00 = INR 75.7925 PL - USD 1.00 = INR 74.5055		NA	NA	BS - USD 1.00 = INR 75.7925 PL - USD 1.00 = INR 74.5055	

[$$] These have been classified as assets held for sale.
[&] Subsidiaries of PT UltraTech Investment Indonesia
[#] Subsidiaries of UltraTech Nathdwara Cement Ltd.
[ß] Represents that the amount is less than 50,000

Sr. No.	35		36	37	
Name of Subsidiaries	Star Super Cement Industries LLC (SSCILLC) @@		Dakshin Cements Ltd. (struck off w.e.f. 9th April 2021)	PT Anggana Energy Resources $$	
Currency	AED in Crore	₹ in Crore	₹ in Crore	IDR in Crore	₹ in Crore
Share Capital (Equity)	3.19	65.91	-	568.80	3.00
Other Equity	(0.62)	(12.88)	-	(459.22)	(2.42)
Total Assets	20.95	432.20	-	948.99	5.01
Total Liabilities	18.37	379.17	-	839.42	4.43
Investments	-	-	-	-	-
Revenue from Operations	15.71	318.63	-	-	-
Profit/(Loss) before Tax	(0.54)	(10.88)	-	(33.10)	(0.17)
Tax Expenses	-	-	-	-	-
Profit/(Loss) for the Year	(0.54)	(10.88)	-	(33.10)	(0.17)
Proposed/Interim Dividend	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		NA	100% of BHUMI	
Exchange Rate as on 31st March 2022	BS - AED 0.0485 = 1.00 INR		NA	BS - IDR 189.4050 = 1.00 INR	
	PL - AED 0.0493 = 1.00 INR		NA	PL - IDR 192.4690 = 1.00 INR	

Sr. No.	38		39		40	
Name of Subsidiaries	BC Tradelink Limited ##		Binani Cement Tanzania Limited ##		Binani Cement (Uganda) Ltd ##	
Currency	TZS in Crore	₹ in Crore	TZS in Crore	₹ in Crore	UGX in Crore	₹ in Crore
Share Capital (Equity)	ß	ß	3.20	0.10	ß	ß
Other Equity	2.42	0.08	314.93	10.49	0.59	0.01
Total Assets	2.42	0.08	290.92	9.69	50.55	1.09
Total Liabilities	-	-	(27.20)	(0.91)	49.97	1.07
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	-	-	-	-
Profit/(Loss) before Tax	-	-	-	-	-	-
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	-	-	-	-	-	-
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2022	BS - TZS 30.0344 = INR 1.00		BS - TZS 30.0344 = INR 1.00		BS - UGX 46.5718 = INR 1.00	
	PL - TZS 31.0427 = INR 1.00		PL - TZS 31.0427 = INR 1.00		PL - UGX 47.7455 = INR 1.00	

$$ These have been classified as assets held for sale.
Wholly-owned subsidiaries of SSCILLC
@@ Wholly-owned subsidiaries of UCMEIL
ß Represents that the amount is less than 50,000

Annexure 'A' to the Board's Report (Contd.)

Sr. No.	41	42	43		44	
Name of Subsidiaries	Smooth Energy Private Ltd #^	Bahar Ready Mix Concrete Limited #^^	3B-Fibreglass Srl $		3B-FibreGlass Norway as $	
Currency	₹ in Crore	₹ in Crore	EUR in Crore	₹ in Crore	EUR in Crore	₹ in Crore
Share Capital (Equity)	-	-	-	-	-	-
Other Equity	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	17.96	1,555.02	5.29	457.81
Profit/(Loss) before Tax	-	-	(0.01)	(1.22)	0.37	31.92
Tax Expenses	-	-	0.02	1.99	-	-
Profit/(Loss) for the Year	-	-	(0.04)	(3.22)	0.37	31.92
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	NA	NA	0.00%		0.00%	
Exchange Rate as on 31st March 2022	NA	NA	BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971		BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971	

Sr. No.	45		46		47	
Name of Subsidiaries	3B Binani Glassfibre Sarl (3B) *$		Project Bird Holding II Sarl $		Tunfib Sarl $	
Currency	EUR in Crore	₹ in Crore	EUR in Crore	₹ in Crore	EUR in Crore	₹ in Crore
Share Capital (Equity)	-	-	-	-	-	-
Other Equity	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	-	-	-	-
Profit/(Loss) before Tax	2.09	181.34	-	-	0.00	0.26
Tax Expenses	(0.60)	(51.96)	-	-	-	-
Profit/(Loss) for the Year	2.69	233.30	-	-	0.00	0.26
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	0.00%		3B - 0.00%		Project Bird - 0.00%	
Exchange Rate as on 31st March 2022	BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971		BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971		BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971	

*Subsidiary of UNCL w.e.f. 12th March 2021
^Struck off as on 26th October 2021
^^Struck off as on 2nd November 2021
$ Ceased to be subsidiary w.e.f. 31st March 2022

Sr. No.	48		49	50	51	52
Name of Subsidiaries	**Goa Glass Fibre Ltd.** [$]		**Aditya Birla Capital Limited (ABCL)**	**Aditya Birla PE Advisors Private Limited** [!!]	**Aditya Birla Capital Technology Services Limited** [!!]	**Aditya Birla Trustee Company Private Limited** [!!]
Currency	EUR in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	-	-	2,416.31	3.50	1.80	0.05
Other Equity	-	-	7,491.88	0.64	(39.20)	0.37
Total Assets	-	-	10,077.88	4.35	100.10	0.45
Total Liabilities	-	-	169.69	0.21	137.49	0.03
Investments	-	-	9,945.72	2.84	86.24	0.44
Revenue from Operations	2.87	248.65	452.71	-	21.13	-
Profit/(Loss) before Tax	0.78	67.17	419.05	(0.41)	(1.66)	ß
Tax Expenses	0.25	21.36	74.36	-	-	ß
Profit/(Loss) for the Year	0.53	45.81	344.69	(0.41)	(1.66)	ß
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	3B - 100.00%		54.18%	100.00%	100.00%	100.00%
Exchange Rate as on 31st March 2022	BS - EUR 1.00 = INR 84.2200 PL - EUR 1.00 = INR 86.5971		NA	NA	NA	NA

Sr. No.	53	54	55	56	57	58
Name of Subsidiaries	**Aditya Birla Insurance Brokers Limited** [!!]	**Aditya Birla Money Mart Limited** [!!]	**Aditya Birla Money Insurance Advisory Services Limited** [!!!]	**ABCAP Trustee Company Private Limited** [!!] **(Under strike-off)**	**Aditya Birla Sun Life Trustee Company Private Limited** [!!]	**Aditya Birla Wellness Private Limited** [!!]
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	5.13	93.20	4.97	0.05	0.02	11.67
Other Equity	124.56	8.63	4.49	(0.05)	1.30	9.34
Total Assets	295.85	176.41	13.16	-	1.53	24.72
Total Liabilities	166.17	74.58	3.70	-	0.21	3.72
Investments	45.04	86.39	-	-	1.43	9.79
Revenue from Operations	684.52	-	16.38	-	0.05	13.25
Profit/(Loss) before Tax	86.02	12.50	2.75	(0.01)	0.07	2.11
Tax Expenses	21.96	3.03	-	-	0.01	-
Profit/(Loss) for the Year	64.06	9.47	2.75	(0.01)	0.06	-
Proposed/Interim Dividend	35.91	-	-	-	-	-
Percentage Holding as on 31st March 2022	50.002%	100.00%	100.00%	NA	50.85%	51.00%
Exchange Rate as on 31st March 2022	NA	NA	NA	NA	NA	NA

[$] Ceased to be subsidiary w.e.f. 31st March 2022
[!!] Subsidiaries of Aditya Birla Capital Limited
[!!!] Wholly-owned subsidiaries of Aditya Birla Money Mart Limited
[β] Represents that the amount is less than 50,000

Annexure 'A' to the Board's Report (Contd.)

Sr. No.	59	60	61		62	
Name of Subsidiaries	Aditya Birla Financial Shared Services Limited !!	Aditya Birla Sun Life AMC Limited !!	Aditya Birla Sun Life AMC (Mauritius) Limited ^^		Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore ^^	
Currency	₹ in Crore	₹ in Crore	USD in Crore	₹ in Crore	SGD in Crore	₹ in Crore
Share Capital (Equity)	0.05	144.00	ß	0.34	1.36	76.11
Other Equity	1.69	2,056.61	0.12	9.05	(0.50)	(27.90)
Total Assets	99.76	2,434.31	0.13	9.56	0.95	53.05
Total Liabilities	98.02	233.70	ß	0.17	0.09	4.84
Investments	0.01	2,190.00	-	-	-	-
Revenue from Operations	-	1,263.47	0.02	1.50	0.52	28.94
Profit/(Loss) before Tax	0.47	882.28	ß	0.34	0.21	11.64
Tax Expenses	-	221.92	ß	0.01	-	-
Profit/(Loss) for the Year	0.47	660.36	ß	0.33	0.21	11.64
Proposed/Interim Dividend	-	329.76	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%	50.01%	100.00%		100.00%	
Exchange Rate as on 31st March 2022	NA	NA	BS - USD 1.00 = INR 75.7862 PL - USD 1.00 = INR 74.5114		BS - 1.00 SGD = INR 55.9655 PL - 1.00 SGD = INR 55.2472	

Sr. No.	63		64	65	66	67
Name of Subsidiaries	Aditya Birla Sun Life Asset Management Company Ltd., Dubai ^^'		Aditya Birla Health Insurance Company Limited !!	Aditya Birla ARC Limited !!	Aditya Birla Stressed Asset AMC Private Limited !!	Aditya Birla Sun Life Insurance Company Limited !!
Currency	USD in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	0.31	23.68	435.12	100.00	14.80	1,901.21
Other Equity	(0.22)	(16.33)	87.09	47.74	9.18	647.42
Total Assets	0.13	9.75	1,829.85	464.86	25.48	63,683.43
Total Liabilities	0.03	2.40	1,307.64	317.12	1.50	61,134.79
Investments	-	-	1,237.97	379.31	22.66	60,795.73
Revenue from Operations	0.15	11.43	1,260.00	72.05	6.15	16,943.45
Profit/(Loss) before Tax	0.01	0.44	(311.44)	28.80	5.42	140.90
Tax Expenses	-	-	-	7.13	1.37	14.06
Profit/(Loss) for the Year	0.01	0.44	(311.44)	21.67	4.05	126.84
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2022	100.00%		51.00%	100.00%	100.00%	51.00%
Exchange Rate as on 31st March 2022	BS - USD 1.00 = INR 75.7862 PL - USD 1.00 = INR 74.5114		NA	NA	NA	NA

!! Subsidiaries of Aditya Birla Capital Limited

^^ Wholly-owned subsidiaries of Aditya Birla Sun Life AMC Limited

ß Represents that the amount is less than 50,000

Sr. No.	68	69	70	71
Name of Subsidiaries	**Aditya Birla Sun Life Pension Management Limited ¥¥¥**	**Aditya Birla Housing Finance Limited !!**	**Aditya Birla Finance Limited !!**	**Aditya Birla Money Limited !!**
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	69.00	501.20	662.10	5.64
Other Equity	(12.61)	1,219.79	9,198.32	68.80
Total Assets	59.21	12,590.70	56,969.20	1,266.84
Total Liabilities	2.82	10,869.71	47,108.79	1,192.40
Investments	54.36	-	1,694.04	436.01
Revenue from Operations	0.31	1,215.16	5,784.86	231.31
Profit/(Loss) before Tax	(2.70)	253.25	1,487.12	35.68
Tax Expenses	0.03	55.96	378.79	9.55
Profit/(Loss) for the Year	(2.73)	197.29	1,108.33	26.13
Proposed/Interim Dividend	-	-	109.25	-
Percentage Holding as on 31st March 2022	51.00%	100.00%	100.00%	73.70%
Exchange Rate as on 31st March 2022	NA	NA	NA	NA

¥¥¥ Wholly-owned subsidiary of Aditya Birla Sun Life Insurance Company Limited

!! Subsidiaries of Aditya Birla Capital Limited

The financials of all the entities in above annexure are as per their statutory books.

Notes:

A. Subsidiaries which are yet to commence operations

(i) ABReL SPV2 Limited

(ii) PT Ultratech Mining Indonesia, Sumatra (no equity infusion).

B. Subsidiaries which have been liquidated or sold during the year.

(i) Dakshin Cements Limited (struck off w.e.f. 9th April 2021)

(ii) Smooth Energy Private Limited (struck off w.e.f. 26th October 2021)

(iii) Bahar Ready Mix Concrete Limited (struck off w.e.f. 2nd November 2021)

(iv) Project Bird Holding II Sarl (Ceased to be subsidiary w.e.f. 31st March 2022)

(v) Tunfib Sarl (Ceased to be subsidiary w.e.f. 31st March 2022)

(vi) Goa Glass Fibre Limited (Ceased to be subsidiary w.e.f. 31st March 2022)

(vii) 3B Binani Glassfibre Sarl, Luxembourg ('3B'), (Ceased to be subsidiary w.e.f. 31st March 2022)

(viii) 3B-FibreGlass Norway As (Ceased to be subsidiary w.e.f. 31st March 2022)

(ix) 3B-Fibreglass Srl, Belgium, (Ceased to be subsidiary w.e.f. 31st March 2022)

C. Additional Notes

(i) Aditya Birla Sun Life AMC Limited (ABSLAMC) holds 100% management shares of India Advantage Fund Limited (IAFL), having no beneficial interest or ownership on IAFL's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IAFL. Similarly, Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore holds 100% management shares of International Opportunities Fund – SPC and by virtue of that it is a subsidiary of the Company. Hence these Companies are not included in AOC-1.

(ii) On 31st December 2021, ABCAP Trustee Company Private Limited ('ABCAP'), a wholly-owned subsidiary of the Company (non-material and inoperative subsidiary) filed an application for voluntary striking-off of its name from the Registrar of Companies (ROC). As at 31st March 2022, the notice for striking off in Form No. STK-7 under Section 248(5) of the Companies Act, 2013 is yet to be received.

Part B: Joint Ventures/Associates

Sr. No.	Name of the Associates and Joint Ventures	Latest audited Balance Sheet Date	Shares of Joint venture/Associate held by the Company on year end			Net worth attributable to shareholding as per latest audited Balance Sheet	Profit /(Loss) for the year	Considered in Consolidation	Not considered in Consolidation
			Nos.	Amount of Equity Investment in Joint venture/ Associate	Extent of Holding (%)				
1	Madanpura (North) Coal Company Private Limited#	31/03/2022	11,52,560	1.08	11.17%	0.97	0.06	0.01	0.06
2	Bhaskarpara Coal Company Limited	31/03/2022	81,41,050	8.18	47.37%	6.28	0.02	0.01	0.01
3	AV Group NB Inc.	31/03/2022	2,04,750	153.04	45.00%	752.69	(58.69)	(26.41)	(32.28)
4	Birla Jingwei Fibres Company Limited	31/03/2022	-	117.40	26.63%	66.58	40.07	10.67	29.40
5	Bhubaneswari Coal Mining Limited	31/03/2022	3,35,40,000	33.54	26.00%	167.89	65.84	17.12	48.72
6	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	31/03/2022	16,665	0.47	33.33%	0.64	0.24	0.08	0.16
7	Aditya Group AB	31/03/2022	50	274.89	33.33%	370.95	92.71	30.90	61.81
8	AV Terrace Bay Inc. (AVTB)	31/03/2022	2,80,00,000	156.36	40.00%	0.62	(41.03)	(16.41)	(24.62)
9	Aditya Birla Science & Technology Co. Private Limited #	31/03/2022	98,99,500	11.35	49.50%	28.50	9.01	4.46	4.55
10	Birla Advanced Knits Pvt. Ltd.	31/03/2022	1,50,00,000	15.00	50.00%	14.87	(0.26)	(0.13)	(0.13)
11	Renew Surya Uday Pvt. Ltd. #	31/03/2022	51,04,000	15.31	26.00%	15.47	0.62	0.16	0.46

Represents Associates

For and on behalf of the Board of Directors

Harikrishna Agarwal	Dr. Santrupt Misra	Ashish Adukia	Sailesh Daga
Managing Director	Non-executive Director	Chief Financial Officer	Company Secretary
DIN :09288720	DIN: 00013625		Membership No.: F4164

Date : 24th May 2022

Place : Mumbai

Annexure 'B' to the Board's Report

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Grasim Industries Limited
Birlagram, Nagda - 456 331,
Ujjain, Madhya Pradesh

1. The Corporate Governance Report prepared by Grasim Industries Limited (hereinafter the 'Company'), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') for the year ended 31st March 2022 as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report.

   ii. Obtained and verified that the composition of the Board of Directors with respect to Executive and Non-Executive Directors has been met throughout the reporting period.

   iii. Obtained and read the Register of Directors as on 31st March 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year.

   iv. Obtained and read the minutes of the following committee meetings/other meetings held 1st April 2021 to 31st March 2022:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM)/Extra Ordinary General Meeting (EGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders' Relationship Committee;

      (f) Risk Management and Sustainability Committee;

      (g) Corporate Social Responsibility Committee;

      (h) Finance Committee;

      (i) Independent Directors' Meeting; and

      (j) PIT Regulation Committee;

Annexure 'B' to the Board's Report (Contd.)

v. Obtained necessary declarations from the Directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end.

viii. Obtained and read the minutes of the Audit Committee meeting where in such related party transactions have been pre-approved prior by the Audit Committee.

ix. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31st March 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Vikas R. Kasat
Partner
Membership Number: 105317
UDIN: 22105317AMJQMB1773
Place: Mumbai
Date: 24th May 2022

For S R B C & CO LLP
Chartered Accountants
Firm's Registration No. 324982E/E300003

Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 22037924AJMIMS2731
Place: Mumbai
Date: 24th May 2022

Annexure 'C' to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange & Earnings & Outgo pursuant to provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

a) The steps taken and impact on conservation of energy

The Company undertakes various initiatives for energy conservation through continuous improvements in operational efficiency, equipment upgradation, modernisation etc.

Following measures have been taken by different units of the Company:

i) PULP AND VISCOSE STAPLE FIBRE (VSF)

- Improving utilisation of heat available in the system by heat integration of various processes to save steam and power through:
  - Reduction of power through simplification of process by avoiding multiple pumping.
  - Recovery of waste heat of hot streams for various process applications to reduce steam consumption.
  - Recycling of Steam condensate/vapour.
- Adoption of high efficiency equipment to reduce energy consumption:
  - Variable Frequency Drive ('VFD') for variable power consumption applications.
  - Efficient spray nozzles to recover more heat in scrubbers.
  - Bigger size condenser for improved heat recovery.
  - Efficient chiller to reduce refrigeration power.
  - Centrifuges in place of TFF to reduce energy consumption.
  - Higher stages MSFE to improve steam economy for evaporation application.
  - Resistance controller in charcoal based CS_2 furnaces for cost reduction.
  - Light weight FRP blades in cooling tower fans for power reduction.
  - High efficiency helical gear box in place of worm & worm wheel reduction gear box in viscose dissolvers.
  - Implementation of non-metallic wear rings in Boiler feed pump (high pressure-multi stage centrifugal pumps) of power plant for reduction of power consumption.
- Process improvement to save energy
  - Installation of additional Biogas reactor to utilise left over pre hydrolysis liquor to generate biogas and save furnace oil.
  - Blinding of one stage of high pressure pump to reduce power.
  - Adoption of CPP optimiser for optimising the operation parameters thus improving overall efficiency of CPP.
  - Adoption of process bath stream in ventury in place of fresh water to recycle chemicals.
  - Balancing of exhaust air blowers to minimise power consumption in spinning section.
  - Optimisation of pulping cycle time, mixing RPM & batch preparations logic to minimise power consumption.
  - Optimisation of viscose dissolving cycle time & process logic to minimise the power consumption.
  - Optimisation of residence time of Fibre in Dryers for effective use of steam.

ii) Viscose Filament Yarn (VFY)

- Replacement of old transformers by energy efficient transformers (Annualised saving ~252,351 kWh)
- Replacement of conventional tube lights with LED lights & conventional celling fans with Brush Less Direct Current (BLDC) fans (Annualised saving 247,326 kWh)
- Upgradation of motors of Air Handling Unit and ceiling fans by energy efficient BLDC motor-based system (Annualised saving 178,761 kWh)

Annexure 'C' to the Board's Report (Contd.)

- Installation of 'Flat belt' drive in place of 'V-belt' in 11 no.'s of plant air-washers (Annualised saving 154,475 kWh)
- Replacement of old reciprocating air compressor with permanent magnet motor and VFD screw compressor (Annualised saving 130,631 kWh)
- Installation of roof top 42 KW solar plant (Annualised saving 61,000 kWh)

iii) Chemical

- Remembraning & Recoating of 15 Electrolysers across sites resulted in overall power saving of ~126,000 kWh/day.
- Improved reliability of operations by Installation of high efficiency 132/22 kV Power transformer with Harmonic filter bank of 4.09 MVAR capacity at Nagda resulted in power savings of 12,250 kWh/day.
- Upgraded process equipment of captive power plants, existing conventional lighting replaced with LED technology, installed Variable Frequency Drive (VFD) and IE-3 Grade Motors by replacing the old Non-IE standard motors led to additional power savings of ~13,500 kWh/day.
- Steam consumption reduced by 220 Tonne/day by revamping of Caustic Concentration Units (CCUs) and modification of heating, vacuum & steam systems across all sites.
- Various initiatives including installation of energy efficient boiler at Veraval being undertaken to optimise fuel consumption.

iv) Advanced Materials (Epoxy)

- Air cooled Heating, Ventilation and Air Conditioning (HVAC) replaced with water cooled AC.
- Instrument Air Tubing replaced from SS to PVC coated SS tubes to prevent air losses due to leakage.
- Primary Air Filter installed to improve efficiency of Air compressor.
- Installed Air Compressor (500 Nm3) in utility with IE-3 motor.
- Installed VFD in ETP cooling tower pumps
- Replaced conventional light with LED lights.

v) Insulator

- Replacement of heavy load electrical motors from IE-1/2 to IE-3 motors to improve efficiency.
- Replacement of inefficient metal halide lights by LED lights.
- Replacement of old design electric dryers by high efficiency combination dryers.
- Installations of VFD drives on cooling towers for energy saving.
- Increasing density of kiln car loading to improve kiln specific fuel consumption.
- Improved waste heat utilisation of the kiln through recuperator in the channel driers.

vi) Textile

- Replacement of 278 no.'s 3 Star ACs with high energy efficient 5 Star Inverter ACs.
- Replacement of old/inefficient IE1 motors with IE3 motors at Ring frame and Humidification plant.
- Introduction of steam heating instead of Electric heating at RF Dryer of Fiber Dye House.
- Variable frequency drives installation at Flocculator & Agitator of ZLD Plant.

b) The steps taken by the Company for utilising alternate sources of energy

i) VFY

- Installation of roof top 42 KW solar plant (Annualised saving 61,000 kWh)

ii) Chemical

- Successfully commissioned Renewable Energy power projects at Karwar (gross ~ 27 MW Wind projects) and Vilayat (gross ~ 17.6 MW-Wind-Solar Hybrid). Consumed ~ 15.8 Crore kWh of renewable energy (including RE power purchased through IEX) in FY22.

iii) Advanced Materials (Epoxy)

- Floating and rooftop solar panel installed (103 kW Capacity)

iv) Insulator

- Consumed solar and wind power purchase under long-term PPA (1.44 MW)

c) The capital investment on energy conservation equipments

- Total Investment made of ₹ 90.93 Crore

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

i) Pulp and Viscose Staple Fibre (VSF)

- Adoption of VAM to reduce refrigeration energy.
- Digitalisation framework for reduction in breakdown.
- Upgradation of two old spinning lines with latest lines at Nagda to improve fibre quality.
- Adopted recycling of effluent through installation of Reverse Osmosis technology which for the first time in VSF to reduce fresh water consumption by increasing water recycling.
- Adoption of Zero liquid discharge technology at Nagda for the first time in the VSF industry.
- Adopted waste gas recovery technology at Vilayat to improve environment footprint.

ii) Chemical

- Commissioned 250 TPD Caustic Soda plant at Rehla with state of art Japanese technology (Zero gap electrolysers) having cell power consumption of ~ 1950 kWh/Ton (AC power).
- Installed 50 KVA rooftop solar plant to boost renewable power generation for internal consumptions at plant & townships.
- Reduced chemical treatments of brine for primary purification by the Installations of membrane filtration systems (Sulphate Removal System at Karwar, Vilayat and Rehla; CMF – Ceramic/PTFE Membrane filtrations at Karwar and Rehla)
- Reduced waste generation by developing treatment facilities for utilisation of acidic effluent, generated during ion exchange regeneration at Renukoot.

iii) VFY

- Introduced acrylic based binding agent as an alternative to existing Poly Vinyl Alcohol (PVA) in CSY to improve quality and yarn workability in downstream processes at customer end.
- Development of PSY 120/100 microfilament yarn for soft feel fabric.
- New development in SSY - 75/70, 75/40, 60/40, 40/12, 75/09 yarn.
- Development of CSY monofilament – 30, 40, 50 yarn; PSY: 30 & 60 yarn.
- New Product developed & commercialised: SSY-50/40, 50/12 yarn; CSY-100/70, 75/30 dull yarn; PSY-120/30 yarn.

iv) Advanced Materials (Epoxy)

- Installed Agitated Thin Film Dryer (ATFD) for process waste-water to reduce load on Multi Effect Evaporator (MEE) and get better efficiency of MEE and ATFD.

v) Insulator

- Design optimisation of composite long rod insulators by controlling electric field magnitude, using latest 3D simulation software to comply with international standard.
- First time development of polymer solid core insulators for optical fiber technology application, to cater to special customer needs.

b) The benefits derived like product improvement, cost reduction, product development or import substitution

i) VFY

- Successfully developed Monofilament yarn in CSY; High DPF (Denier per filament) SSY products and Low DPF PSY products to create new market/product segment with enriched fabric (better feel) to meet latent demand of consumers.

ii) Insulator

- Design optimisation of composite long rod Insulators.
- Polymer solid core insulators for optical fiber technology application will meet special needs of customer.

Annexure 'C' to the Board's Report (Contd.)

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Chemicals

- AKCC technology from Japan being used in 250 TPD Caustic Plant at Rehla.
- Sulphate removal system & CMF (brine purification system) at Rehla

d) The expenditure incurred on Research and Development ('R&D'):

Expenditure	₹ Crore
For Inhouse R&D	
a) Capital	7.12
b) Revenue	69.76
Contributation to Scientific Research Company	27.21
Total R&D Expenses	**104.09**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign Exchange used: ₹8,764.83 Crore

- Foreign Exchange earned: ₹3,107.21 Crore

Annexure 'D' to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of,
Grasim Industries Limited
P.O. Birlagram, Nagda – 456 331
District – Ujjain,
Madhya Pradesh, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Grasim Industries Limited having CIN:- L17124MP1947PLC000410** (hereinafter called the 'Company') for the financial year ended on 31st March 2022 (the 'Audit Period').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through data room and other records maintained by the Company;

(ii) Compliance certificates confirming compliance with Corporate laws applicable to the Company given by the Key Managerial Personnel/ Senior Managerial Personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and

(iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorised representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31st March 2022, the Company has:

(i) Complied with the statutory provisions listed hereunder; and

(ii) Board processes and compliance mechanisms are in place

to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions/clauses of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Annexure 'D' to the Board's Report (Contd.)

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-convertible securities) Regulations, 2021 w.e.f. 9th August 2021.

(vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards).

1.2 During the period under review:

(i) The Company has complied with the all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.

(ii) Generally complied with the applicable provisions/ clauses of:

(a) FEMA to the extent of Overseas Direct Investment and External Commercial Borrowings mentioned under paragraph 1.1 (iv);

(b) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, applicable to the meetings of the Board, Committees constituted by the Board held during the year, the 74th Annual General Meeting (AGM) held on 27th August 2021 and the postal ballots conducted by the Company on 16th November 2021 and 30th December 2021. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

1.3 During the audit period under review, provisions of the following Act/Regulations were not applicable to the Company

(i) FEMA and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following law which is applicable to the Company: -

(i) The Environment Protection Act, 1986;

2. BOARD PROCESSES:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2022 comprised of:

(i) One Executive Director;

(ii) Five Non-executive Non-independent Directors; and

(iii) Six Non-executive Independent Directors, including a Woman Independent Director.

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

(i) Retirement of Mr. Arun Thiagarajan (DIN: 00292757), Independent Director of the Company on completion of his term as an Independent Director of the Company with effect from 6th May 2021.

(ii) Resignation of Mr. O. P. Rungta (DIN: 00020559) as an Independent Director of the Company with effect from close of business hours of 24th May 2021.

(iii) Appointment of Mr. V. Chandrasekaran (DIN: 03126243) as Non-executive Independent Director of the Company for a period of five years, with effect from 24th May 2021 up to 23rd May 2026 by the Board of Directors. His appointment was approved by Members in the 74th AGM held on 27th August 2021.

(iv) Appointment of Mr. Adesh Kumar Gupta (DIN: 00020403) as Non-executive Independent Director of the Company to hold office for a period of five years, with effect from 24th May 2021 up to 23rd May 2026 by the Board of Directors. His appointment was approved by Members in the 74th AGM held on 27th August 2021.

(v) Re-appointment of Mr. Kumar Mangalam Birla as a Director of the Company who was liable to retire by rotation at 74th AGM held on 27th August 2021.

(vi) Re-appointment of Dr. Santrupt Misra as a Director of the Company who was liable to retire by rotation at 74th AGM held on 27th August 2021.

(vii) Resignation of Mr. Vipin Anand as Non-executive Director of the Company with effect from 14th October 2021.

(viii) Appointment of Mr. Raj Kumar, (DIN: 06627311) as a Non-executive Director of the Company w.e.f. 12th November 2021, liable to retire by rotation by the Board of Directors. His appointment was approved by Members through Postal Ballot conducted by the Company on 30th December 2021.

(ix) Mr. Dilip Gaur took an early retirement from the office of Managing Director of the Company with effect from 30th November 2021.

(x) Appointment of Mr. Harikrishna Agarwal (DIN: 09288720), as the Managing Director of the Company for a period of 2 years with effect from 1st December 2021 by the Board of Directors. His appointment was approved by Members through Postal Ballot conducted by the Company on 16th November 2021.

2.3 Adequate notices were given to all the directors to enable them to plan their schedules for the Board meeting(s), except for few meetings which were convened at a shorter notice to transact urgent business, which were compliant with the provisions of the Act as prescribed.

2.4 Notices for the Board meetings was sent to all the directors at least seven days in advance except for the few meetings convened at a shorter notice, at which more than one Independent Director was present as required under Section 173 (3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were generally sent to all the directors at least seven days before the Board meetings, except for few meetings which were convened at a shorter notice.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.7 We note from the minutes examined that, at the Board meetings held during the year:

(i) Decisions were carried through the majority of the Board; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be captured and recorded as part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. SPECIFIC EVENTS / ACTIONS

During the year under review, the following specific events/ actions having a major bearing on the Company's affairs took place:-

(i) Allotment of 2,50,582 equity shares against exercise of Options/RSUs by the grantee(s) under Employee Stock Option Schemes of the Company.

(ii) Allotment of 10,000 Fully Paid- up, Listed, Rated, Unsecured Redeemable Non-convertible Debentures (NCD) aggregating to ₹1,000 Crore on a private placement basis, pursuant to resolution passed through circulation by the members of the Stakeholders' Relationship Committee on 5th April 2021.

(iii) Approval of Board of Directors for investment of a sum of up to ₹30,50,00,000 (Rupees Thirty Crore Fifty Lakh) towards acquisition of 26% equity stake in Renew Surya Uday Private Limited, to establish, operate and maintain an exclusive 17.6 MW wind-solar hybrid power plant at Babaria, Gujarat for sourcing wind-solar power for the Company's unit at Vilayat, under the Group Captive Power Arrangement.

Annexure 'D' to the Board's Report (Contd.)

(iv) Pursuant to the Scheme of Arrangement between Grasim Premium Fabric Private Limited (Transferor Company) and Grasim Industries Limited (Transferee Company) and their respective shareholders and creditors (Scheme) becoming effective from 21st June 2021 and the revised authorised share capital of the Company in terms of clause 8 of the Scheme as mentioned hereunder be and is hereby noted:

Particulars	Amount (in ₹)
Authorised share capital	
206,25,00,000 equity shares of ₹2/- each	412,50,00,000
11,00,000 redeemable preference shares of ₹100 each	11,00,00,000
TOTAL	**423,50,00,000**

(v) The Scheme of Arrangement has been approved by NCLT Indore Bench at Ahmedabad vide its order dated 28th January 2021 and by NCLT Mumbai Bench vide its order dated 23rd March 2021, copy of the said order of Mumbai Bench was received on 10th June 2021. Grasim and GPFPL have filed the copy of the order with Registrar of Companies, Gwalior and Pune respectively. The Scheme got effective from 21st June 2021 with appointed date of 1st April 2019.

(vi) CCI vide its order dated 16th March 2020 ('Order') held that the Company had violated Section 4 (abuse of dominance) of the Competition Act, 2002 ('Act'). Besides cease and desist, CCI imposed a penalty of ₹301.62 Crore. The Company had obtained a stay by depositing ₹30 Crore with Hon'ble NCLAT on 11th November 2020, which was extended from time to time. The matter was scheduled for hearing on 19th January 2022 and has been adjourned. Next date of hearing yet to be fixed by NCLAT.

(vii) CCI vide its order dated 3rd June 2021, levied a penalty of ₹3.49 Crore on the Company (@ ₹1 lakh per day for a period of 349 days and continuing thereafter) for non-compliance with the order passed on 16th March 2020, against which the Company filed a writ petition with Hon'ble Delhi High Court. The matter was rescheduled for hearing on 6th January 2022 and Hon'ble Judge noted that CCI will not take any precipitative steps in relation to Section 42 order till the next date of hearing and protection granted previously will be continued.

(viii) Pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Scheme of Arrangement between Grasim Industries Limited ('Grasim'/ 'Company'/ 'Transferor') and Indorama India Private Limited ('Indorama'/ 'Transferee') and their respective shareholders and creditors ('the Scheme') as approved by the Hon'ble National Company Law Tribunal, Indore Bench at Ahmedabad on 2nd September 2021 along with the order for condonation of delay to file the requisite e-form with the Ministry of Corporate Affairs on 23rd December 2021.

The Scheme shall become effective, in accordance with its terms, upon receipt of the agreed consideration and completion of the necessary regulatory and/ or statutory filing(s) as may be necessary, unless waived by the Company or Indorama, as applicable. After completion of all above procedures and approvals, the Scheme became effective from 1st January 2022 ('Effective Date').

(ix) The Company has acquired 13,000 equity shares of Face Value of ₹10/- each of ABReL Solar Power Limited, a subsidiary of Aditya Birla Renewables Limited which in turn is the wholly-owned subsidiary of Grasim Industries Limited on 22nd October 2021.

(x) Approval of the Board of Directors for increase in investment of surplus funds by way ICD/ Loan to any body corporate, subscription to units of mutual funds/ treasury bills/bonds/commercial papers, etc. from ₹5,000 Crore to ₹9,000 Crore.

(xi) Approval of the Board of Directors for Investment of a sum of up to ₹4.18 Crore towards subscription of 17.34% of the equity share capital in the proposed Company (SPV) to be formed by Renew Green Energy Solutions Private Limited (RGESPL) for supply of wind –solar hybrid power under the Group Captive Power Arrangement at Kharach, Gujarat.

(xii) All the cases pursuant to Whistle-Blower and POSH has been closed except one Whistle-Blower case and two POSH cases for which investigation is in process.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No.: P2014MH037400]

Avinash Bagul
Partner
FCS No.: 5578/COP No.: 19862
UDIN: F005578D000359965

Place: Mumbai
Date: 24th May 2022

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

To,

The Members of,
Grasim Industries Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No.: P2014MH037400]

Avinash Bagul
Partner
FCS No.: 5578/COP No.: 19862
UDIN: F005578D000359965

Place: Mumbai
Date: 24th May 2022

Annexure 'E' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society. Furthermore, to contribute effectively towards inclusive growth and raise the country's human development index.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended during the tenure
1.	Smt. Rajashree Birla	Chairperson, Non-executive Director	2	2
2.	Ms. Anita Ramachandran	Member, Independent Director	2	2
3.	Mr. Shailendra K. Jain	Member, Non-executive Director	2	2
4.	Mr. Dilip Gaur[1]	Member, Managing Director	1	1
5	Mr. Harikrishna Agarwal[2]	Member, Managing Director	1	1

[1] Ceased to be the Member of the Committee with effect from 30th November 2021

[2] Appointed as the Member of the Committee with effect from 1st December 2021

Dr. Pragnya Ram, Group Executive President - CSR is a Permanent Invitee to the CSR Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of the CSR Committee	https://www.grasim.com/investors/corporate-governance
CSR Policy and Projects	https://www.grasim.com/investors/policies-and-code-of-conduct

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The Company has conducted voluntary impact assessments to monitor and evaluate its CSR programme. The Company takes cognisance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and initiated impact assessment of applicable CSR project(s) through an independent agency. The reports are available on the Company's website at https://www.grasim.com/sustainability/corporate-social-responsibility

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)*	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.

6. Average net profit of the Company as per Section 135(5): ₹1,798.71 Crore

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹35.97 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹35.97 Crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)		
	Total Amount transferred to Unspent CSR Account as per Section 135(6)#		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
	Amount	Date of Transfer	
The Company has spent ₹42.47 Crore* (inclusive of administrative overheads) divided into ₹38.40 Crore towards mandatory CSR obligation and additionally ₹4.07 Crore as voluntary CSR activities.	₹2.50 Crore ₹2.25 Crore	19th April 2022 28th April 2022	Nil

*Amount excludes CSR of ₹4.75 Crore which remains unspent and it has been transferred to separate bank account in April 2022 and classified as ongoing projects by the Board.

The Company has spent over the mandatory requirement of two percent of average net profit of the Company as per Section 135(5). Additionally, a sum of ₹4.75 Crore was classified as ongoing projects.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in Crore)	Amount spent in the current financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crore)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Providing Medical Equipments	(i)	Yes	Pune (MH)		2	8.50	0.98	2.25	No	Grasim Jana Seva Trust	CSR00004770
2.	MPower	(ii)	Yes	Mumbai, Pune, Kalyan (MH), South Goa (Goa), Kolkata (WB), Bengaluru (Karnataka), Pilani (Rajasthan), Hyderabad (Telangana)		2	10.00	5.50	2.50	No	Aditya Birla Education Trust	CSR00004879
Total							**18.50**	**6.48**	**4.75**			

Annexure 'E' to the Board's Report (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent in the project (₹ in Crore)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Eradicating Hunger, poverty and malnutrition, promoting healthcare including preventing healthcare and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	i	Yes	Bharuch, Surat, Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Palamu (Jharkhand), Ganjam (Odisha), Hoogly (WB), Sonbhadra, Amethi, (UP), Haveri (Karnataka), Mumbai, Thane, Kolhapur (MH)		4.71	Yes	-	-
						8.93	No	Grasim Jana Seva Trust	CSR00004770
								BCCL Jan Seva Trust	CSR00008143
								Aditya Birla Jan Seva Trust	CSR00003161
								Jan Seva Trust	CSR00006415
								Indo Gulf Jan Seva Trust	CSR00008200
2.	Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	ii	Yes	Bharuch, Surat, Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Palamu (Jharkhand), Ganjam (Odisha), Hoogly (WB), Sonbhadra, Amethi, (UP), Haveri, Karwar (Karnataka), Mumbai, Thane (MH)		1.96	Yes	-	-
						6.22	No	Grasim Jana Seva Trust	CSR00004770
								BCCL Jan Seva Trust	CSR00008143
								Aditya Birla Jan Seva Trust	CSR00003161
								Jan Seva Trust	CSR00006415
								Indo Gulf Jan Seva Trust	CSR00008200
3.	Sustainable Livelihood	iv	Yes	Bharuch, Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Haveri, Karwar (Karnataka), Palamu (Jharkhand), Ganjam (Odisha), Hoogly (WB), Sonbhadra, Amethi (UP), Ganjam (Odisha)		0.05	Yes	-	-
						1.80	No	Grasim Jana Seva Trust	CSR00004770
								BCCL Jan Seva Trust	CSR00008143
								Indo Gulf Jan Seva Trust	CSR00008200
								Aditya Birla Jan Seva Trust	CSR00003161
								Jan Seva Trust	CSR00006415
4.	Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	iii	Yes	Bharuch, Gir Somnath (Gujarat), Ujjain (MP), Palamu (Jharkhand) Amethi (UP), Haveri (Karnataka), Ganjam (Odisha)		0.04	Yes	-	-
						0.36	No	Grasim Jana Seva Trust	CSR00004770
								BCCL Jan Seva Trust	CSR00008143
								Indo Gulf Jan Seva Trust	CSR00008200
								Jan Seva Trust	CSR00006415

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent in the project (₹ in Crore)**	**Mode of Implementation – Direct (Yes/ No)**	**Mode of Implementation – Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
5.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining of quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	iv	Yes	Ujjain (MP), Haveri (Karnataka), Bharuch, Gir Somnath (Gujarat), Palamu (Jharkhand)		0.86	No	Grasim Jana Seva Trust BCCL Jan Seva Trust Jan Seva Trust	CSR00004770 CSR00008143 CSR00006415
6.	Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the scheduled Caste, scheduled tribes, other backward classes, minorities and women	viii	Yes	Ganjam (Odisha)		0.13	Yes	-	-
7.	Traditional Handicrafts Promotion/Development (Handloom Textiles - Ikat, Jamdani & Banarasi Artisans)	v	Yes	Mumbai (MH)		6.50	No	Grasim Jana Seva Trust	CSR00004770
8.	Rural Development Project (Other than specific items covered in above head)	x	Yes	Bharuch, Surat & Gir Somnath (Gujarat), Bhind, Ujjain (MP), Palamu (Jharkhand), Hoogly (WB), Sonbhadra, Amethi (UP), Haveri (Karnataka), Ganjam (Odisha)		2.96	No	Grasim Jana Seva Trust BCCL Jan Seva Trust Indo Gulf Jan Seva Trust Jan Seva Trust Aditya Birla Jan Seva Trust	CSR00004770 CSR00008143 CSR00008200 CSR00006415 CSR00003161
9.	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	vii	Yes	Bharuch, Gir Somnath, Panchmahal (Gujarat), Ujjain (MP), Haveri, Karwar (Karnataka), Palamu (Jharkhand), Amethi (UP), Hoogly (WB)		-@ 0.08	Yes No	Grasim Jana Seva Trust BCCL Jan Seva Trust Indo Gulf Jan Seva Trust Aditya Birla Jan Seva Trust Jan Seva Trust	CSR00004770 CSR00008143 CSR00008200 CSR00003161 CSR00006415
	Total					**34.59**			

@Represents value less than ₹0.01 Crore

Annexure 'E' to the Board's Report (Contd.)

(d) Amount spent in Administrative Overheads: ₹1.41 Crore

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹42.47 Crore* divided into ₹38.40 Crore towards mandatory CSR obligation and additionally ₹ 4.07 Crore as voluntary CSR activities.

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	35.97
(ii)	Total amount spent for the Financial Year*	42.47
(iii)	Excess amount spent for the financial year [(ii)-(i)] #	6.50
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

*Amount excludes CSR of ₹4.75 Crore which remains unspent and it has been transferred to separate bank account in April 2022 and classified as ongoing projects by the Board.

The Company shall not utilise the excess CSR amount spent in FY22 towards set-off of CSR expenses in succeeding three financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s)	:	None
(b)	Amount of CSR spent for creation or acquisition of capital asset.	:	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	:	Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).

Not Applicable

Mumbai, 24th May 2022

Harikrishna Agarwal
Managing Director
DIN: 09288720

Rajashree Birla
Chairperson, CSR Committee
DIN: 00022995

Annexure 'F' to the Board's Report

GRASIM INDUSTRIES LIMITED, AN ADITYA BIRLA GROUP COMPANY, HAS ADOPTED THE EXECUTIVE REMUNERATION PHILOSOPHY/POLICY AS DETAILED BELOW:

ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY / POLICY

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programmes that align executive rewards – including incentive programmes, retirement benefit programmes, promotion and advancement opportunities – with the long-term success of our stakeholders.

Our Business and Organisational Model

Our Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

I. OBJECTIVES OF THE EXECUTIVE REMUNERATION PROGRAMME

Our executive remuneration programme is designed to attract, retain, and reward talented executives, who will contribute to our long-term success, and thereby build value for our shareholders.

Our executive remuneration programme is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis; and
2. Emphasise 'Pay for Performance' by aligning incentives with business strategies to reward executives, who achieve or exceed Group business and individual goals.

II. EXECUTIVES

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;
2. Key Managerial Personnel: Chief Executive Officer and equivalent e.g. Deputy Managing Director, Chief Financial Officer and Company Secretary; and
3. Senior Management.

III. BUSINESS AND TALENT COMPETITORS

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that the pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

IV. EXECUTIVE PAY POSITIONING

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive pay outs at target performance) and target the total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that the target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

V. EXECUTIVE PAY-MIX

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash Compensation (Basic Salary + Allowances); (ii) Annual Incentive Plan; (iii) Long-Term Incentives; and (iv) Perks and Benefits.

Annual Incentive Plan

We tie annual incentive plan pay-outs of our executives to the relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/focus areas for the business.

Long-Term Incentives

Our long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

Annexure 'F' to the Board's Report (Contd.)

VI. PERFORMANCE GOAL SETTING

We aim to ensure that, for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan pay-out is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

VII. EXECUTIVE BENEFITS AND PERQUISITES

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefits plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives, including continuity of service across the Group Companies.

We limit other remuneration elements, for example, Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale, and generally do not provide for any tax gross-ups for our executives.

Risk and Compliance

We aim to ensure that the Group's remuneration programmes do not encourage excessive risk taking. We review our remuneration programmes for factors, such as remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

Clawback Clause

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013, and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements, pertaining to the relevant performance year.

Implementation

The Group and Business Centre of Expertise teams will assist the Nomination and Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through 'arm's-length', agreements entered into as needs arise in the normal course of business.

Annexure 'G' to the Board's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(a) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2021-22 are as under:

Name of Director / Key Managerial Personnel ('KMP')	Designation	Remuneration[b] of Director/KMP for FY 2021-22 (₹ in Lakh)	Ratio of remuneration of each Director to the median remuneration of employees	% increase in remuneration in the FY 2021-22
Mr. Kumar Mangalam Birla	Chairman, Non-executive and Non-independent Director		Not Applicable	
Smt. Rajashree Birla[1]	Non-executive and Non-independent Director	160.00	36.10	33%
Ms. Anita Ramachandran	Independent Director	28.00	6.32	115%
Mr. N. Mohan Raj	Independent Director	40.00	9.02	122%
Dr. Thomas M. Connelly, Jr.	Independent Director	28.00	6.32	180%
Mr. V. Chandrasekaran[2]	Independent Director	30.00	6.77	Not Applicable
Mr. Adesh Kumar Gupta[2]	Independent Director	23.00	5.19	Not Applicable
Mr. Cyril Shroff	Independent Director	16.00	3.61	78%
Mr. Shailendra K. Jain	Non-executive Director Non-independent Director	33.00	7.45	74%
Mr. Vipin Anand / Mr. Raj Kumar[3]	Non-executive Director Non-independent Director	11.00	2.48	83%
Dr. Santrupt Misra	Non-executive Director Non-independent Director	25.00	5.64	108%
Mr. Harikrishna Agarwal[4]	Executive Director, Managing Director	155.64	36.41	Not Applicable
Mr. Ashish Adukia[5]	Chief Financial Officer	358.96	Not Applicable	6%
Mr. Sailesh Daga[6]	Company Secretary and Compliance Officer	86.32	Not Applicable	Not Applicable

Note: Percentage increase in remuneration is not calculated for Directors / KMP, who were with the Company for part of the year in 2021-22.

1 Smt. Rajashree Birla, leads the entire CSR initiatives and monitors its implementation for the Company. She is deeply involved in identifying and planning the areas of social impact and then closely monitors the progress of such CSR activities. For her exemplary contribution, she has won many awards and accolades. The most outstanding is the “Padma Bhushan” Award bestowed on her by the Government of India in 2011 in the area of “Social Work”.

2 Appointed as an Independent Directors w.e.f. 24th May 2021.

3 Remuneration of Mr. Vipin Anand (ceased as Non-Executive Director Non-Independent Director w.e.f. 14th October 2021) and Mr. Raj Kumar (appointed as a Non-Executive Director Non-Independent Director w.e.f. 12th November 2021) for FY 2021-22 is payable to LIC of India.

4 Remuneration paid to Mr. Harikrishna Agarwal as Managing Director ('MD') w.e.f. 1st December 2021 has been considered and accordingly percentage increase in remuneration has not been mentioned. Further, his remuneration excludes perquisite ESOP value of ₹ 296.90 lakh, which were vested to him during his association as Business Head - Pulp and Fibre and the same were excercised by him post his appointment as Managing Director of the Company.

5 Percentage increase in remuneration for Mr. Ashish Adukia excludes variable pay of ₹ 122.78 lakh for FY 2021-22 for comparison in line with FY 2020-21.

6 Remuneration has been paid to Mr. Sailesh Daga as Company Secretary and Compliance Officer w.e.f. 1st April 2021. Accordingly, percentage increase in remuneration has not been mentioned.

Annexure 'G' to the Board's Report (Contd.)

b Remuneration to Non-Executive and Independent Directors includes commission payable for the financial year ended 31st March 2022, subject to the adoption of the financial statements for the year ended 31st March 2022 by the members of the Company at the Annual General Meeting. Sitting fees paid to the Directors is excluded.

c During the FY 2021-22, there was an increase of 14.82% over the previous financial year, in the median remuneration of the comparable employees. Increment in salaries and payment of performance linked incentive of FY 2020-21 has been given to the employees across key businesses. This has resulted in increase in median remuneration and average remuneration paid to the employees during FY 2021-22.

d There were 23,591 permanent employees on the rolls of the Company as on 31st March 2022.

e Average percentage increase in the salaries of employees, other than the managerial personnel for the FY 2021-22, was 18.28% over the previous financial year. The average percentage increase in the salaries of the managerial personnel for the FY 2021-22 was 6%.

f It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

Management Discussion and Analysis

Macro Economy & Industry Updates

GLOBAL ECONOMY

Calendar Year (CY) 2021 commenced with the global economy witnessing a rebound after an unprecedented and pandemic-driven state of affairs in CY2020. This was led by accelerated vaccinations, progressive opening up of most of economies, resumption of travel and overall commercial activity. Release of pent-up demand, and conducive fiscal and monetary measures from different Government and Central Banks pushed economies to perform better during the year. However, through the course of the year, several challenges surfaced - including resurgence of COVID-19 in economies such as India and China, and growing inflation challenging real economic output. Supply chain obstacles continued to be a reality and growing fuel prices forced cargo prices to shoot up. That said, the year concluded on a positive note, with a 6.1% global GDP growth as opposed to a 3.1% de-growth in CY2020.

At the start of CY2022, the scenario has spilled over, and the challenges were further exacerbated due to the advent of Russia-Ukraine conflict, and policy tightening in several economies. The global economic landscape in now evolving, and continues to be dynamic in its true form.

INDIAN ECONOMY

India once again proved its resilience in FY2021-22. Even as the year started with another more critical wave of the pandemic, the government and healthcare infrastructure were much better prepared, having learnt from the previous year. Conducting of the world's largest vaccination drive was no small task, and the government's efforts paid off well with the population shielded better from the onslaught of the pandemic through the rest of the year. This also led to a more confident opening up of the economic activity, and increased consumer spending. Government spending on large-scale projects in sectors such as infrastructure, through the budgetary route and others, held India in a good stead and provided a massive fillip to enabling growth. This was further complemented by a conducive monetary policy by the Reserve Bank through most of FY2021-22.

The Indian economy also received a strong support from normal monsoons boosting rural consumption and investment activity supported by improving capacity utilisation, higher government capex, and strengthening credit growth.

The outcomes of these measures were a sharp rebound compared to the previous year, with the economy growing 8.7% (Source: National Statistics Office, Second Advance Estimates), one of the highest spikes among large economies. Key indicators such as Gross Value Added, Index of Industrial Production, Gross Fixed Capital Formation and Private Consumption all witnessed substantial uptick. Our direct and indirect tax collection also grew, with direct taxes and indirect taxes higher by ₹1.6 trillion and ₹336 billion, respectively compared to forecasts. The GST collections during FY2021-22 worked out to ₹14.83 trillion breaching its collection record of ₹1.1 trillion per month since July 2021. The record GST collections of ₹1.40 trillion in March 2022 reflects the growth in economic activities, supported by an increasing number of total e-way bills generation at 69.1 million in February 2022. India's exports doubled compared to pre-pandemic years, and this was a definite showcase of the larger role the country is playing in the global trade and commercial ecosystem.

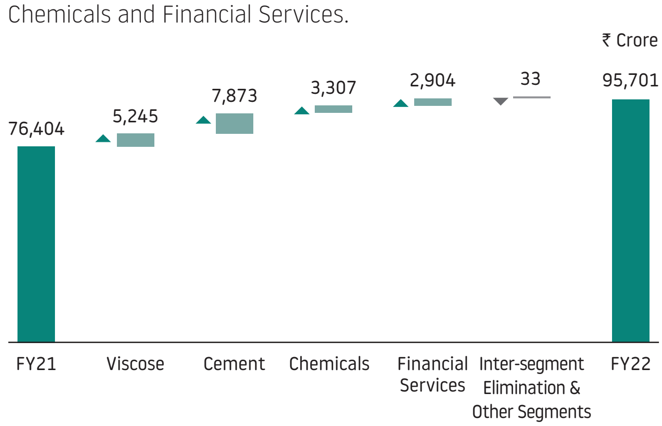
Even as the economy continues to perform, inflation has broken through the cap and reach multi-quarter highs (CPI inflation at 7.79% in FY2021-22). This has prompted the Reserve Bank to execute policy rate hikes (including an off-cycle hike), and the policy environment is expected to stay conservative in the immediate quarters to come.

As India grows, it is setting a global example of economic and social resilience. The investments the country attracts, the consumption India's young demography powers, and the policy measures the government executes, will continue to hold it in good stead.

CONSOLIDATED FINANCIAL PERFORMANCE

Revenue from Operations

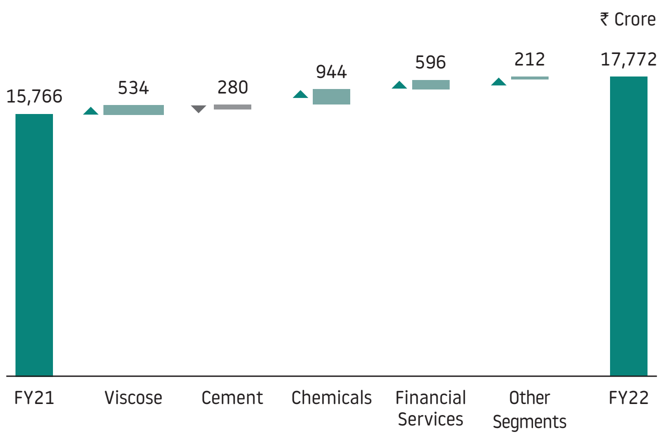
The Consolidated Revenue from operations increased 25% YoY to ₹95,701 Crore in FY2021-22 from ₹76,404 Crore in FY2020-21. The Company's performance was driven by Cement, Viscose, Chemicals and Financial Services.



Management Discussion and Analysis (Contd.)

Operating Profit (EBITDA)

Consolidated EBITDA rose from ₹15,766 Crore in FY2020-21 to ₹17,772 Crore in FY2021-22, was majorly driven by the performance of Chemicals, Viscose and Financial Services.



Finance Cost

The Finance cost was reduced from ₹1,809 Crore in FY2020-21 to ₹1,296 Crore in FY2021-22 on account of reduction of debt.

The Consolidated Gross debt was reduced from ₹25,879 Crore in FY2020-21 to ₹15,727 Crore in FY2021-22, a reduction of ₹10,152 Crore.

Depreciation

The Depreciation increased marginally from ₹4,033 Crore in FY2020-21 to ₹4,161 Crore in FY2021-22 on capitalisation of capacities across Viscose, Chemicals and Cement.

Tax Expenses

The total tax expenses decreased significantly from ₹3,022 Crore in FY2020-21 to ₹1,936 Crore in FY2021-22, mainly on account of the reversal of the provision of tax of ₹625 Crore created in earlier years pursuant to the favourable decision of appellate authorities, and lower tax charge in the current year at UltraTech Cement Limited on account of additional MAT credit entitlement.

Profit after Tax (PAT)

The Profit after Tax (after exceptional items) attributable to the owners of the company was at ₹7,550 Crore in FY2021-22 compared to ₹4,305 Crore in FY2020-21, 75% increase YoY.

STANDALONE FINANCIAL PERFORMANCE

Revenue from operations stood at ₹20,857 Crore in FY2021-22 from ₹12,386 Crore in FY2020-21. Net revenues of Viscose business are up 75% YoY to ₹12,210 Crore in FY2021-22 from ₹6,965 Crore in FY2020-21 due to higher sales volume and better realisation.

The Chemicals business reported Revenue of ₹7,888 Crore in FY2021-22 from ₹4,581 Crore in FY2020-21, with ECU being at all-time high and improved sales volume.

The standalone EBITDA increased to ₹4,111 Crore in FY2021-22 from ₹2,078 Crore in FY2020-21.

The PAT (before exceptional items) increased to ₹3,120 Crore in FY2021-22 from ₹986 Crore in FY2020-21.

The PAT (after exceptional items) increased to ₹3,051 Crore in FY2021-22 from ₹905 Crore for FY2020-21.

The finance cost was increased by ₹11 Crore to ₹247 Crore in FY2021-22.

At the Standalone level, the Company stood with net cash position of ₹553 Crore in FY2021-22 as against a net debt position of ₹914 Crore in FY2020-21.

Standalone Business Performance Review:

- **Viscose**

	Unit	FY22	FY21
Standalone Performance			
Installed Capacity – VSF	KT	824*	591
Installed Capacity – VFY	KT	48	48
Production – VSF	KT	623	452
Production – VFY	KT	43	26
Sales Volumes – VSF	KT	602	463
Sales Volumes – VFY	KT	44	27
Revenue	₹ in Crore	12,210	6,965
EBITDA	₹ in Crore	1,721	1,187
EBITDA Margin	%	14%	17%

*219 KTPA of VSF capacity at Vilayat commissioned in H2FY2021-22

The demand for textile products in India witnessed a strong comeback in FY2021-22 after a tumultuous FY2020-21 marked by widespread lockdown across the country. FY2021-22 started on a grim note as the second COVID wave impacted a large part of the Indian population. The situation returned to normal in a few months after active efforts by Central and State Governments. Global VSF demand also maintained a strong trend on the back of an uptick in demand from the US and Europe. Global VSF demand stood at 6 MTPA in CY2021 and grew at 9% on a YoY basis, albeit bouts of weakness witnessed in the textile value chain with the spread of omicron (COVID variant).

India's attractive demographics (52% of India's population is below 30 years of age) with a young population base and growing consumer affinity towards lifestyle products are key levers for textile demand in India. VSF being a sustainable natural fibre with the lowest water intensity, is well-positioned to benefit from the overall demand growth, considering that VSF share in the India's fibre pie is estimated in the range of ~3%-4% compared to ~6%-7% globally.

The Company's VSF sales volume increased from 463KT (FY2020-21) to 602KT(FY2021-22) up 30% YoY, partially attributed due to lower sales in FY2020-21 owing to COVID lock down. From the Pre-COVID year (FY2019-20) the sales volume is up 9%. The share of the domestic sales in the overall sales volume was at ~84% (FY2021-22). Our long-term strategy is directed at growing the domestic demand through new products and applications.

The 600 TPD brownfield expansion at Vilayat (Gujarat) was commissioned during the year in two phases. With the commissioning of a new plant, Vilayat has been placed on the global map as the largest single location Integrated VSF plant.

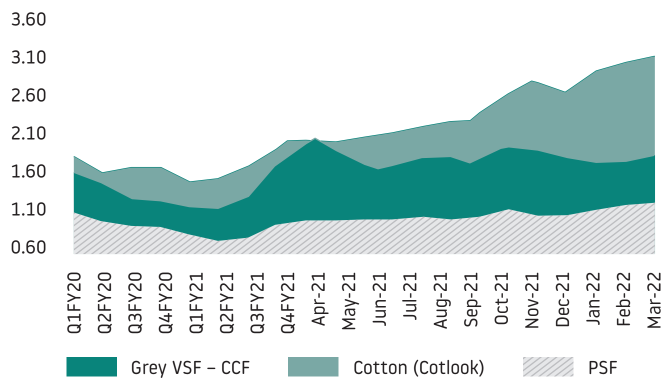
The business developed new fibres (Livaeco in both Viscose and Modal variant and LIVA REVIVA) to cater to the growing demand for sustainable fibres. We cater to all global brands, given our strong sustainability credentials.

In another key development, the business launched Navyasa–Saree Brand aimed at re-positioning Saree as a Garment of Choice. The brand is positioned in the Luxury segment with Premium imagery and contemporary print designs. The business has made itself future-ready by investing a significant amount of CAPEX on the sustainability front.

The commitment to comply with the EU BAT (European Union Best Available Technology) requirement for all its four plants, of which Vilayat is the first plant to be EU BAT compliant. The business continues to focus on water reduction initiatives over the last few years, including closed-loop technologies, wastewater mapping, sewage water recovery facilities etc. The implementation of the zero liquid discharge (ZLD) plant at Nagda became the first of its kind for the VSF industry globally.

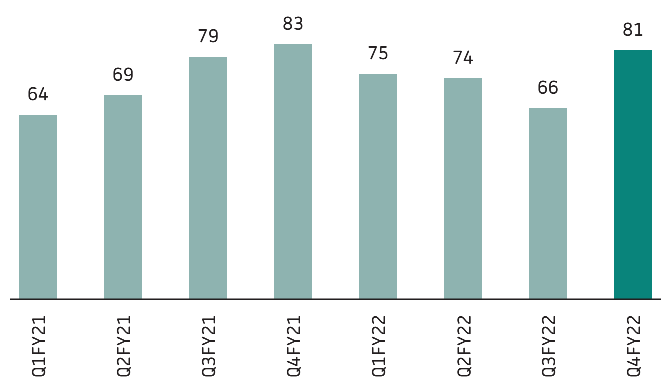
The global VSF prices moved in the range of $1.65 kg to $2.03/kg during FY2021-22 and averaged $1.81/kg in FY2021-22 up 32% YoY. The prices were influenced by COVID-related restrictions, which led to volatility in demand. The cotton prices averaged $2.49/kg, up 49% in FY2021-22 and have been on a continuous monthly uptrend driven by a favourable Demand/Supply gap. This surge in cotton prices has led to the widening of the gap between the Cotton and VSF prices, which bodes well for VSF prices going forward. The spread between the Cotton and VSF prices which averaged $0.29/kg in FY2019-20, widened to $1.30/kg in March 2022.

Global Prices Trend ($/kg)

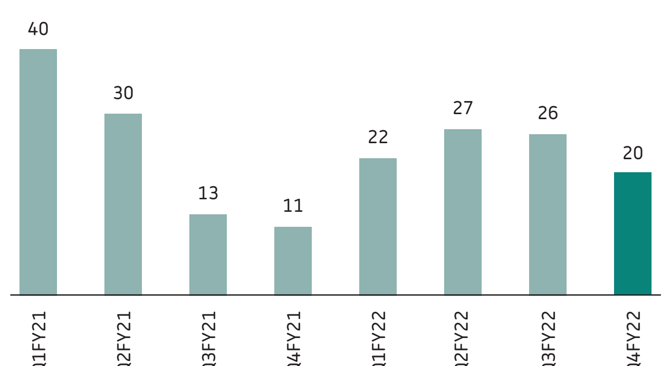


The Chinese VSF industry operating rates averaged 74% in FY2021-22 with significant month-on-month volatility. The inventory levels averaged 24 days in FY2021-22, unchanged from the previous year. The rise in the input cost of pulp, caustic soda and power rates has impacted the industry margins, which may impact the marginal players with a high cost of production.

China VSF Operating Rate (in Percentage)



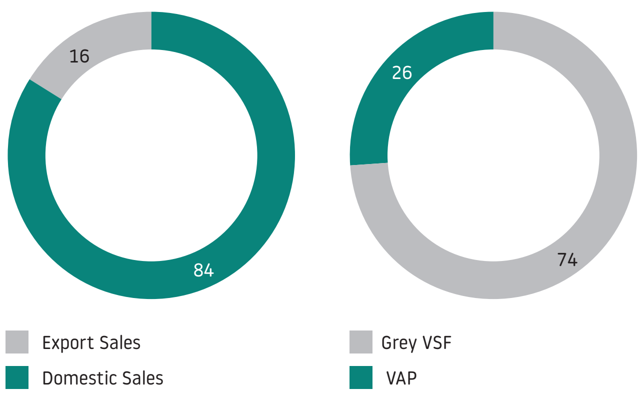
China VSF Plant Inventory (in Days)



Management Discussion and Analysis (Contd.)

The share of VAP increased by 4% YoY to 26% in FY2021-22, driven by incremental sales of the 2nd and 3rd generation of fibre and LIVA Eco. The share of the domestic sales volume in the overall sales mix stood at 84% and registered a 29% YoY volume growth.

Sales Volume Mix (FY2021-22) (%)



Outlook

The Global demand for VSF is estimated to grow at a CAGR of ~4.9% from CY2021 to CY2025. The Indian demand growth is expected to grow at a CAGR of 9.9 % from CY2021 to CY2025 VSF continues to be the fastest-growing textile fibre globally among Cotton, PSF and VSF. The demand for Lyocell which offers properties in line with Cotton has witnessed rapid growth and is expected to grow at a high double-digit. The VSF demand growth will be mainly driven by rising textile consumption due to population growth, rising urbanisation, and improved standards of living. The Government has withdrawn the Anti-Dumping Duty on the VSF imports, the impact of which may unfold in the medium to long-term. Globally, the VSF price is likely to maintain their firmness going ahead, driven by favourable demand-supply balance, higher input costs and strong prices of all fibres, e.g., Cotton and Polyester.

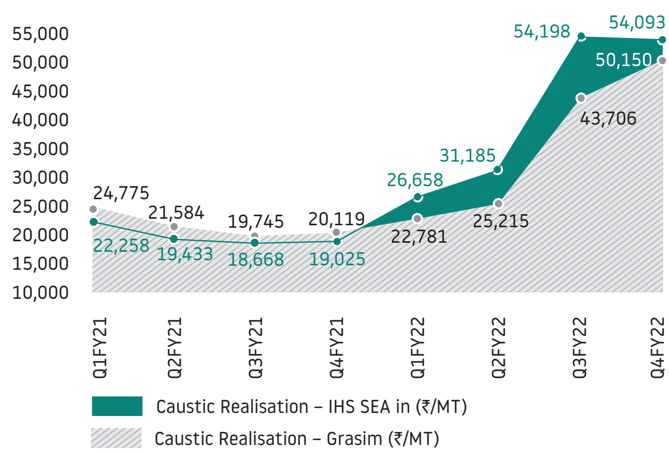
- **Chemicals**

	Unit	FY22	FY21
Caustic Soda			
Installed Capacity	KT	1,290	1,147
Production	KT	1,049	894
Sales Volume	KT	1,044	900
Specialty Chemicals (Chlorine Value Added Products)			
Production	KT	665	567
Sales Volume	KT	661	568
Chemicals Business			
Revenue	₹ in Crore	7,888	4,581
EBITDA	₹ in Crore	1,534	590
EBITDA Margin	%	19%	13%

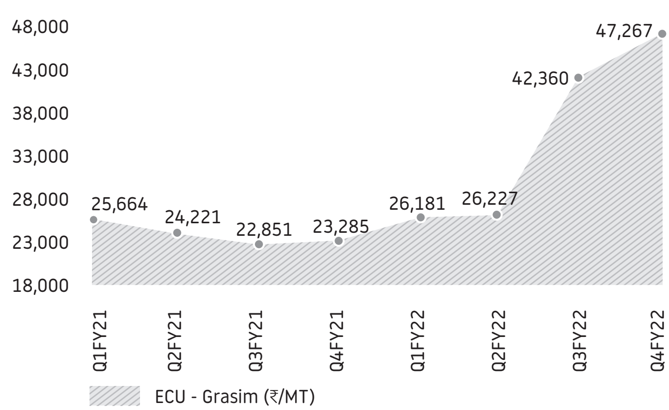
The Global Caustic soda prices recovered from multi-year lows in FY2021-22, with a recovery in the end consumer demand for textile, paper, and aluminium. The global prices recovered from a low of $338/tonne to upwards of $800/ton in FY2021-22. The caustic soda prices in India also increased in line with the global prices. The ECU realisation, which captures the impact of caustic soda and chlorine prices, witnessed a 48% YoY increase with negative chlorine realisation impacting the overall ECU realisation.

The Caustic soda prices in India witnessed an uptrend from Q1FY22 supported by global prices with economic activity picking pace with phasing out of COVID-related lockdown. The caustic soda prices increased further in the second half, driven by supply constraints in China and US. The geopolitical tension caused by Russia's invasion of Ukraine has led to the firming up of the energy prices, leading to an increase in cost for the Caustic soda industry, where energy is a sizeable portion of the cost of production.

Caustic Realisation



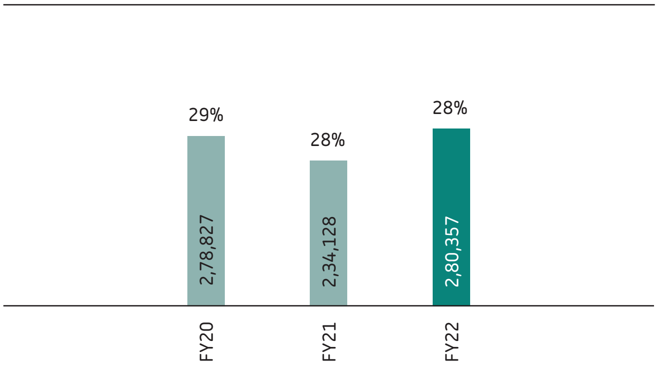
Grasim -ECU



The rise in the input costs of power and salt driven by demand/ supply imbalance led to the global surge in prices. The caustic soda business is on the strategic path to increase the share of green power to 26% (FY30) in the overall power mix, which has dual benefits, reduction of carbon emissions and lower cost of power.

The demand for Chlorine in India stayed subdued during the year with reduced demand from key chlorine-consuming industries. The net realisation from chlorine remained negative for a major part of the year. Increasing the percentage of chlorine integration is a long-term strategic priority for the business. In FY2021-22, chlorine integration stood at 28%, which is likely to improve to 40% by FY2024-25 with the addition of high-end value-added products like CMS, ECH and other VAPs gets added to the portfolio. In FY2021-22 the Chloromethane (CMS) plant was commissioned at Vilayat. CMS is one of the largest chlorine sinks and has diverse usage across the sectors like Pharmaceutical, Agrochemical and Refrigeration.

Chlorine & HCL Consumption in VAP (Tonnes)



Advanced Materials business reported one of the best operational and financial performances since inception on account of strong demand from wind, auto segments and consumer durables.

Due to supply chain constraints, Advanced Materials business witnessed raw material cost increase for ECH and BPA.

The demand for Advanced Materials in India is expected to remain strong with pickup in the pace of construction activity and a thrust on renewable energy.

The Chemicals business reported one of the best performances. The rise in the Revenue and EBITDA has been driven by both the Caustic soda and Advanced Material (Epoxy) business on account of substantial rise in realisation across the main products and higher sales volume.

Outlook

The domestic caustic soda market is likely to witness capacity additions in FY2022-23 as well as ramp up of the commissioned capacities. The market in FY2022-23 and FY2023-24 is expected to stay oversupplied. Thus, the domestic market is expected to remain unbalanced in the short-term. The long-term demand growth is expected in the range from 4%-5%. On the Chlorine VAP, the business plans to introduce higher-end VAPs in the market and improve its share in the overall portfolio to 40% by FY2024-25.

The Advanced Material business is nearly doubling its existing capacity through brownfield expansion at its existing site on the back of strong demand and market development.

- **Textiles**

The textile business reported a strong operational and financial performance led by strong realisation despite a rise in the input cost. The business reported a Revenue of ₹1,696 Crore and an EBITDA of ₹160 Crore in FY2021-22 compared to a loss of ₹53 Crore in the previous year.

The demand for Linen Yarn and Fabric picked pace towards the end of Q2FY22, driven by strong consumer spending, the onset of the festive season and a pick-up in the wedding season demand. The textile demand normalised in H2FY22 with the easing of lock-downs. The export demand remained buoyant. The business has made substantial efforts to promote linen, target younger customers and make it more affordable by creating blends and branding it as Cavallo by Linen Club. The business has introduced new products like Uncrushable, which is made out of pure linen, which does not get easily crushed, unlike conventional linen.

The wool market remained stable during this year with strong global demand and rising prices.

- **Insulators**

Capex is driving the demand growth for the insulator industry in the power generation, transmission, and distribution sectors. The domestic market continues to remain subdued due to delays in the finalisation of orders across the transmission & distribution segment. The business generated Revenue of ₹390 Crore and EBITDA of ₹28 Crore for FY2021-22. The improvement in EBITDA was on account of higher export sales and recovery of old dues.

- **Paints**

The Company plans to have a Pan India presence with six manufacturing plants. The land acquisition stands concluded for all its six locations. The civil construction has commenced at four of its plant sites which are Panipat, Ludhiana, Cheyyar and Chamarajanagar. We have accelerated the execution of our paint's capacity of 1,332 MLPA with commissioning of plants to start by Q4FY24. The project cost is likely to be ₹10,000 Crore by FY25.

Management Discussion and Analysis (Contd.)

Completion of divestment of Fertilisers business:

The divestment of the Fertilisers business (Indo-Gulf Fertilisers) of the Company on a going concern basis was completed during the year on 1st January 2022, with all requisite approvals and regulatory filings, in terms of the Scheme of Arrangement sanctioned by the Hon'ble NCLT. The total consideration was of ₹1,867 Crore .

CONSOLIDATING BUSINESS PERFORMANCE REVIEW (SUBSIDIARIES)

- **Cement (UltraTech Cement Limited)**

UltraTech's financial performance for FY2021-22, the Consolidated Revenue stood at ₹52,599 Crore, and the Consolidated EBITDA stood at ₹12,022 Crore. The Consolidated sales volume stood at ~94 MTPA in FY2021-22, up 9% YoY.

The business witnessed a sharp uptick in the logistics, energy and raw materials costs comprising more than 75% of the overall cost. The key cost ingredients which have consistently risen are diesel prices, fuel prices, pet coke, fly ash and gypsum.

Given the strong demand environment, the business timely commissioned 3.2MTPA of grey cement capacity of 0.6 MTPA each at Patliputra (Bihar) and Dankuni (West Bengal) and 2 MTPA at Bara (UP), taking the total capacity to 114.55 MTPA.

The business also announced white cement modernisation and capacity expansion from 6.5 LTPA to 12.53LTPA.

For FY2021-22, the consolidated Net Debt was reduced to ₹3,901 Crore from ₹6,717 Crore, with a consolidated Net Debt/EBITDA of 0.32x.

- **Financial Services (Aditya Birla Capital Limited)**

Aditya Birla Capital Limited reported strong financial performance. The Revenue and net profit after minority interest for FY22 improved by 15% and 51% YoY to ₹22,230 Crore and ₹1,706 Crore, respectively.

The combined lending book of NBFC (Aditya Birla Finance Limited) and HFC (Aditya Birla Housing Finance Limited) stood at ₹67,185 Crore for FY2021-22. The net interest margin (incl. fee income) is up by 91 bps to 6.25% in FY2021-22.

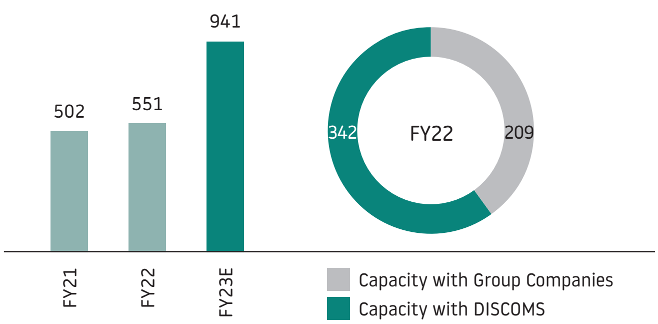
Aditya Birla Sun Life AMC Limited reported domestic Average Assets Under Management (AAUM) of ₹2,92,578 Crore in FY2021-22.

Life Insurance reported a 24% YoY increase in the total Gross Premium to ₹12,140 Crore in FY2021-22. The first-year premium grew 14% to ₹2,212 Crore.

- **Aditya Birla Renewables**

Aditya Birla Renewable has a cumulative installed capacity of 551 MW, which can be broadly divided between Group captive (209 MW) and DISCOMS (342 MW). In FY2021-22, the business added 49MW of capacity at five locations. The business has created a roadmap to increase its capacity to 941 MW by FY2022-23(E).

Solar Power Capacity (MWp)



- **Key Standalone Ratios**

Sr. No.	Particulars	FY2021-22	FY2020-21	Change
1.	Debtors T/o Ratio (Net Sales/ Average Debtors)	13.74	5.76	139%
2	Inventory T/o Ratio (Cost of goods sold/Average Inventory)	4.62	3.47	33%
3.	Interest Coverage Ratio (PAT + Deferred Tax + Depreciation + Finance cost + Loss on sale of asset + ESOP expenses - Unrealised gain on investment)/(Interest expenses + Interest Capitalised)	12.24	5.88	108%
4.	Current Ratio (Current Assets/ Current Liabilities)	1.46	1.38	6%
5.	Debt Equity Ratio (Borrowings/ Net worth)	0.08	0.1	-13%
6.	Operating Profit Margin (%) (EBITDA - Corporate Dividend & treasury income)/Net Revenue from Operations)	15.71	13.08	20%
7.	Net Profit Margin (%) ((Net profit for the year – profit from discontinued operations) /Revenue from Operations)	12.92	6.54	98%

Please refer to Note No. 4.12 of Standalone Financial Statement for reason of variance of more than 25%.

Please refer to the Risk Management section and Human Capital Section on page no. 34 and 78 respectively for risk and concerns and human resource developments.

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency, accountability, sustainability and safety across all business practices. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Corporate Governance has always been intrinsic to the management of the business and affairs of your Company. In line with the above philosophy, your Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. Your Company is committed to the adoption of best governance practices and its adherence in true spirit, at all times. Your Company aims at fostering and sustaining a culture that demonstrates highest standard of ethical and responsible business conduct.

Your Company's governance practices are self-driven, reflecting the culture of the trusteeship that is deeply ingrained in its value system and reflected in its strategic growth process. Your Company's governance philosophy rests on five basic tenets, viz.

- Board accountability to the Company and stakeholders
- Equitable treatment to all members
- Strategic guidance and effective monitoring by the Board
- Protection of minority interests and rights
- Transparency and timely disclosure

Your Company confirms compliance with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), the details of which are as set out hereunder:

II. BOARD OF DIRECTORS

Composition of Board of Directors (Board)

Your Company comprises of eminent and distinguished personalities with proficiency and vast experience in diversified sectors with an optimum mix of management and financial experts thereby ensuring the best interest of the stakeholders and the Company. Your Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. The Directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management. In designing the Board composition, number of factors are considered, which include educational background; professional experience; gender; skills; knowledge; among others.

The Listing Regulations mandates that for a Company with a Non-executive Chairman, who is a promoter, at least half of the Board should comprise of Independent Directors. As on the financial year end, the Company's Board comprised of 12 Directors, 11 are Non-executive Directors out of which 6 are Independent Directors and 1 is an Executive Director. The Listing Regulations also mandates that the Board of Directors of the top 1,000 listed entities shall have at least one Independent Woman Director. Your Company's Board comprises of 2 Women Directors out of which 1 is an Independent Director. The position of Chairman and Managing Director are held by different individuals, where Chairman of the Board is a Non-executive Chairman. The Board periodically evaluates the need for change in its size and composition in order to remain aligned with statutory and business requirements.

None of the Directors is on the Board of more than 10 public limited companies or acts as a Director/Independent Director in more than 7 listed entities. None of the Director on the Board, who is an Executive Director serves as an Independent Director in more than 3 listed entities. Further, none of the Directors is a Member of more than 10 Committees or Chairperson of more than 5 Committees, across all public companies in which he/she is a Director. The composition of the Board is in conformity with the requirements of the Act and the Listing Regulations.

All Independent Directors are free from any business or other relationship that could materially influence their judgement. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and under Section 149(6) of the Act and they are qualified to act as Independent Directors. Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and

Report on Corporate Governance (Contd.)

are independent of the management. The brief profile of the Directors on the Board is available on the Company's website at https://www.grasim.com/about-us/leadership

Appointment/re-appointment of Directors is subject to the members' approval. Directors hold office in accordance with the provisions of the law and the policy laid down by the Board from time-to-time. The Independent Directors are usually appointed for a fixed term of five years and are not liable to retire by rotation. The Managing Director is appointed for a term of up to two years and is not liable to retire by rotation. Non-executive Directors (except Independent Directors) are liable to retire by rotation and are eligible for re-appointment, unless otherwise specifically provided under the Articles of Association or under any statute.

The details of the composition of the Board of Directors of the Company and the outside Directorships and Committee positions held by them as on 31st March 2022 are as under:

Mr. Kumar Mangalam Birla

DIN	00012813	
Category of Director	Chairman, Non-executive and Non-independent Director	
Age	55 years	
Date of Appointment	14th October 1992	
Term ending date	Liable to retire by rotation	
Tenure ~	30 years	
Shareholding	11,76,713*	
Board Memberships – Indian Listed companies	1. Aditya Birla Capital Limited: Non-executive Director 2. Aditya Birla Fashion and Retail Limited: Non-executive Director 3. Aditya Birla Sun Life AMC Limited: Non-executive Director 4. Century Textiles and Industries Limited: Non-executive Director 5. Hindalco Industries Limited: Non-executive Director 6. UltraTech Cement Limited: Non-executive Director	
Directorship(s) in public companies	7	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Human Resource Development
- Industry knowledge
- Innovation, technology & digitisation
- Marketing
- Risk Management
- Strategy
- Sustainability

Profile

Mr. Kumar Mangalam Birla is the Chairman of the Board of Directors of your Company and the Chairman of Aditya Birla Group ('Group'), which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA Degree from the London Business School.

Mr. Birla chairs the Boards of all major Group companies in India and globally. In the 26 years that he has been at the helm of the Group, he has accelerated growth, built meritocracy, and enhanced stakeholder value. In the process he has raised the Group's turnover by over 25 times.

He has been the architect of over 40 acquisitions in India and globally, among the highest by any Indian multinational. Under his stewardship, the Group enjoys a position of leadership in all the major sectors in which it operates, from cement to chemicals, metals to textiles, and apparels to financial services. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 140,000 employees belonging to 100 different nationalities.

Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of Directors of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry. As the Chairman of the Securities Exchange Board of India Committee on Corporate Governance, he framed the first-ever governance code for Corporate India.

Over the years, Mr. Birla has been conferred several prestigious awards. In 2021, he received the TiE Global Entrepreneurship Award for Business Transformation, the first Indian business leader to receive this honour. He is also the first Indian Industrialist to be conferred an Honorary degree by the Institute of Company Secretaries of India.

Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology & Science ('BITS') with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of India's premier management institute — Indian Institute of Management, Ahmedabad.

On the global arena, Mr. Birla is an Honorary Fellow of the London Business School. In 2019, Mr. Birla constituted a £15 million scholarship programme at the London Business School in memory of his grandfather, Mr. B. K. Birla, marking the largest ever-endowed scholarship gift to a European Business School.

A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively enrich the lives of millions.

* Including shares held as Karta of Aditya Vikram Kumar Mangalam Birla HUF

Smt. Rajashree Birla

DIN	00022995
Category of Director	Non-executive and Non-independent Director
Age	77 years
Date of Appointment	14th March 1996
Term ending date	Liable to retire by rotation
Tenure~	26 years
Shareholding	5,52,850
Board Memberships - Indian Listed companies	1. Century Enka Limited: Non-executive Director 2. Century Textiles and Industries Limited: Non-executive Director 3. Hindalco Industries Limited: Non-executive Director 4. Pilani Investment and Industries Corporation Limited: Non-executive Director 5. UltraTech Cement Limited: Non-executive Director
Directorship(s) in public companies	5
Committee position	Chairman -
	Member -

Area of expertise

- Corporate Governance, Legal & Compliance
- General Management
- Human Resource Development
- Industry knowledge
- Sustainability

Profile

Smt. Rajashree Birla is an exemplar in the area of community initiatives and rural development. Smt. Birla spearheads the Aditya Birla Centre for Community Initiatives and Rural Development, the Group's apex body responsible for development projects. She oversees the social and welfare driven work across all the Group's major companies. The footprint of the Centre's work straddles over 7,000 villages, reaching out to 9 million people.

The Group runs 22 hospitals and 56 schools where quality education is imparted to over 46,500 children. Both its hospitals as well as schools are 'Not For Profit' institutions.

Smt. Birla is

- the Chairperson of the FICCI Aditya Birla CSR Centre for Excellence;
- the Chairperson of the Advisory Board of the Habitat for Humanity (India);
- the Member of the Asia Pacific Development Council of Habitat for Humanity International;
- the Member of Habitat for Humanity International Global Council of Development;
- the Chairperson of FICCI's first ever Expert Committee on CSR;
- on the Board of BAIF Development Research Foundation, Pune;
- a Member of the Advisory Board of the Columbia Global Centres, Mumbai of the Columbia University, New York;
- the Chairperson of the Advisory Board of the Vikassa Committee in India;
- an Independent Director on the Board of Directors of SBI Foundation;

As a patron of arts and culture, she heads the "Sangit Kala Kendra", a Centre for performing arts, as its President as well as the INT-ABCPA (Indian National Theatre-Aditya Birla Centre for Performing Arts).

In recognition of the exemplary work done by Smt. Rajashree Birla, leading national and international organisations have showered accolades upon her. Among these the most outstanding one has been that of the Government of India which bestowed the "Padma Bhushan" Award in 2011 on Smt. Rajashree Birla in the area of "Social Work".

In recognition of Smt. Birla's unrelenting endeavours towards polio eradication, she was honoured with the much coveted "Polio Eradication Champion" Award by the Government of India.

Likewise, the "Global Golden Peacock Award for CSR" was conferred upon her by Dr. Ola Ullsten, the Former Prime Minister of Sweden in Portugal.

Among other distinctive awards received by Smt. Birla, feature the Economic Times' prestigious Award: Corporate Citizen of the Year, twice in a decade, first in 2002 and again in 2012.

The All India Management Association's "Corporate Citizen of the Year Award", the IOD's "Distinguished Fellowship Award" and the "FICCI FLO Golden Laurel Award".

Report on Corporate Governance (Contd.)

Ms. Anita Ramachandran

DIN	00118188	
Category of Director	Independent Director	
Age	67 years	
Date of Appointment	14th August 2018	
Term ending date	13th August 2023	
Tenure ~	4 years	
Shareholding	-	
Board Memberships - Indian Listed companies	1. FSN E-Commerce Ventures Limited: Independent Director 2. Rane (Madras) Limited: Independent Director 3. Happiest Minds Technologies Limited: Independent Director 4. Metropolis Healthcare Limited: Independent Director	
Directorship(s) in public companies	8	
Committee position	Chairman	1
	Member	6

Area of expertise

- Corporate Governance, Legal & Compliance
- General Management
- Human Resource Development
- Industry knowledge

Profile

Ms. Anita Ramachandran holds a Master's Degree in Management Studies from Jamnalal Bajaj Institute of Management. She is a renowned Human Resource professional with deep knowledge and experience for about 40 years as a management consultant. She is also one of the first generation of women professional to become an entrepreneur and run a highly successful HR consulting and services organisation.

Ms. Ramachandran began her career with AF Ferguson & Co. [AFF] (the KPMG network company in India then) in 1976 as the first woman consultant of the firm. In her 19 years stint with AFF she worked across various parts of the country and wide range of areas from finance, industrial market research, strategy and human resource consulting. She was also a Director of the firm.

Ms. Ramachandran founded Cerebrus Consultants in 1995 to focus on HR advisory services, including organisation transformation. Her reputation and innovative work helped her build Cerebrus into a firm with national presence. Ms. Ramachandran is known as an authority in reward management system in the country and her work in the compensation and rewards area is well recognised. In recent years she has been involved in several large organisation transformation assignments. Ms. Ramachandran has been a regular facilitator for senior and top management workshops and an assessor for many senior positions. Her wide general management consulting experience and insights on HR have enabled her to be a strategic advisor to many family groups. She also works with several PE firms and start -ups to mentor them through their growth journey.

She is currently on the Board of Metropolis Healthcare Limited, Kotak Mahindra Life Insurance Company Limited, Happiest Minds Technologies Limited and several other companies.

Ms. Ramachandran supports many organisations in the social sector through pro-bono professional work and remains deeply committed to work with women. She was a Chairperson of TIE Women.

Mr. N. Mohan Raj

DIN	00181969	
Category of Director	Independent Director	
Age	68 years	
Date of Appointment	12th July 2019	
Term ending date	11th July 2024	
Tenure ~	3 years	
Shareholding	-	
Board Memberships - Indian Listed companies	-	
Directorship (s) in public companies	1	
Committee position	Chairman	-
	Member	1

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Industry knowledge
- Marketing
- Risk Management
- Strategy
- Sustainability

Profile

Mr. N. Mohan Raj holds a Master's Degree in Arts (Economics). He was the former Executive Director of Life Insurance Corporation of India and has rich experience in the field of Administration, Marketing of Life Insurance, Mutual Fund, Finance and Investments. He serves as Director on the Board of LTIDPL Indvit Services Limited and Veritas Finance Private Limited.

Dr. Thomas M. Connelly, Jr.

DIN	03083495	
Category of Director	Independent Director	
Age	69 years	
Date of Appointment	20th August 2010	
Term ending date	22nd August 2024	
Tenure ~	12 years	
Shareholding	-	
Board Memberships - Indian Listed companies	-	
Directorship(s) in public companies	-	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Industry knowledge
- Innovation, technology & digitisation
- Marketing
- Risk Management
- Strategy
- Sustainability

Profile

Dr. Thomas M. Connelly, Jr. holds Bachelor's Degrees in Chemical Engineering and Economics from Princeton University. He also holds a doctorate in Chemical Engineering from the University of Cambridge. He has over 35 years of experience in the chemical industry. He is the Executive Director and CEO of the American Chemical Society, ('ACS'). Prior to joining ACS, he served as Chief Science and Technology Officer, and then as Chief Innovation Officer for the DuPont Company. At DuPont, Dr. Connelly led R&D organisation and businesses while based in the US, Europe and Asia. Dr. Connelly was elected to the National Academy of Engineering, and has chaired studies for the Academies' Division of Earth and Life Studies. He has also served in advisory roles to the U.S. Government and the Republic of Singapore.

Mr. V. Chandrasekaran

DIN	03126243	
Category of Director	Independent Director	
Age	64 years	
Date of Appointment	24th May 2021	
Term ending date	23rd May 2026	
Tenure ~	1 year	
Shareholding	85	
Board Memberships - Indian Listed companies	1. Tamilnadu Newsprint & Papers Limited: Independent Director 2. Care Ratings Limited: Non-executive Director 3. Tata Investment Corporation Limited: Independent Director	
Directorship(s) in public companies	6	
Committee position	Chairman	5
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Industry knowledge
- Risk Management
- Strategy

Profile

Mr. V. Chandrasekaran is a qualified Chartered Accountant and retired Executive Director (Investment) of LIC of India. He has more than 3 decades of experience in Life Insurance Finance, Housing Finance and Mutual Fund Investment, with adequate exposure to a gamut of Investments. He is involved in Investment decision making processes, Investment Monitoring & Accounting and Investment Research and Risk Management. He serves as an Independent Director on the Board of various companies like Tamilnadu Newsprint & Papers Limited, Tata Investment Corporation Limited, Aseem Infrastructure Finance Limited, LIC (International) Bahrain, etc.

Report on Corporate Governance (Contd.)

Mr. Adesh Kumar Gupta

DIN	00020403	
Category of Director	Independent Director	
Age	65 years	
Date of Appointment	24th May 2021	
Term ending date	23rd May 2026	
Tenure ~	1 year	
Shareholding	80,950*	
Board Memberships - Indian Listed companies	1. Vinati Organics Limited: Independent Director 2. CARE Ratings Limited: Independent Director 3. Zee Entertainment Enterprises Limited: Non-executive Director 4. India Pesticides Limited: Independent Director	
Directorship(s) in public companies	5	
Committee position	Chairman	2
	Member	4

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Human Resource Development
- Industry knowledge
- Risk Management
- Strategy
- Sustainability

Profile

Mr. Adesh Kumar Gupta is a qualified Chartered Accountant and a Company Secretary. Mr. Gupta is also an Insolvency Professional registered under Insolvency and Bankruptcy Code. He has more than 4 decades of vast experience in the field of finance and general management. He has sound knowledge of finance and relevant industry. He serves as an Independent Director on the Board of various companies like Vinati Organics Limited, CARE Ratings Limited, India Pesticides Limited etc. He was the former Whole Time Director & CFO of the Company till 30th June 2015. He was recognised as Best CFO by the Institute of Chartered Accountants of India, IMA, Business Today. He is Ex-Member of National Advisory Committee on Accounting Standards ('NACAS') as representative of FICCI. NACAS was a statutory organisation constituted by Government of India for setting up Accounting Standards.

* Including shares held as Karta of Adesh Kumar Gupta HUF

Mr. Cyril Shroff

DIN	00018979	
Category of Director	Independent Director	
Age	62 years	
Date of Appointment	25th July 2000	
Term ending date	22nd August 2024	
Tenure ~	22 years	
Shareholding	-	
Board Memberships - Indian Listed companies	-	
Directorship(s) in public companies	-	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- General Management
- Industry knowledge
- Risk Management
- Sustainability

Profile

Mr. Cyril Shroff has over 40 years of experience in a wide range of areas, including corporate and securities law, disputes, banking, bankruptcy, infrastructure, private client, financial regulatory and others. He holds a Bachelor's Degree in Law from Government Law College, Mumbai. He is consistently ranked as 'star practitioner' in India by Chambers Global and often regarded as the 'M&A King of India'. He is the Chairman of FICCI's Corporate Laws Committee, member of CII National Council and Financial Markets Committee, National Committee on Financial Markets & others. He is also member of first apex Advisory Committee of the IMC International ADR Centre, Task force member of Society of Insolvency Practitioners of India & Member of the Media Legal Defence Initiative International Advisory Board. He was a member of SEBI constituted Uday Kotak Committee on Corporate Governance and SEBI Committee on Insider Trading. Chambers Asia Pacific 2022 recognised him as 'Star Individual' for Corporate/M&A and an 'Eminent Practitioner' for Private Equity, Restructuring & Insolvency and Banking & Finance in India, while Asian Legal Business awarded him with 'Dealmaker of the Year 2020'.

Mr. Shailendra K. Jain

DIN	00022454	
Category of Director	Non-executive Director Non-independent Director	
Age	78 years	
Date of Appointment	20th August 2010	
Term ending date	Liable to retire by rotation	
Tenure ~	12 years	
Shareholding	65,430	
Board Memberships - Indian Listed companies	-	
Directorship(s) in public companies	1	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Human Resource Development
- Industry knowledge
- Innovation, technology & digitisation
- Marketing
- Risk Management
- Strategy
- Sustainability

Profile

Mr. Shailendra Kumar Jain holds a Bachelor's Degree in Science from Vikram University, Ujjain and a Bachelor's Degree in Engineering from University of Mumbai. He also holds a Master's Degree in Electrical Engineering from Massachusetts Institute of Technology, USA. He has over 55 years of experience with Aditya Birla Group out of which 45 years were with the Company in all aspects of Pulp and Fibre business and 7 years as the Chairman of the Group's Business Review Council for manufacturing businesses.

Immediately after completion of his graduate studies at MIT, Mr. Jain was directly inducted by the founder Chairman Mr. G.D. Birla at Grasim in 1965 to join its Staple Fibre Division, Nagda and he later became the President of the Company in December 1993. He was inducted on the Company's Board as a Whole-time Director in 2001 and was also given the Directorship for Group Global Pulp and Fibre Business. During the following decade, he led several merger and acquisitions in Pulp, Fibre and allied industries transforming the Pulp and Fibre business of the Group into a Global Leader.

Besides being a Director of the Company, he is also the Chairman of Aditya Birla Cellulosic (Egypt) Co. SAE and Domsjo Fabriker (Sweden). He is a Commissioner in PT Sunrise, Indonesia and a Director in Indo Phil Textile Mills Inc., Philippines. He is also on the Board of Directors of Samruddhi Swastik Trading & Investments Limited, wholly-owned subsidiary of the Company.

Mr. Raj Kumar

DIN	06627311	
Category of Director	Non-executive Director Non-independent Director	
Age	60 years	
Date of Appointment	12th November 2021	
Term ending date	Liable to retire by rotation	
Tenure ~	5 Months	
Shareholding	-	
Board Memberships - Indian Listed companies	LIC Housing Finance Limited: Nominee Director	
Directorship(s) in public companies	2	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Human Resource Development
- Industry knowledge
- Risk Management
- Strategy
- Sustainability

Profile

Mr. Raj Kumar is the Managing Director of Life Insurance Corporation of India (LIC). He has been associated with LIC for 38 years. At LIC, Mr. Kumar has handled several significant assignments, in various capacities ranging from being CEO of LIC Mutual Fund Asset Management Limited; Zonal Manager of Central Zone, Bhopal; Executive Director of Estate & Office Services, Human Resource Development and International Operations and had additional charge of Management Development Centre, Borivali and Vigilance Department of LIC. He has, also, served as Chief Public Information Officer and Appellate Authority, under Right to Information, of LIC and was also the Chief-Personnel and Chief-Customer Relationship Management at LIC. He has been conferred with 'Most Influential Human Resource Officer in Asia' Award by CHRO, Asia and was also awarded 'Hinditar Bhashi Samman' by Madhya Pradesh Rashtra Bhasha Prachar Samiti, Bhopal. Mr. Kumar is a Science Graduate and has attended various training programmes at IIM-Ahmedabad, ISB-Hyderabad, Indian Institute of Advanced Studies-Bangalore, National Insurance Academy - Pune, Delhi Productivity Council, Management Development Centre - Mumbai etc. Mr. Kumar also serves on the Board of LICHFL Asset Management Co. Limited, LIC Housing Finance Limited and LIC (Lanka) Limited He is a Trustee of LIC Golden Jubilee Foundation and LIC of India Provident Fund No. 1. He is also a Member of Governing Board of National Insurance Academy. He had served on the Board of LICHFL Care Homes Limited, LIC Mutual Fund Asset Management Company Limited, LIC of Bangladesh Limited, Rajasthan Financial Corporation, High Energy Batteries (India) Limited, Reliance Naval and Engineering Limited, He was also a Member of the Governing Body of Insurance Institute of India, Mumbai.

Report on Corporate Governance (Contd.)

Dr. Santrupt Misra

DIN	00013625	
Category of Director	Non-executive Director Non-independent Director	
Age	56 years	
Date of Appointment	13th June 2020	
Term ending date	Liable to retire by rotation	
Tenure ~	2 years	
Shareholding	-	
Board Memberships - Indian Listed companies	Aditya Birla Capital Limited: Non-executive Director	
Directorship(s) in public companies	2	
Committee position	Chairman	-
	Member	1

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Human Resource Development
- Industry knowledge
- Innovation, technology & digitisation
- Risk Management
- Strategy
- Sustainability

Profile

Dr. Santrupt Misra is currently the Group Director, Birla Carbon; Director, Chemicals; and Director, Group Human Resources for the Aditya Birla Group, a USD 60 Billion Global Conglomerate.

A business leader and an HR Professional of standing, with over three decades of experience in global business leadership, corporate governance, organisational transformation, non-profit leadership, and professional development, Dr. Misra has worked at the Board level for over two decades as Non-executive Director and Executive Director in publicly listed companies, unlisted companies, and not for Profit Organisations both in India and overseas. He is a Director in several companies of the Aditya Birla Group including Aditya Birla Capital Limited and Birla Carbon Thailand, which are listed companies. He was an Independent Director on the Board of the Oil and Natural Gas Corporation Limited a leading Government of India enterprise, and the Chairperson of the Board of Governors of the National Institute of Technology, Rourkela.

Dr. Misra is also on Governing Bodies of professional organisations/associations such as the Association of Executive Search Consultants (AESC) U.S.A. He was also on the Board of the Xavier's Institute of Management, Bhubaneswar and the Worldwide ERC, USA. He also served as a member of the SHRM Certification Commission, USA.

Dr. Misra is the Chairman of the Project Advisory Committee for the 'Ekamra Kshetra Scheme', an Odisha State Government project of immense significance for the heritage of Odisha and of cultural significance for the country. He is also a Co-opted Member to the Governing Council (GC) of the United Nations Global Compact Network India (UN GCNI), for a two-year term.

Dr. Misra holds two Post Graduate Degrees in Political Science and in Personnel Management & Industrial Relations, from the Utkal University & the Tata Institute of Social Sciences, respectively. In addition, he also holds two PhDs, from India & UK, in Public Administration and Industrial Relations, respectively, and an honorary D.Sc. Degree from Aston University, UK. He is a Fellow of the National Academy of Human Resources (NAHR), USA; Hon. Fellow of the Coaching Federation of India; an Eisenhower Fellow, an Aston Business School Fellow, an AIMA Fellow and a Commonwealth Scholar.

Mr. Harikrishna Agarwal

DIN	09288720	
Category of Director	Executive Director, Managing Director	
Age	62 years	
Date of Appointment	1st December 2021	
Term ending date	30th November 2023	
Tenure ~	4 months	
Shareholding	44,389	
Board Memberships - Indian Listed companies	-	
Directorship(s) in public companies	-	
Committee position	Chairman	-
	Member	-

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial literacy
- General Management
- Industry knowledge
- Innovation, technology & digitisation
- Marketing
- Risk Management
- Strategy
- Sustainability

Profile

Mr. Harikrishna Agarwal is the Managing Director of the Company is a Business Leader and a veteran of the Aditya Birla Group (ABG), having been part of ABG for close to four decades. During this period, he has held different roles in Cement, Chemicals and Pulp and Fibre Businesses.

He started his career with ABG in 1982 as Management Trainee at Rajashree Cement, a division of Indian Rayon. He subsequently worked with TANFAC as Chief Commercial Executive before moving to Thailand as Vice-president (Commercial), Thai Peroxide in 1987 and became its Unit Head in 1995. In 2000, he moved to Epoxy Division in Thailand as Unit Head of Thai Epoxy and was Unit Head of Epoxy Division and Chlor Alkali Division from 2004 until 2009. In 2009, he moved to Thai Rayon as Unit Head and President. In 2013, he took on the role of COO, Pulp and Fibre- SEA & China and Country Head, Group Affairs- Thailand. He returned to India in 2015 to take on the role of COO Manufacturing with Pulp and Fibre. Mr. Agarwal is a Chartered Accountant and has done an Executive MBA from Sasin, Chulalongkorn University, Bangkok. He is also a recipient of Chairman's Outstanding Leader Award, 2012.

Notes:

1. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.
2. Excluding Private Limited Companies/ Foreign Companies/ High value debt listed entities/ Section 8 Companies.
3. Includes only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.
4. The number of directorship and committee positions is excluding your Company.
5. No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Smt. Rajashree Birla, who are related to each other as son and mother respectively.
6. None of the Directors holds any convertible instruments of your Company.
7. Committees membership excludes chairmanship.

Role of Board of Directors

The Company's Board of Directors plays a primary role in ensuring good governance; smooth functioning of the Company and in the creation of stakeholders' value.

The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's members and the other stakeholders and also fulfil the aspirations of the society and the communities in which it operates.

The Board is duly supported by the Management in ensuring effective functioning of the Company. The Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set goals and seeks accountability. The Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations. As a part of its function, the Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the Listing Regulations and in particular, reviews and approves financial statements, corporate strategies, business plans, annual budgets, projects (including CSR projects) and capital expenditure.

Board Meetings and Procedure

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividend;
- development and approval of overall business strategy;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The notice of the Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The Agenda is circulated a week prior to the date of the Meeting. The Board Agenda includes an Action Taken Report comprising of actions emanating from the previous Board Meetings and status updates thereof. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video/audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information ('UPSI').

The Company Secretary attends all the Meetings of the Board and its Committees, in the capacity of Secretary of the Committees. The Company Secretary advises/ assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

The draft minutes of each Board/ Committee meetings are circulated to all Directors/ Members for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, if any, received from the Directors/ Members, records the minutes of each Board/ Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board/ Committee meetings are communicated to the concerned departments promptly.

Report on Corporate Governance (Contd.)

During the year, due to exceptional circumstances caused by Covid-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs ('MCA') and Securities Exchange Board of India ('SEBI') from time to time all the Board meetings were conducted through audio visual means. During the year, the Board met 6 (Six) times on 24th May 2021, 13th August 2021, 1st September 2021, 12th November 2021, 31st December 2021 and 14th February 2022. The maximum interval between any two meetings held during the year did not exceed 120 days. Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting ('AGM') held during the year are as under:

Name of the Directors	Number of Board Meetings held during the tenure	Number of Board Meetings attended	Attended last AGM held on 27th August 2021
Mr. Kumar Mangalam Birla	6	6	Yes
Smt. Rajashree Birla	6	4	Yes
Mr. Shailendra K. Jain	6	6	Yes
Dr. Santrupt Misra	6	6	Yes
Mr. Vipin Anand[1]	3	3	Yes
Dr. Thomas M. Connelly, Jr.	6	6	Yes
Mr. Cyril Shroff	6	3	No
Mr. Adesh Kumar Gupta[2]	6	6	Yes
Mr. V. Chandrasekaran[2]	6	6	Yes
Mr. N. Mohan Raj	6	6	Yes
Ms. Anita Ramachandran	6	6	Yes
Mr. Dilip Gaur[3]	4	4	Yes
Mr. Harikrishna Agarwal[4]	2	2	Not Applicable
Mr. Raj Kumar[5]	3	1	Not Applicable
Mr. O. P. Rungta[6]	1	1	Not Applicable
Mr. Arun Thiagarajan[7]	Not Applicable	Not Applicable	Not Applicable

1 Resigned as Non-executive Director w.e.f. 14th October 2021.
2 Appointed as an Independent Directors w.e.f. 24th May 2021.
3 Ceased to be the Managing Director w.e.f. 30th November 2021.
4 Appointed as the Managing Director w.e.f. 1st December 2021.
5 Appointed as Non-executive Director w.e.f. 12th November 2021.
6 Resigned as an Independent Director w.e.f. 24th 2021, due to health reasons on account of advanced age.
7 Completion of term as an Independent Director w.e.f. 6th May 2021.

Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 25th March 2022, without the presence of Non-independent Directors and the management, *inter alia*, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. The Independent Directors also expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. Suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

Retirement/Resignation of Independent Directors

During the year, Mr. Arun Thiagarajan (DIN: 00292757), retired as an Independent Director of the Company upon completion of his term of 5 years on 6th May 2021. Also, Mr. O. P. Rungta (DIN: 00020559), Independent Director resigned from the Board of Directors of the Company effective from close of business hours of 24th May 2021 due to health reasons on account of advanced age and there is no other material reason for his resignation except as mentioned.

Succession Planning

Your Company has an effective mechanism for succession planning which focuses on orderly succession of the Board and Senior Management team. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board. In addition, promoting Senior Management within the organisation fuels the ambitions of the talent force to earn future leadership roles.

Support of the Board

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and to facilitate convening of meetings. The Company Secretary interfaces between the management and regulatory Authorities for governance matters and is also the Compliance Officer of the Company.

Code of Conduct

The Board of Directors has laid down a 'Code of Conduct for the Board Members and Senior Management' of your Company, which is available on the Company's website at https://www.grasim.com/upload/pdf/code-of-conduct.pdf. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and Senior Management. A declaration to that effect signed by the Managing Director forms part of this Report.

Training, Induction and Familiarisation Programme

Letter of appointment, stipulating the terms of appointment, role, rights and responsibilities, are issued to the Independent Directors at the time of their appointment. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Director are placed on the Company's website at https://www.grasim.com/upload/pdf/terms_conditions_independent_director.pdf . When a Director joins the Board of the Company, your Company conducts introductory familiarisation programme, *inter alia*, covering the nature of the industry in which the Company operates, business model of the Company, organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. On an on-going basis, the Directors are familiarised with the Company's business, its operations, strategy, functions, policies and procedures at the Board and Committee meetings. Changes in regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings. The Directors are also apprised about risk assessment and minimisation procedures.

All the Directors (including Independent Directors) have the freedom to interact with the Company's Senior Management Personnel to discuss matters pertaining to the Company's affairs.

The details of familiarisation programme, imparted to the Directors of the Company are available on the Company's website at https://www.grasim.com/Upload/PDF/familiarisation-programme-independent-directors.pdf.

Prevention of Insider Trading

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities' of the Company ('the Insider Trading Code'). The object of the Insider Trading Code is to set framework, rules and procedures, which all concerned should follow, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company. The Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('the Code') in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of 'legitimate purposes' as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information ('UPSI') and aims at preventing misuse of UPSI. The Code is available on the Company's website at https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf. The policy and the procedures are periodically reviewed and revised from time to time and communicated to the Designated Persons. Trading window closure is intimated to all Designated Persons and to the Stock Exchanges in advance, whenever required. A digital platform is being maintained by the Company, which contains the names and other prescribed particulars of the persons covered under the Insider Trading Code. This online tracking mechanism for monitoring trade in the Company's securities by the 'Designated Employees' and their relatives helps in real time detection and taking appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

Report on Corporate Governance (Contd.)

III. COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations and the Act. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focusess and extensive discussions are required. The composition of the following Committees of the Board as on 31st March 2022 are as under:

COMMITTEES OF THE BOARD						
Audit Committee	**Nomination and Remuneration Committee**	**Stakeholders' Relationship Committee**	**Corporate Social Responsibility Committee**	**Risk Management and Sustainability Committee**	**Finance Committee**	**PIT Regulation Committee**
• Mr. N. Mohan Raj (Chairman) • Dr. Thomas M. Connelly, Jr. • Mr. V. Chandrasekaran • Mr. Harikrishna Agarwal	• Ms. Anita Ramachandran (Chairperson) • Mr. Kumar Mangalam Birla • Mr. Cyril Shroff • Mr. Adesh Kumar Gupta	• Ms. Anita Ramachandran (Chairperson) • Mr. Shailendra K. Jain • Mr. Harikrishna Agarwal	• Smt. Rajashree Birla (Chairperson) • Ms. Anita Ramachandran • Mr. Shailendra K. Jain • Mr. Harikriswhan Agarwal	• Mr. N. Mohan Raj (Chairman) • Mr. V. Chandrasekaran • Dr. Thomas M. Connelly, Jr. • Mr. Harikrishna Agarwal • Mr. Kalyan Ram Madabhushi • Mr. Jayant Dhobley • Mr. Thomas Varghese	• Mr. Shailendra K. Jain (Chairman) • Mr. Adesh Kumar Gupta • Mr. Harikrishna Agarwal	• Mr. V. Chandrasekaran (Chairman) • Dr. Santrupt Misra • Mr. Harikrishna Agarwal

In addition to the above Committees, your Company has Committee of Independent Directors and IGF Divestment Committee.

A. Audit Committee

Composition, Meetings and Attendance

The Audit Committee of the Board comprises of 3 Independent Directors and 1 Executive Director. The members of the Audit Committee are financially literate and have accounting or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Listing Regulations and the Act.

During the year, 7 (Seven) Audit Committee meetings were held on 24th May 2021, 13th August 2021, 13th October 2021, 12th November 2021, 14th February 2022, 4th March 2022 and 25th March 2022.

The details of composition as on 31st March 2022 and attendance of the members at the Audit Committee meetings held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Mr. N. Mohan Raj, Chairman[1]	Independent	7	7
Dr. Thomas M. Connelly, Jr.[2]	Independent	6	6
Mr. V. Chandrasekaran[2]	Independent	6	6
Mr. Harikrishna Agarwal[3]	Executive	3	3
Mr. O. P. Rungta[4]	Independent	1	1
Mr. Dilip Gaur[5]	Executive	4	4

1 Appointed as the Chairman of the Committee w.e.f. 24th May 2021.
2 Appointed as the Members of the Committee w.e.f. 24th May 2021.
3 Appointed as the Member of the Committee w.e.f. 1st December 2021.
4 Ceased to be the Member of the Committee w.e.f. 24th May 2021.
5 Ceased to be the Member of the Committee w.e.f. 30th November 2021.

During the year, the Audit Committee was reconstituted on 24th May 2021 and 12th November 2021.

The Chief Financial Officer of the Company is a permanent invitee to the Audit Committee meetings. The Joint Statutory Auditors and the Internal Auditors of the Company are also invited to the Audit Committee meetings. Cost Auditors are invited to the Audit Committee meetings, whenever matters relating to the Cost Audit are considered.

The Company Secretary acts as the Secretary to the Audit Committee.

Mr. N. Mohan Raj, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 27th August 2021.

The Audit Committee acts as a link between the management, the Statutory and Internal Auditors and the Board. The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to provide accurate, timely and proper disclosure, maintain the integrity and quality of financial reporting. The Audit Committee, *inter alia*, also reviews, from time to time, the audit and internal control procedures, the accounting policies of your Company, annual compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, reviewing complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and reviewing complaints received under Whistle-Blower Policy of the Company. The Committee also oversees the performance of the Internal and Statutory Auditors and recommends their appointment and remuneration to the Board. The minutes of the Audit Committee Meetings were noted by the Board. The Chairman of the Audit Committee Meeting briefs the Board on the discussions held during Audit Committee Meeting. The recommendations of the Audit Committee have been accepted by the Board.

Brief Description of the Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    (a) matters required to be included in the Directors' Responsibility Statements to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
    (b) changes, if any, in accounting policies and practices and reasons for the same;
    (c) major accounting entries involving estimates based on the exercise of judgement by the management;
    (d) significant adjustments made in the financial statements arising out of audit findings;
    (e) compliance with listing and other legal requirements relating to the financial statements;
    (f) disclosure of any related party transactions; and
    (g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Monitoring the end use of funds raised through public offers and related matters;
14. Reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with Internal Auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the Internal Auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the Whistle-Blower Mechanism;
21. In consultation with the Internal Auditors, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;

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22. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Financial statements, in particular, the investments made by the unlisted subsidiary companies;
3. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
4. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
5. Internal audit reports relating to internal control weaknesses;
6. Appointment, removal and terms of remuneration of the Internal Auditors;
7. Statement of deviations:
   (a) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation;
   (b) annual statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/ notice in terms of Listing Regulation.
8. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important, including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
9. Any material default in financial obligations by the Company; and
10. Any significant or important matters affecting the business of the Company.

Vigil Mechanism/Whistle-Blower Policy

Your Company has adopted Whistle-Blower Policy that provides a formal vigil mechanism for Directors and Employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the Audit Committee. The policy provides for adequate safeguards against victimisation and all personnel have access to the Audit Committee. The Whistle-Blower Policy is available on the Company's website at https://www.grasim.com/upload/pdf/whistle_blower_policy.pdf . The Policy is in line with the Company's Code of Conduct, Vision and Values and forms part of good Corporate Governance.

B. Nomination and Remuneration Committee

Composition, Meetings and Attendance

The Nomination and Remuneration Committee ('NRC') comprises of 4 Non-executive Directors, out of which 3 are Independent Directors. The composition of the NRC complies with the requirements of the Listing Regulations and the Act.

During the year, 6 (Six) NRC meetings were held on 24th May 2021, 13th August 2021, 1st September 2021, 12th November 2021, 31st December 2021 and 14th February 2022. The recommendations of the NRC have been accepted by the Board.

The details of composition of NRC as on 31st March 2022 and attendance of the members at the NRC meetings held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Ms. Anita Ramachandran, Chairperson[1]	Independent	5	5
Mr. Kumar Mangalam Birla	Non-executive	6	6
Mr. Cyril Shroff	Independent	6	4
Mr. Adesh Kumar Gupta[2]	Independent	2	2
Mr. O. P. Rungta, Chairman[3]	Independent	1	1
Dr. Santrupt Misra[4]	Non-executive	5	5

1 Appointed as the Chairperson of the Committee w.e.f. 24th May 2021
2 Appointed as the Member of the Committee w.e.f. 1st December 2021.
3 Ceased to be the Member of the Committee w.e.f. 24th May 2021
4 Ceased to be the Member of the Committee w.e.f. 1st January 2022

During the year, NRC was reconstituted on 24th May 2021 12th November 2021 and 14th February 2022.

The Company Secretary acts as the Secretary to the NRC.

Brief Description of the Terms of Reference

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. Formulate the criteria for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and compliance;

3. Devise a policy on diversity of the Board of Directors;

4. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

5. To consider whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

6. Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run the Company successfully;

7. Set the relationship of remuneration to performance;

8. Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentives pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;

9. Review and implement succession plans for Managing Director, Executive Directors and Senior Management;

10. Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to the Board or shareholder approval (including broad-based plans); and

11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Performance Evaluation

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees as mandated under the Act, the Listing Regulations and the Executive Remuneration Policy of your Company, as amended from time to time. The performance evaluation of Non-independent Directors and the Board as a whole was carried out by the Independent Directors. The performance of the Chairman of the Board was also reviewed, taking into account the views of the Executive, Non-executive and Independent Directors.

The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Act.

Structured questionnaires were circulated to the Directors for providing feedback on functioning of the Board, Committees and the Chairman of the Board. Based on the inputs received, action plans are drawn up in consultation with the Directors to encourage greater participation and deliberations at the meetings and bringing to the table their experience and guidance in further improving the performance of your Company.

The performance of the Independent Directors is evaluated, with emphasis on:

- Time invested in understanding your Company and its unique requirements;
- External knowledge and perspective;
- Views expressed on the issues discussed at the Board; and
- Keeping updated on areas and issues that are likely to be discussed at the Board.

Remuneration Policy

The Board has, on the recommendation of the NRC framed a policy on Remuneration of Directors and Senior Management Employees, which is available on the Company's website at https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf. Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's goal.

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Remuneration of Directors

Sitting fees is paid to the Non-executive/ Independent Directors for attending Board/ Committee meetings, is as under:

Board/Committee	Sitting Fee Per Meeting (₹)
Board	50,000/-
Audit Committee, Committee of Independent Directors and IGF Divestment Committee	25,000/-
All other Committees	20,000/-

Based on recommendation of NRC, all decisions relating to remuneration of Directors are taken by the Board of your Company in accordance with the members' approval, wherever necessary. Members have approved payment of commission to the Non-executive Directors of an amount not exceeding 1% per annum of the net profit of your Company. The amount of the commission payable to the Non-executive/Independent Directors is determined after assigning weightage to various factors, which, *inter alia*, include providing strategic perspective, Chairmanship and contributions made by the Directors, type of the meeting and responsibilities under various statutes, performance evaluation, etc. For FY 2021-22, the Board has approved payment of ₹ 400 lakh as commission to the Non-executive/ Independent Directors.

Details of remuneration paid/to be paid to the Non-executive/ Independent Directors for FY 2021-22 are as under:

(₹ in lakh)

Name of the Directors	Commission	Sitting Fees (for Board and the Committees)
Mr. Kumar Mangalam Birla	-	4.20
Smt. Rajashree Birla[1]	160	2.40
Dr. Santrupt Misra	25	4.20
Mr. Shailendra K. Jain	33	4.80
Dr. Thomas M. Connelly, Jr.	28	4.90
Mr. Cyril Shroff	16	2.30
Mr. Vipin Anand[2]/Mr. Raj Kumar[3]	11*	2.00*
Mr. Adesh Kumar Gupta[4]	23	4.00
Mr. V. Chandrasekaran[4]	30	5.10
Ms. Anita Ramachandran	28	4.80
Mr. N. Mohan Raj	40	5.15
Mr. O. P. Rungta[5]	6	0.95
Total	400	44.80

1 Smt. Rajashree Birla, leads the entire CSR initiatives and monitors its implementation for the Company. She is deeply involved in identifying and planning the areas of social impact and then closely monitors the progress of such CSR activities. For her exemplary contributions, she has won many awards and accolades the most outstanding one has been that of the Government of India which bestowed the 'Padma Bhushan' Award in 2011 on Smt. Rajashree Birla in the area of 'Social Work'. Profile of Smt. Rajashree Birla, mentioned above highlights her social work.

2 Resigned as Non-executive Director w.e.f. 14th October 2021

3 Appointed as Non-executive Director w.e.f. 12th November 2021

4 Appointed as an Independent Directors w.e.f. 24th May 2021

5 Resigned as an Independent Director w.e.f. 24th May 2021

*Sitting fees for FY 2021-22 was paid and Commission for FY 2021-22 will be paid to LIC.

Notes:

There were no pecuniary relationships or transactions between your Company and its Non-executive/Independent Directors during the year.

The remuneration package of the Managing Director is determined by the NRC, which is in accordance with the remuneration policy of the Company. A fair portion of the remuneration is linked to the Company's performance, thereby creating a strong alignment of interest with members.

Executive Directors	Salary, Benefits, Bonus, Pension, etc., paid during the Year (₹ in lakh)	Performance-linked Incentive paid during the Year[1] (₹ in lakh)	Service Contract, Notice Period and Severance Fee	Stock Option Details, if any
Mr. Dilip Gaur (Managing Director up to 30th November 2021)	1002.20*	298.38	See Note 2	See Note 3
Mr. Harikrishna Agarwal (Managing Director w.e.f. 1st December 2021)	452.54*	-	See Note 2	See Note 3

*Includes perquisite value of stock options/RSUs exercised during the year as under:

Executive Directors	Amount (₹ In lakh)
Mr. Dilip Gaur	186.57
Mr. Harikrishna Agarwal	296.90

1. The Board has approved payment of performance-linked variable pay for the FY 2020-21 as aforesaid to the Managing Director on achievement of the target.
2. The Managing Director's appointment may be terminated by three months' notice in writing on either side and no severance fees is payable to the Managing Director of the Company.
3. During the period under review, in terms of the Company's Employee Stock Option Scheme 2018 (ESOS 2018), 33,633 Stock Options and 12,216 RSUs

have been granted to Mr. Dilip Gaur. In terms of the Company's ESOS 2018, Mr. Dilip Gaur has exercised 25,574 Stock Options.

During the period under review, in terms of the ESOS 2018, 55,554 Stock Options and 21,277 RSUs have been vested to Mr. Harikrishna Agarwal. In terms of the ESOS 2018, Mr. Harikrishna Agarwal has exercised 16,612 RSUs.

Employee Stock Options Scheme (ESOS)

a) **ESOS-2006**

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 16,800 equity shares of ₹ 2 each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

b) **ESOS-2013**

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 2,33,782 equity shares of ₹2/- each of the Company to Stock Option and RSU Grantees, pursuant to the exercise of the Stock Options and RSUs, under ESOS-2013.

c) **ESOS- 2018**

During the year, the Nomination and Remuneration Committee ('NRC') of the Board of Directors approved grant of 4,02,606 Stock Options and 1,26,798 Restricted Stock Units (RSUs) to the eligible employees, including Managing Director of the Company, under ESOS-2018 and also approved vesting of 4,35,952 Stock Options and 2,18,800 RSUs. NRC also approved 52,847 Stock Options not be vested, due to vesting criteria not being met in accordance with the provisions of ESOS-2018. The ESOS-2018 is being administered through the Grasim Employees' Welfare Trust (Trust).

2,06,437 equity shares were transferred from the Trust account to the employees account on account of exercise of Stock Options and RSUs by the grantees.

The details of Stock Options granted pursuant to ESOS-2006 and the Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018, and the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on your Company's website at https://www.grasim.com/Upload/PDF/esos-disclosure-aug22.pdf

A certificate from the Secretarial Auditors, with respect to implementation of your Company's Employees Stock Option Schemes will be available electronically for inspection without any fee by the members from the date of circulation of the Notice of the Annual General Meeting up to the date of Annual General Meeting. Members seeking to inspect such documents can send an e-mail at grasim.secretarial@adityabirla.com.

Directors and Officers Insurance:

In line with the requirements of Regulation 24(10) of the Listing Regulations, the Company has in place a Directors and Officers Insurance Policy ('D&O') for all its Directors (including Independent Directors) and Members of the Senior Management for such quantum and for such risks as determined by the Board.

C. Stakeholders' Relationship Committee

Composition, Meeting and Attendance

The Stakeholders' Relationship Committee ('SRC') comprises of 1 Non-executive Director, 1 Independent Director and 1 Executive Director. The composition of the SRC complies with the requirements of the Listing Regulations and the Act.

During the year, 2 (Two) SRC meetings were held on 15th September 2021 and 28th March 2022.

The details of composition as on 31st March 2022 and attendance of the members at the SRC meetings held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Ms. Anita Ramachandran, Chairperson[1]	Independent	2	2
Mr. Shailendra K. Jain	Non-executive	2	2
Mr. Harikrishna Agarwal[2]	Executive	1	1
Mr. O. P. Rungta[3]	Independent	-	-
Mr. Cyril Shroff[4]	Independent	-	-
Mr. Dilip Gaur[5]	Executive	1	1

1 Appointed as the Chairperson of the Committee w.e.f. 24th May 2021.
2 Appointed as the Member of Committee w.e.f. 1st December 2021.
3 Ceased to be the Member of the Committee w.e.f. 24th May 2021.
4 Ceased to be the Member of the Committee w.e.f. 24th May 2021.
5 Ceased to be the Member of the Committee w.e.f. 30th November 2021.

During the year, the SRC was reconstituted on 24th May 2021 and 12th November 2021.

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The Company Secretary acts as Secretary to the Committee and is the Compliance Officer.

Ms. Anita Ramachandran, Chairperson of the SRC attended the last Annual General Meeting of the Company held on 27th August 2021.

Brief Description of the Terms of Reference

1. To monitor complaints received by your Company from its Shareholders, Debenture holders, other security holders, Securities and Exchange Board of India ('SEBI'), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. and action taken by your Company for redressing the same;
2. To approve allotment of shares, debentures or any other securities as per the authority conferred/to be conferred to the Committee by the Board of Directors from time to time;
3. To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation, etc. of shares, debentures and other securities;
4. To authorise Officers of your Company to approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
5. To approve and ratify the action taken by the authorised officers of your Company in compliance of the requests received from the shareholders/investors for issue of duplicate/ replacement/ consolidation/ sub-division, dematerialisation, rematerialisation and other purposes for the shares, debentures and other securities of your Company;
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of your Company;
7. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of your Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
8. To review the measures taken to reduce the quantum of unclaimed dividend/ interest and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of your Company;
9. To resolve grievances of security holders including complaints related to transfers/transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/duplicate certificates, general meetings, etc.;
10. To review measures taken for effective exercise of voting rights by shareholders;
11. To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Transfer Agent; and
12. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

Shareholders' Complaints

The number of shareholders' complaints received and resolved as on 31st March 2022 is given in the 'Shareholders' Information' section, which forms an integral part of this Annual Report.

Compliance Officer

Mr. Sailesh Daga, Company Secretary acts as the Compliance Officer of the Company. The Compliance Officer briefs the SRC on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. The Compliance Officer can be contacted at: Grasim Industries Limited, Aditya Birla Centre, 'A' Wing, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030 Tel: 91-22-66525000, 91-22-24995000, E-mail: grasim.secretarial@adityabirla.com

D. Corporate Social Responsibility Committee ('CSR Committee')

Composition, Meeting and Attendance

The CSR Committee comprises of 2 Non-executive Directors, 1 Independent Director and 1 Executive Director.

The CSR Committee recommends to the Board the CSR activities to be undertaken during the year and the amount to be spent on these activities and monitor its progress.

During the year, 2 (Two) CSR Committee meetings were held on 22nd May 2021 and 28th March 2022.

The CSR Report forms an integral part of this Annual Report.

The details of composition as on 31st March 2022 and attendance of the members at the CSR Committee meetings held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Smt. Rajashree Birla, Chairperson	Non-executive	2	2
Mr. Shailendra K. Jain	Non-executive	2	2
Ms. Anita Ramachandran	Independent	2	2
Mr. Harikrishna Agarwal[1]	Executive	1	1
Mr. Dilip Gaur[2]	Executive	1	1

1 Appointed as the Member of the Committee w.e.f. 1st December 2021

2 Ceased to be the Member of the Committee w.e.f. 30th November 2021

During the year, the CSR Committee was reconstituted on 12th November 2021.

Smt. Rajashree Birla is the Chairperson of the Committee. Dr. Pragnya Ram, Group Executive President, CSR is a permanent invitee to the CSR Committee meetings.

E. Risk Management and Sustainability Committee ('RMSC')

Composition, Meeting and Attendance

The Composition of RMSC is in line with the provisions of the Listing Regulations, which comprises of 3 Independent Directors, 1 Executive Director and 3 Senior Executives of the Company.

During the year, 2 (Two) meetings of the RMSC were held on 29th July 2021 and 24th January 2022.

The Board's Report and Management Discussion and Analysis Report set out the risks identified and mitigation plans thereof.

The details of composition as on 31st March 2022 and attendance of the members at the RMSC meeting held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Mr. N. Mohan Raj, Chairman[1]	Independent	2	2
Mr. V. Chandrasekaran[2]	Independent	2	2
Dr. Thomas M. Connelly, Jr.	Independent	2	2
Mr. Harikrishna Agarwal, Managing Director[3]	Executive	1	1
Mr. Kalyan Ram Madabhushi	COO Pulp & Fibre	2	2
Mr. Thomas Varghese	Business Head-Textiles	2	2
Mr. Jayant Dhobley	Business Head CFI	2	2
Mr. Arun Thiagarajan[4]	Independent	-	-
Mr. O. P. Rungta[5]	Independent	-	-
Mr. Dilip Gaur[6]	Executive	1	1

1 Appointed as the Chairman of the Committee w.e.f. 24th May 2021.

2 Appointed as the Member of the Committee w.e.f. 24th May 2021.

3 Appointed as the Member of the Committee w.e.f. 1st December 2021.

4 Ceased to be the Member of the Committee w.e.f. 6th May 2021.

5 Ceased to be the Member of the Committee w.e.f. 24th May 2021.

6 Ceased to be the Member of the Committee w.e.f. 30th November 2021.

During the year, the RMSC was reconstituted on 24th May 2021 and 12th November 2021

The Chief Financial Officer is the Permanent Invitee to the Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

The recommendations, if any, of the Risk Management Committee have been accepted by the Board.

Brief Description of the Terms of Reference

1. To formulate Risk Management Policy and implement Risk Management Framework for identifying, assessing, monitoring, reviewing and devising mitigation plans in respect of the internal and external risks associated with the Company including financial, operational, sectoral, sustainability, cyber security risks, or any other risk;

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To review Risk Management Policy from time to time;

4. Overseeing the Company's sustainability performance and ensuring adequacy of the Company's sustainability framework;

5. Advising the Board on sustainability policies and management systems;

6. Ensuring effective implementation of governance, advocacy and public relation mechanisms and practices related to Sustainability;

Report on Corporate Governance (Contd.)

7. Evaluating emerging sustainability risks in terms of intensity and impact, in turn, guiding the management on reasonable avoidance of adversities likely to pose a threat to sustained growth; and

8. Advising the Board to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability and stakeholder governance.

F. Finance Committee

The Company has a Finance Committee of the Board of Directors, to facilitate the operations of the Company.

Composition, Meetings and Attendance

The Finance Committee of the Board of Directors comprises of 1 Non-executive Director, 1 Independent Director and 1 Executive Director.

During the year, 5 (Five) Finance Committee meetings were held on 22nd May 2021, 21st June 2021, 15th September 2021, 30th November 2021 and 7th March 2022.

The details of composition as on 31st March 2022 and attendance of the members at the Finance Committee meetings held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Mr. Shailendra K. Jain, Chairman[1]	Non-executive	5	5
Mr. Adesh Kumar Gupta[2]	Independent	4	3
Mr. Harikrishna Agarwal[3]	Executive	1	1
Mr. O. P. Rungta[4]	Non-executive	1	-
Mr. Dilip Gaur[5]	Executive	4	4

1 Appointed as the Chairman of the Committee w.e.f. 24th May 2021.

2 Appointed as the Member of the Committee w.e.f. 24th May 2021.

3 Appointed as the Member of the Committee w.e.f. 1st December 2021.

4 Ceased to be the Member of the Committee w.e.f. 24th May 2021.

5 Ceased to be the Member of the Committee w.e.f. 30th November 2021.

During the year, the Finance Committee was reconstituted on 24th May 2021 and 12th November 2021.

The Company Secretary acts as Secretary to the Finance Committee.

The Finance Committee is authorised to exercise all powers and discharge all functions relating to working capital management, foreign currency contracts, operation of bank accounts and authorising officers of your Company to deal in matters relating to excise, GST, income tax, customs etc.

G. PIT Regulation Committee

PIT Regulation Committee ('PIT Committee') of the Board of Directors was constituted in accordance with the requirement under SEBI (Prohibition of Insider Trading Regulations), 2015 to determine legitimate purpose(s) for sharing of information, in furtherance to the Company's and stakeholders interest, which includes sharing of Unpublished Price Sensitive Information ('UPSI') with parties during substantial transactions such as takeovers, mergers and acquisitions involving trading in securities, change of control to assess potential investments or such other transactions, activities pertaining to monitoring trade in the securities of the Company by the designated persons, maintenance of adequate internal controls, carrying out inquiry in case of leak of UPSI etc.

Composition, Meetings and Attendance

The PIT Committee comprises of 1 Independent Director and 1 Non-executive Director and 1 Executive Director

During the year, 1 (One) PIT Regulation Committee Meeting was held on 8th November 2021.

The Company Secretary acts as Secretary to the PIT Regulation Committee.

The details of composition as on 31st March 2022 and attendance of the members at the PIT Regulation Committee Meeting held are as given below:

Name of the Members	Categories	No. of Meetings	
		Held during the tenure	Attended
Mr. V. Chandrasekaran, Chairman[1]	Independent	1	1
Dr. Santrupt Misra	Non-executive	1	1
Mr. Harikrishna Agarwal[2]	Executive	-	-
Mr. O. P. Rungta[3]	Independent	-	-
Mr. Arun Thiagarajan[4]	Independent	-	-
Mr. Dilip Gaur[5]	Executive	1	1

1 Appointed as the Chairman of the Committee w.e.f. 24th May 2021.

2 Appointed as the Member of the Committee w.e.f. 1st December 2021.

3 Ceased to be the Member of the Committee w.e.f. 24th May 2021.

4 Ceased to be the Member of the Committee w.e.f. 6th May 2021.

5 Ceased to be the Member of the Committee w.e.f. 30th November 2021.

During the year, the PIT Regulation Committee was re-constituted on 24th May 2021 and 12th November 2021.

H. IGF Divestment Committee

The IGF Divestment Committee of the Board of Directors of the Company was constituted to handle matters pertaining to the Scheme of Arrangement between Grasim Industries Limited and Indorama India Private Limited and their respective shareholders and creditors.

IGF Divestment Committee was reconstituted on 24th May 2021 to induct Mr. N. Mohan Raj as Chairman and Mr. Shailendra K. Jain as the member of the Committee. Mr. Arun Thiagarajan and Mr. Dilip Gaur ceased to a member of the Committee w.e.f. 6th May 2021 and 30th November 2021 respectively. The IGF Divestment Committee was further reconstituted w.e.f. 1st December 2022 to induct Mr. Harikrishna Agarwal as the member of the Committee of the said date.

As on 31st March 2022, the Committee comprises of 2 Independent Directors, 1 Non-executive Director and 1 Executive Director viz. Mr. N. Mohan Raj, Ms. Anita Ramachandran, Mr. Shailendra K. Jain and Mr. Harikrishna Agarwal.

Mr. Ashish Adukia, Chief Financial Officer and Mr. Pavan K. Jain, Senior President are the permanent invitees to the Committee Meetings.

There was no meeting held during the year.

I. Independent Directors Committee

Independent Directors Committee, comprising of all the Independent Directors of the Company, was constituted in terms of SEBI circular dated 10th March 2017 (as amended, including vide circular dated 3rd November 2020) wherein, prior to filing the Scheme of Arrangement with the Stock Exchange(s), the Scheme of Arrangement was required to be recommended by a Committee of Independent Directors, vide a report, taking into consideration, *inter alia*, that the scheme is not detrimental to the shareholders.

There was no meeting held during the year.

IV. SUBSIDIARY COMPANIES

UltraTech Cement Limited and Aditya Birla Capital Limited are the material listed subsidiaries of the Company. The Company does not have any material unlisted Indian subsidiary company as defined under the Listing Regulations. The Company has formulated a Policy for Determining Material Subsidiaries, which is available on the Company's website at https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsidiary_Cos.pdf

The Audit Committee reviews the financial statements of the subsidiary Companies and, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for its review.

V. GENERAL BODY MEETINGS

Details of the General Meetings of the Company held during the last 3 years and up to 24th May 2022 are as follows:

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2018-19 72nd Annual General Meeting	23rd August 2019, 11:00 a.m.	Birlagram, Nagda – 456 331, Madhya Pradesh	• Continuation of directorship of Mr. Arun Thiagarajan as an Independent Director. • Re-appointment of Mr. Cyril Shroff as an Independent Director. • Re-appointment of Dr. Thomas M. Connelly, Jr. as an Independent Director. • Re-appointment of Mr. O. P. Rungta as an Independent Director.
2019-20 73rd Annual General Meeting	14th September 2020, 3:00 p.m.	Through Video Conference/ Other Audio-Visual Means	• Alteration of the Object Clause of the Memorandum of Association of the Company. • Alteration to the Articles of Association of the Company. • Continuation of Smt. Rajashree Birla as a Non-executive Director of the Company. • Re-appointment and continuation of Mr. Shailendra K. Jain as Director of the Company.

Report on Corporate Governance (Contd.)

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2020-21 Extra-Ordinary General Meeting	22nd February 2021, 3:00 p.m.	Through Video Conference/ Other Audio-Visual Means	• Alteration of the Object Clause of the Memorandum of Association of the Company.
2020-21 74th Annual General Meeting	27th August 2021 3:00 p.m.	Through Video Conference/ Other Audio-Visual Means	• Payment of Commission to Non-executive Directors of the Company.
2021-22 NCLT Convened Meeting	16th April 2021, 3:00 p.m. (Equity Shareholders) 4:00 p.m. (Secured Creditors) 5:00 p.m. [Unsecured Creditors (including unsecured debenture holders]	Through Video Conference/ Other Audio Visual Means	• Approval of the Scheme of Arrangement between Grasim Industries Limited and Indorama India Private Limited and their respective shareholders and creditors.

Postal Ballot

No Special Resolution was passed by the Company through Postal Ballot during the year. During the year, the Company has sought the approval of members through postal ballot for the following ordinary resolution(s):

Sr. No.	Particulars of Resolutions
1	Appointment of Mr. Harikrishna Agarwal as a Director of the Company
2	Appointment of Mr. Harikrishna Agarwal as the Managing Director of the Company
3	Appointment of Mr. Raj Kumar as a Non-executive Director of the Company

VI. MEANS OF COMMUNICATION

- Copies of the press release, quarterly presentations on the Company's performance, official news release and presentation made to Institutional Investors/Analysts are hosted on the Company's website at www.grasim.com and the Group's website at www.adityabirla.com
- Quarterly Results:

  Results are generally published in:

Newspaper	Cities of Publication
Business Standard	All Editions
Nai Dunia	Indore Edition

  Results are displayed on the Company's website at https://www.grasim.com/investors/results-reports-and-presentations and at www.adityabirla.com

- At the end of each quarter, the Company organises earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website at https://www.grasim.com/investors/results-reports-and-presentations
- Disclosures pursuant to various provisions of the Listing Regulations, as applicable, are promptly communicated to the Stock Exchanges where the securities of the Company are listed, and are also displayed on the Company's website at https://www.grasim.com/investors/results-reports-and-presentations
- The Company has engaged KFin Technologies Limited to enable Members to attend the AGM through video conference ('VC')/other audio-visual means ('OAVM') or view the live webcast of the AGM at https://emeetings.kfintech.com

VII. DISCLOSURES

(i) Details of materially significant Related Party Transactions that may have a potential conflict with the interest of the Company at large

During the year, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/ arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. All related party transactions have prior approval of the Audit Committee and are reviewed by the Audit Committee on a quarterly basis. Attention of the members is drawn to Note 4.6 of the Standalone Financial Statements, forming part of this Annual Report, which sets out the related party disclosures.

The Policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on the Company's website at https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf

(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years

The Company has complied with all the provisions of Listing Regulations as well as regulations and guidelines of the Securities and Exchange Board of India ('SEBI'). There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

(iii) Details of the Directors seeking appointment/re-appointment are provided in the Notice of the Annual General Meeting, which forms part of this Annual Report.

(iv) Confirmation of criteria of Independence

Your Company's Board confirms that the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

(v) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.

During the year, the Company has not raised any proceeds by way of public issue, rights issue or preferential issue of equity shares.

(vi) Management Discussion and Analysis/Disclosure of Accounting Treatment

(a) Management Discussion and Analysis is given in a separate section forming an integral part of this Annual Report and is in accordance with the requirements laid out in the Listing Regulations.

(b) The Company follows all relevant Accounting Standards while preparing the Financial Statements.

(vii) Certification by Practicing Company Secretary

As per the Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company has been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended as an Annexure to this Report.

(viii) Total Fees paid to Statutory Auditors

Total fees for all services paid by your Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part is ₹16.50 Crore for the financial year 2021-22.

Sr. No.	Name	S R B C & Co. LLP and its affiliates	B S R & Co. LLP and its affiliates	Total
1.	Grasim Industries Limited			
	Audit	1.99	1.47	3.46
	Others	0.75	0.57	1.32
Total		**2.74**	**2.04**	**4.78**
Subsidiaries				
2.	UltraTech Cement Limited	1.18	2.90	4.08
3.	Aditya Birla Capital Limited	5.57	1.22	6.79
4.	Other Subsidiaries	0.85	-	0.85
Total		**10.34**	**6.16**	**16.50**

(ix) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) number of complaints filed during the financial year: 3

(b) number of complaints disposed off during the financial year: 1

(c) number of complaints pending as on end of the financial year: 2

(x) Managing Director and Chief Financial Officer Certification

In terms of provisions of Regulation 17(8) of the Listing Regulations, certificate from Managing Director and Chief Financial Officer of the Company is appended as an Annexure to this Report.

(xi) Website

Your Company's website at www.grasim.com has a dedicated section for investor relations containing the financial results, shareholding pattern, annual reports, quarterly reports, updates/intimations filed with Stock Exchange(s), various policies adopted by the Board. Other general information like history of the Company, business carried out by the Company, details of the Board of Directors, Key Managerial Personnel and Business Heads of the Company, is also available on the Company's website.

Report on Corporate Governance (Contd.)

(xii) Status of Compliance of Non-mandatory Requirement

(a) Your Company maintains a separate office for the Non-executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities.

(b) A quarterly/half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.

(c) There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31st March 2022.

(d) The position of the Chairman of the Board of Directors and the Managing Director is separate and the Chairman is a Non-executive Director and not related to Managing Director of the Company.

(e) The Internal Auditors have direct access to the Audit Committee and their representative participates in the Audit Committee meetings and present their observations to the Audit Committee when the audit matter is discussed.

VIII. REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms an integral part of this Annual Report. The Company is fully compliant with all the provisions of the Listing Regulations, as applicable to the Company.

IX. COMPLIANCES

(i) Your Company confirms the compliances with Corporate Governance requirements as specified in the Listing Regulations.

(ii) A Certificate from the Joint Statutory Auditor, confirming compliance with all the conditions of Corporate Governance as stipulated in the Listing Regulations, is given as 'Annexure B' to the Board's Report and forms part of this Annual Report.

(iii) There is a separate section for general Shareholder Information, which forms an integral part of this Annual Report.

(iv) Name and Designation of Compliance Officer: Mr. Sailesh Daga, Company Secretary.

(v) During the year, all recommendations of the Committees of the Board, which were mandatorily required have been accepted by the Board.

CODE OF CONDUCT

DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board Members and Senior Management for the year ended 31st March 2022.

Harikrishna Agarwal
Managing Director
DIN: 09288720

Place: Mumbai
Date: 24th May 2022

CEO / CFO CERTIFICATION

The Board of Directors
Grasim Industries Limited

We certify that:

A. We have reviewed the Financial Statements and the Cash Flow Statement of Grasim Industries Limited ('the Company') for the year ended 31st March 2022 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

(1) significant changes in the internal control, if any, over financial reporting during the year;

(2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the Notes to the Financial Statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 24th May 2022

Harikrishna Agarwal
Managing Director
DIN: 09288720

Ashish Adukia
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Grasim Industries Limited
P.O. Birlagram, Nagda – 456 331
District – Ujjain, Madhya Pradesh, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Grasim Industries Limited having CIN L17124MP1947PLC000410 and having registered office at P.O. Birlagram, Nagda – 456 331, District – Ujjain, Madhya Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March 2022 has been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority.

Sr. No.	DIN	Name of the Directors	Designation	Date of Appointment *
1	00012813	Mr. Kumar Mangalam Birla	Non-executive Director (Chairman)	14/10/1992
2	00022995	Smt. Rajashree Birla	Non-executive Director	14/03/1996
3	00013625	Dr. Santrupt Misra	Non-executive Director	13/06/2020
4	00022454	Mr. Shailendra K. Jain	Non-executive Director	01/12/2003
5	00181969	Mr. N. Mohan Raj	Independent Director	12/07/2019
6	00018979	Mr. Cyril Shroff	Independent Director	25/07/2000
7	03083495	Dr. Thomas M. Connelly, Jr.	Independent Director	20/08/2010
8	00118188	Ms. Anita Ramachandran	Independent Director	14/08/2018
9	03126243	Mr. Venkatadri Chandrasekaran	Independent Director	24/05/2021
10	00020403	Mr. Adesh Kumar Gupta	Independent Director	24/05/2021
11	09288720	Mr. Harikrishna Agarwal	Managing Director	01/12/2021
12	06627311	Mr. Raj Kumar	Non-executive Director	12/11/2021

*Date of appointment of Directors are taken as appearing on MCA Portal.

Ensuring the eligibility of every director for appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]

Avinash Bagul
Partner
FCS No.:-5578/
COP No.:-19862
UDIN:-F005578D000360097
PR No.:- 637 / 2019

Place: Mumbai
Date: 24th May 2022

Shareholder Information

1. ANNUAL GENERAL MEETING

Day, Date, Time and Venue	Monday, 29th August 2022 at 11.30 a.m. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
Participation through VC/ OAVM for AGM/ Webcast and transcripts	https://emeetings.kfintech.com

2. FINANCIAL CALENDAR FOR REPORTING

Financial year of the Company	1st April to 31st March
First quarter end	On or before 14th August 2022
Second quarter and half year end	On or before 14th November 2022
Third quarter end	On or before 14th February 2023
Fourth quarter and year end	On or before 30th May 2023
Annual General Meeting for the year ending 31st March 2023	On or before 31st August 2023

3. DATES OF BOOK CLOSURE

Saturday, 13th August 2022 to Monday, 29th August 2022 (inclusive of both days)

4. DIVIDEND PAYMENT DATE

On or after 29th August 2022

5. REGISTERED OFFICE

Birlagram, Nagda, Dist. Ujjain,
Madhya Pradesh, India
Tel: (07366) 246766
E-mail: grasim.secretarial@adityabirla.com

6. WEBSITE

www.grasim.com

7. CORPORATE IDENTIFICATION NUMBER (CIN)

L17124MP1947PLC000410

8. LISTING DETAILS

(a) Equity Shares and Global Depository Receipts (GDRs):

Equity Shares and Non-convertible Debentures	Global Depository Receipts (GDRs)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	**Luxembourg Stock Exchange (LSE)** Societe de la Bourse de Luxembourg P. O. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg, Europe
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	

Note: Annual Listing Fee for the year has been paid to all Stock Exchanges and no amount is outstanding.

Shareholder Information (Contd.)

(b) Non-convertible Debentures

The Company has issued unsecured redeemable non-convertible debentures ('NCDs') which are listed on BSE and/or NSE. The details are as under:

Series	Year of Issue	ISIN	Principal Amount (₹ in Crore)	Maturity Date	Debenture Trustee
30th Series | 9.00% GIL2023	10.05.2013	INE069A08046	200	10.05.2023	IDBI Trusteeship Services Limited
Series-1819/1 7.65% GIL2022	26.03.2019	INE047A08133	500	15.04.2022	
Series-1920/I 7.85% GIL2024	02.04.2019	INE047A08141	500	15.04.2024	
Series-1920/II 7.60% GIL2024	04.06.2019	INE047A08158	750	04.06.2024	
Series-1920/III 6.65% GIL2023	17.02.2020	INE047A08166	500	17.02.2023	
Series 20-21 I 5.90% GIL 2023	17.06.2020	INE047A08174	500	16.06.2023	
Series- 21-22 I 6.99% GIL 2031	05.04.2021	INE047A08182	1000	04.04.2031	

(c) Commercial Paper

In terms of Securities and Exchange Board of India ('SEBI') Circular no. SEBI/HO/DDHS/P/CIR/2021/613 Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 10th August 2021, the Company has no outstanding Commercial Paper as on 31st March 2022.

(d) Name and address of Trustees for the Debenture holders	IDBI Trusteeship Services Limited, Asian Building, Ground floor 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel: 022 40807000 E-mail: itsl@idbitrustee.com
(e) Overseas Depository for GDRs:	Citibank N.A. Depository Receipt Services 388, Greenwich Street, 6th Floor, New York, NY-10013 Tel.: +212-723-4483; Fax: +212-723-8023
(f) Domestic Custodian of GDRs:	Citibank N.A. Custodial Services FIFC, 11th Floor, C 54 & 55, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098 Tel.: 91-22-61757110; Fax: 91-22-26532205

9. STOCK CODE:

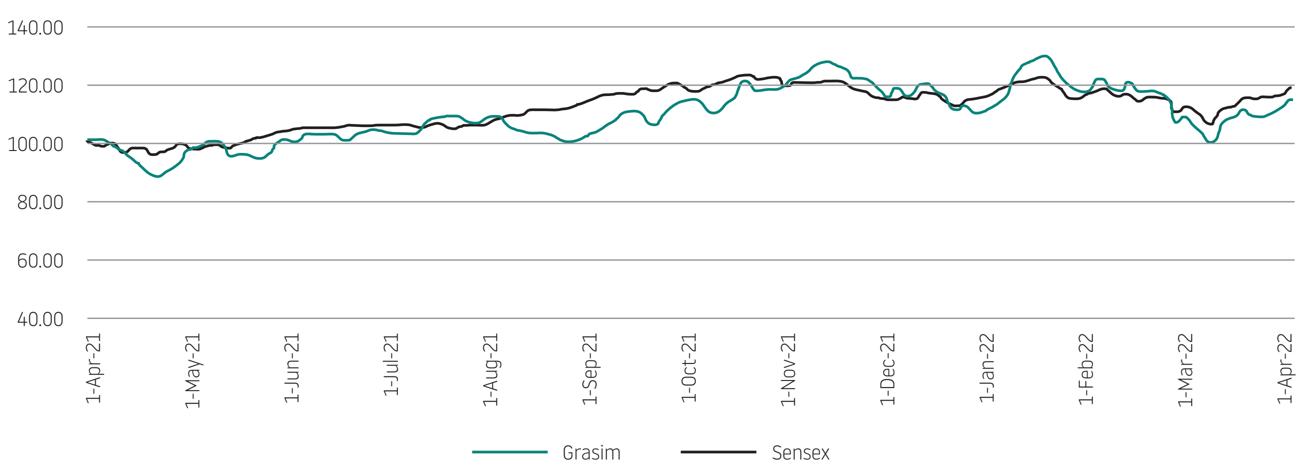
	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB Equity
NSE	GRASIM	GRAS.NS	GRASIM IS Equity
LSE	-	GRAS.LU	GRAS LX
ISIN of Equity Shares	INE047A01021	-	-
ISIN of GDRs	US3887061030 CUSIP No. 388706103	-	-

10. MARKET PRICE DATA:

Month	BSE				NSE				LSE		
	High	Low	Close	No. of shares traded	High	Low	Close	No. of shares traded	High	Low	Close
	(in ₹)			(in Nos.)	(in ₹)			(in Nos.)	(in US $)		
Apr-21	1,472.40	1,262.35	1,404.10	22,41,100	1,472.70	1,262.00	1,401.75	3,13,38,592	19.80	17.00	18.90
May-21	1,494.70	1,350.85	1,470.75	16,86,439	1,494.90	1,350.60	1,471.20	3,83,51,869	20.60	18.60	20.20
Jun-21	1,559.60	1,420.00	1,519.70	15,73,298	1,547.00	1,420.05	1,498.75	2,81,36,783	20.80	19.50	20.40
Jul-21	1,599.95	1,461.65	1,550.95	11,17,290	1,599.50	1,461.00	1,551.35	2,35,70,828	21.40	19.70	20.80
Aug-21	1,614.35	1,430.00	1,500.35	10,47,288	1,614.20	1,430.05	1,500.40	2,29,23,475	21.40	19.40	20.60
Sep-21	1,693.95	1,480.00	1,668.60	12,75,928	1,694.30	1,480.20	1,669.45	2,73,09,159	22.60	20.40	22.40
Oct-21	1,798.60	1,589.60	1,720.50	1,16,39,165	1,798.40	1,590.00	1,721.10	2,24,89,780	23.60	21.20	23.00
Nov-21	1,893.15	1,643.45	1,662.45	10,12,691	1,893.00	1,642.70	1,662.45	1,85,30,906	25.20	22.20	22.20
Dec-21	1,769.35	1,588.05	1,622.25	10,78,137	1,769.70	1,587.55	1,622.25	2,16,59,473	23.20	21.20	21.80
Jan-22	1,939.00	1,616.75	1,727.50	10,91,518	1,929.80	1,617.00	1,727.50	2,15,32,338	25.80	22.20	23.20
Feb-22	1,789.60	1,535.10	1,599.05	6,18,478	1,790.00	1,535.00	1,598.50	1,75,08,860	23.80	20.40	21.20
Mar-22	1,677.70	1,407.45	1,664.75	7,08,619	1,678.60	1,407.20	1,664.00	2,58,06,241	22.00	18.60	22.00

Source - NSE AND BSE website; LSE-Bloomberg

11. STOCK PERFORMANCE: PERFORMANCE OF PRICE OF EQUITY SHARE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX



Shareholder Information (Contd.)

12. STOCK PERFORMANCE AND RETURNS:

	1 Year	3 Years	5 Years
Absolute Returns (In %)			
GRASIM (NSE)	15%	94%	59%
GRASIM (BSE)	15%	94%	59%
BSE Sensex	18%	51%	98%
NSE Nifty	19%	50%	90%
Annualised Returns (In %)			
GRASIM (NSE)	15%	25%	10%
GRASIM (BSE)	15%	25%	10%
BSE Sensex	18%	15%	15%
NSE Nifty	19%	15%	14%

13. MARKET CAPITALISATION:

(₹ in Crore)

Financial Year Ended	BSE	NSE
31st March 2022	1,09,590	1,09,540
31st March 2021	95,555	95,453
31st March 2020	31,272	31,318
31st March 2019	56,435	56,419
31st March 2018	69,290	69,079
31st March 2017	48,990	48,971
31st March 2016	35,858	35,884
31st March 2015	33,270	33,272
31st March 2014	26,506	26,520
31st March 2013	25,806	25,819

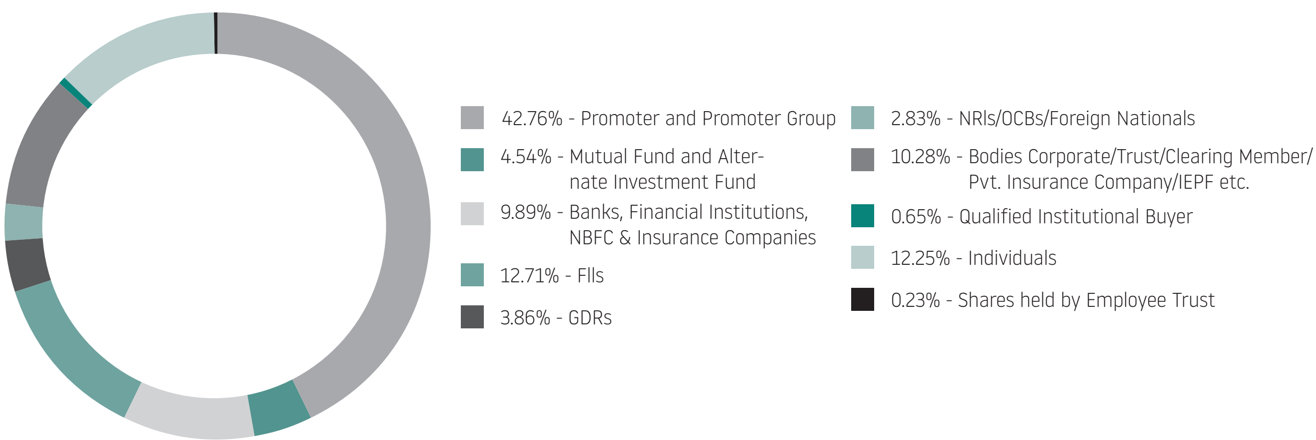
14. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2022:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1-100	1,85,081	70.47	47,99,461	0.73
101-200	29,209	11.12	44,91,743	0.68
201-500	26,185	9.97	85,38,187	1.30
501-1000	10,862	4.14	78,08,319	1.19
1001-5000	9,191	3.50	1,85,90,743	2.82
5001-10000	981	0.37	67,69,181	1.03
10001 & above	1,141	0.43	60,72,97,792	92.25
Total	**2,62,650**	**100.00**	**65,82,95,426**	**100.00**

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2022:

Categories	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
Promoter and Promoter Group*	24	0.01	28,14,64,723	42.76
Mutual Fund and Alternate Investment Fund	68	0.03	2,99,11,342	4.54
Banks, Financial Institutions, NBFC & Insurance Companies	81	0.03	6,50,81,689	9.89
FIIs	594	0.23	8,36,65,089	12.71
GDRs	1	0.00	2,54,32,446	3.86
NRIs/ OCBs/ Foreign Nationals	8,541	3.25	1,86,19,156	2.83
Central Government/ State Government(s)/ President of India	3	0.00	9,156	0.00
Bodies Corporate/ Trust/ Clearing Member/ Pvt. Insurance Company/ IEPF etc.	1,854	0.70	6,76,95,925	10.28
Qualified Institutional Buyer	4	0.00	42,59,819	0.65
Individuals	2,51,479	95.75	8,06,22,294	12.25
Shares held by Employee Trust	1	0.00	15,33,787	0.23
Total	**2,62,650**	**100.00**	**65,82,95,426**	**100.00**

*Includes 3,13,20,509 (4.76%) GDRs held by Promoters/Promoter Group



15. OUTSTANDING GDRS / WARRANTS AND CONVERTIBLE BONDS:

5,67,52,955 GDRs (Previous year: 4,16,36,682 GDRs) are outstanding as on 31st March 2022. Each GDR represents one underlying equity share of the Company. There are no warrants/convertible bonds outstanding as on 31st March 2022.

16. CORPORATE BENEFITS TO INVESTORS:

Dividend declared during the last 5 years:

Financial Year	Date of Declaration	Dividend Per Share* (₹)
2016-17	22.09.2017	5.50
2017-18	14.09.2018	6.20
2018-19	23.08.2019	7.00
2019-20	14.09.2020	4.00
2020-21	27.08.2021	9.00

* Equity Share of face value of ₹ 2/- each.

Shareholder Information (Contd.)

17. SHARE TRANSFER SYSTEM:

SEBI had mandated that, with effect from 1st April 2019, no share can be transferred in physical form. Trading in shares of your Company is permitted only in dematerialised form. However, the share transfer cases received before 1st April 2019 and rejected/returned due to deficiency in the documents [including those requests that were pending with the Company/ Registrar and Transfer Agent ('RTA')] were allowed to be re-lodged by the shareholders before 31st March 2021 after rectifying the deficiencies, which was further extended to 31st July 2021 were processed during the year.

In terms of the provisions of Regulation 40(9) of the Listing Regulations, the Company has obtained, on yearly basis, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal, as applicable and also filed the said certificate with the Stock Exchanges.

The RTA attends to investor grievances in consultation with the Secretarial Department of the Company.

Details of physical shares transferred during the year

Transfer Period (in Days)	No. of Transfers	No. of Shares	% of Shares	Cumulative Total %
1-5	07	622	17.25	17.25
6-15	11	2,983	82.75	100.00
Total	**18**	**3,605**	**100.00**	**100.00**

Number of pending physical share transfer as at 31st March 2022 - Nil

During the year, there were no major legal proceedings relating to transfer of shares.

Shareholders may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the Listed Companies to issue securities in demat form only, while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4 (Form for various service requests), the format of which is available for download from the weblink https://www.grasim.com/investors/investors-forms

Shareholders holding equity share(s) of the Company in physical form are requested to kindly get their equity share(s) converted into demat form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

18. INVESTOR GRIEVANCE REDRESSAL:

During the year under review, the Company received and redressed 42 complaints received from the shareholders

Nature of Complaints	2021-22	
	Received	**Redressed**
Non-receipt of share certificate	13	13
Non-receipt of dividend	7	7
Transmission of shares	11	11
Transfer of shares	1	1
IEPF	3	3
Others (Non-updation of address, Name correction, etc.)	7	7
Total	**42**	**42**

19. DEMATERIALISATION OF SHARES AND LIQUIDITY:

As on 31st March 2022, 97.09% equity shares of the Company (including 8.62% of capital in the form of Global Depository Receipts) are held in dematerialised form.

The break-up of equity shares held in dematerialised form is as under:

Particulars	No. of Shareholders	% of total Shareholders	No. of Shares	% of total paid-up capital
NSDL	1,29,679	49.37	58,12,75,109	88.30
CDSL	93,047	35.43	5,78,94,193	8.79
TOTAL	**2,22,726**	**84.80**	**63,91,69,302**	**97.09**

Note: Entire shareholding of the promoter and promoter group is in dematerialised form.

20. DETAILS ON USE OF PUBLIC FUNDS OBTAINED IN THE LAST THREE YEARS:

No public funds have been obtained in the last three years.

21. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its policies. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps, principal only swaps, collars, options or a mix of all for hedging its foreign currency exposure.

The Company does not have material exposure to any commodity for which hedging instruments are available in the financial markets and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November 2018.

22. DETAILS OF ALL CREDIT RATINGS OBTAINED BY THE COMPANY DURING THE YEAR FOR THE DEBT INSTRUMENTS ISSUED BY THE COMPANY ARE AS UNDER:

Nature of Instrument	Name of Credit Rating Agency	Credit Rating Assigned
Commercial Paper	CRISIL and ICRA	A1+
NCD	CRISIL and ICRA	AAA(Stable)
Consortium Limits	CRISIL and Credit Analysis & Research	AAA(Stable) Long Term A1+ Short-Term
Out of Consortium Limits	CRISIL and Credit Analysis & Research	AAA(Stable) Long Term A1+ Short-Term
Company Rating	Indian Ratings and Research Private Limited	AAA(Stable)

23. REGISTRAR AND TRANSFER AGENT (RTA) & INVESTOR CORRESPONDENCE:

(For communications relating to share certificates, dividend, change of address, etc.)	**KFin Technologies Limited** (Formerly known as KFin Technologies Private Limited) Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 Toll Free No.: 1800 309 4001 E-mail: einward.ris@kfintech.com E-mail for Investor Complaints: grasim.secretarial@adityabirla.com

Shareholder Information (Contd.)

24. OTHER USEFUL INFORMATION FOR SHAREHOLDERS:

Dematerialisation

Dematerialisation requests, duly completed in all respects are normally processed within 21 days from the date of receipt by the RTA.

Shareholders are requested to note that if the physical documents, viz. Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depositary Participants (DPs) by the Company/RTA within a period of 15 days from the date of generation of the Dematerialisation Request Number (DRN) for dematerialisation, the DRN will be treated as rejected/cancelled.

Common and simplified norms for investor service request

In terms of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, the Company had sent individual letters to all the Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination. The aforesaid communication is also available on the website of the Company. The Shareholders are requested to go through the communication available on the web link https://www.grasim.com/investors/investors-forms.

Permanent Account Number (PAN)

Shareholders who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021.

Nomination

As per the provision of Section 72 of the Act, facility for making nomination(s) is available to individuals holding shares in the Company. Shareholders holding shares in physical form may obtain a nomination form (Form SH-13) from the Company/RTA or download the same from the Company's website through the weblink at https://www.grasim.com/investors/investors-forms

Shareholders holding shares in demat form should file their nomination with their DPs for availing this facility.

Freezing of Folios without PAN, KYC details and Nomination

Folios wherein any one of the documents/details viz. PAN, KYC details and Nomination are not available on or after 1st April 2023, shall be frozen by Company/RTA in terms of the SEBI Circulars. The frozen folios will be referred by the Company/RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December 2025.

Updation of KYC

Shareholders are requested to update/intimate changes, if any, pertaining to their PAN, postal address, e-mail address, bank details, telephone/mobile numbers with necessary documentary evidence, to the Company/RTA, in Form ISR-1 if shares are held in physical form or to their Depository Participant (DPs), if the holding is in electronic form. The said form ISR-1 for change/update of details, form ISR-2 for bankers attestation of signature in case of major mismatch and form ISR-3 for declaration for opting out of nomination are available for download from the weblink https://www.grasim.com/investors/investors-forms

Loss of Shares

In case of loss/misplacement of shares, investors should immediately lodge a FIR/Complaint with the police and inform to the Company/RTA along with original or certified copy of FIR/Acknowledged copy of Police Complaint and a self-attested copy of their PAN card.

Correspondence with the Company

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and Client ID Nos., in all correspondence with the Company.

All correspondence should be addressed to KFin Technologies Limited (Formerly Known as Kfin Technologies Private Limited), RTA of the Company at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 Toll Free No. 1800 309 4001.

Shareholders may send correspondence through e-mail on einward.ris@kfintech.com or grasim.secretarial@adityabirla.com

Non-Resident Shareholders

Non-Resident Shareholders are requested to immediately notify the following to the RTA of the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:

- Indian address for sending all communications, if not provided earlier;

- Change in their residential status on return to India for permanent settlement;
- Particulars of the NRE Bank Account maintained with a bank in India, if not furnished earlier (Please send a photocopy of cancelled cheque);
- E-mail ID and Phone No.(s), and
- RBI permission with date to facilitate prompt credit of dividend, if declared by the Company in their Bank Accounts.

Payment of Dividend through Electronic mode

SEBI, vide its Circular dated 21st March 2013, has advised usage of approved electronic mode, viz. ECS (Electronic Clearing Services), NECS (National Electronic Clearing Services) and other modes of electronic fund transfer for distribution of dividend to the shareholders.

Shareholders, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are requested to provide the following bank details by a letter signed by the sole/first joint holder along with a cancelled copy of cheque –

- Name of the Bank with its Branch & complete Address;
- Bank Account Number (SB/ CC/ Current);
- 9 digit MICR Code (Magnetic Ink Character Recognition) appearing on the MICR cheque issued by your bank to you:-
  - In case you are holding shares in dematerialised form: To your Depository Participant (DP) quoting reference of your DP ID and Client ID.
  - In case you are holding shares in physical mode, quoting reference of your Ledger Folio No. to the RTA at the address mentioned above.
  - In case you have already registered your bank details and you wish to change the NECS/ECS mandate, then please write to your DP for shares held in demat form or to the RTA for shares held in physical form by informing your revised bank details.

Kindly note that there are number of benefits of payment of dividend vide electronic mode, viz.

- Prompt credit of dividend amount directly into your bank account as there will be no mailing or handling delays in receiving the physical dividend warrant;
- Avoids loss/misplacement of physical dividend warrant in postal transit;
- It eliminates the need to deposit the physical warrant in the bank;
- Avoids dividend warrant becoming stale/ time barred.

Shareholders may also note that the Income Tax Act, 1961 amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after 1st April 2020 shall be taxable in the hands of the Shareholders. The Company will deduct tax at source (TDS), wherever applicable, at the applicable rates at the time of making the payment of final dividend.

Unpaid/Unclaimed Dividend Warrants

Dividend warrants in respect of the dividend declared in August 2021 have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the dividend warrants may please write to the Company/RTA for further information in this behalf. Shareholders who have not encashed the warrants are requested to send a letter to the RTA for crediting the amounts through NEFT/ NECS/ RTGS directly to your bank account.

Unclaimed Shares/Dividend

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (IEPF Rules), dividend, if not claimed for a period of 7 consecutive years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to IEPF. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividend/shares to IEPF. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF, are uploaded on the Company's website.

The Company has during the year, transferred the unclaimed dividend to the IEPF, outstanding for 7 consecutive years, of the Company, erstwhile Aditya Birla Nuvo Limited and erstwhile Aditya Birla Chemicals (India) Limited (both have amalgamated with the Company). Further, equity shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the said IEPF.

Shareholder Information (Contd.)

Statement of amount credited to Investor Education and Protection Fund during the year:-

Sr. No.	Name of the Company	Amount credited	Financial year to which the amount relates
1	Aditya Birla Nuvo Limited	67,58,269.00	2013-14
2	Aditya Birla Chemicals (India) Limited	2,63,608.50	2013-14
3	Grasim Industries Limited	1,49,80,917.00	2013-14

	Total number of shares	Total nominal amount
Shares Transferred to IEPF during the year	**1,46,078**	**2,92,156**

Unpaid and unclaimed dividend/shares up to the financial year 2013-14 have already been transferred to the said Fund. Details of unpaid/unclaimed dividend and equity shares for the financial year 2013-14 are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ('MCA'). No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF, pursuant to the IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making application in the manner provided in the IEPF Rules. Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2014-15 or any subsequent years are requested to make their claim to the Company/RTA.

Mr. Sailesh Daga is the Nodal Officer and Mr. Ullash Parida continues as the Deputy Nodal Officer to ensure compliance with IEPF Rules. Nodal Officer/Deputy Nodal Officer can be contacted at:

Tel.: +91 22 6652 5000/2499 5000 or e-mail: grasim.iepf@adityabirla.com

The details of unpaid/unclaimed dividend for the year 2014-15 onwards are as under:

Year	Due Date of Transfer		
	Grasim Industries Limited	Erstwhile Aditya Birla Chemical (India) Limited	Erstwhile Aditya Birla Nuvo Limited
2014-15	26th October 2022	31st October 2022	14th October 2022
2015-16	30th October 2023	-	26th September 2023
2016-17	29th October 2024		-
2017-18	20th October 2025		
2018-19	28th September 2026		
2019-20	19th October 2027		
2020-21	2nd October 2028		

IEPF Refund

Shareholders, whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim their refunds to the IEPF authority. For claiming such amount, claimant needs to file form IEPF-5 along with requisite documents.

Procedure to claim the unclaimed dividend amount and the underlying equity shares corresponding thereto from the IEPF :-

Step 1 Register yourself on MCA website and login to website of MCA at https://www.mca.gov.in/mcafoportal/login.do

Step 2 After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5. Attach scanned copy of requisite documents with form.

Step 3	Upload the filled e-form, save a copy of uploaded e- form and acknowledgement receipt generated with SRN. Take print of auto generated indemnity bond
Step 4	Submit self-attested copy of e- form, copy of acknowledgement, indemnity Bond in original along with other documents (cancelled cheque leaf, client master list, PAN card, Aadhar card, original share certificate, entitlement letter) as mentioned in the form to the Nodal Officer of the Company at its corporate office: A-2, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400 030 in an envelope marked 'Claim for refund from IEPF Authority'.
Step 5	After scrutinising the documents received, Nodal Officer of the Company to verify the claim and furnish the e-verification report to the IEPF Authority within 30 days.
Step 6	On the basis of Verification Report, refund will be released by the IEPF Authority in favour of claimant's Bank or Demat account through electronic transfer. In case of discrepancies, if any, intimated by IEPF Authority, one re-submission option is provided for rectification.
Contact Details IEPF	E-mail: iepf@mca.gov.in; Call: 1800 114 667 Public Relations Officers - Phone No: 011-2344177 Helpdesk - 0124-4832500
Nodal Officer	Nodal Officer of the Company is Mr. Sailesh Daga Deputy Nodal Officer is Mr. Ullash Parida E-mail ID: grasim.iepf@adityabirla.com Tel.: +91 22 6652 5000/2499 5000

Unclaimed shares in Physical Form

Schedule VI to Listing Regulations, provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue and which remains unclaimed with the Company. In compliance with the provisions of the said Regulation, the Company has sent three reminders under Registered Post to the shareholders whose share certificates were returned undelivered and are lying unclaimed so far.

In terms of Schedule VI to Listing Regulations, your Company has initiated appropriate steps on unclaimed shares by transferring and dematerialising them into one folio in the name of 'Grasim Industries Limited Unclaimed Share Suspense Account'. In case your shares are lying unclaimed with the Company, you are requested to claim the same.

Shareholder Information (Contd.)

Disclosure pursuant to Schedule VI to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	No. of shareholders	No. of shares
Outstanding at the beginning of the year i.e. 1st April 2021	1,895	2,07,331
Shareholders who approached the Company and to whom shares were transferred from the Unclaimed Suspense Account during the year	12	2,511
Number of shares transferred to IEPF Authority during the year	43	7,350
Outstanding at the end of the year i.e. 31st March 2022	1,840	1,97,470

The voting rights on the shares in the suspense account as on 31st March 2022 shall remain frozen till the rightful owners of such shares claim the shares.

Company's Website

Shareholders are requested to visit the Company's website: www.grasim.com

- for information on investor services being offered by the Company; and
- for downloading of various forms/formats, viz. Nomination form, ECS Mandate form, Affidavits, Indemnity Bonds, etc.

K-PRISM

Shareholders are requested to note that, our RTA has a mobile application - KPRISM and a website https://kprism.kfintech.com for our investors. Now you can download the mobile app and see your portfolios serviced by KFinTech, check dividend status, request for annual reports, change of address, change/update bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for 'KPRISM'.

Service of documents in Electronic Form

I. In compliance with MCA Circular dated 13th January 2021, 5th May 2020, 8th April 2020 and 13th April 2020, and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report for the year is being sent only through electronic mode to those Members whose e-mail ID are registered with the RTA/Depositories.

   Members may note that the Notice and Annual Report for the year will also be available on the Company's website at www.grasim.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of RTA at https://evoting.kfintech.com

II. Shareholders who have still not registered their e-mail ID are requested to update at the earliest:

   a) Shareholders holding shares in physical mode and who have not registered/updated their e-mail ID with the Company are requested to register/update their e-mail ID with RTA by sending request at einward.ris@kfintech.com, with details of folio number and attaching a self-attested copy of PAN card or by logging onto https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx.

   b) Shareholders holding shares in dematerialised mode are requested to register/update their e-mail addresses with the concerned Depository Participant.

III. Link for availing the electronic communication (Green Initiative) – https://www.grasim.com/investors/green-initiative

Change in name of Company's RTA

The name of the Company's RTA is changed to KFin Technologies Limited from KFin Technologies Private Limited with effect from 24th February 2022. The Company has communicated this information to the stock exchanges and also made it available on the Company's website.

25. CORPORATE OFFICE AND PLANT LOCATIONS:

Corporate Office:

Name	Address
Corporate Office	A-2, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400 030 (022) 24995000/66525000

Plant Locations:

Pulp and Fibre Plants:

Name	Address
Staple Fibre Division	Birlagram, Nagda – 456 331, Madhya Pradesh
Harihar Polyfibre Division	Harihar, Dist. Haveri Kumarapatnam – 581 123, Karnataka
Grasilene Division	Harihar, Dist. Haveri Kumarapatnam – 581 123, Karnataka
Birla Cellulosic Division & Excel Fibre Division	Birladham, Kharach, Kosamba – 394 120, Dist. Bharuch, Gujarat
Grasim Cellulosic Division	Plot No.1, GIDC Vilayat Industrial Estate P. O. Vilayat, Taluka: Vagra, Dist. Bharuch – 392 012 Gujarat

Chemical Plants:

Name	Address
Grasim Chemical Division, Nagda	Birlagram, Nagda, Madhya Pradesh -456 331
Grasim Chemical Division, Vilayat	Plot No.1, GIDC Vilayat Industrial Estate P.O. Vilayat Taluka: Vagra, Dist. Bharuch – 392 012, Gujarat
Grasim Chemical Division, Rehla	Garhwa Road, P. O.- Rehla, Dist.: Palamau, Jharkhand – 822 124
Grasim Chemical Division, Karwar	P. O. Binaga - 581 307, Karwar Dist.: Uttar Kannada, Karnataka, India
Grasim Chemical Division, Renukoot	P.O. Renukoot - 231 217, Dist. – Sonebhadra, Uttar Pradesh
Grasim Chemical Division, Ganjam	P. O. Jayshree-761 025, Dist. Ganjam (Odisha)
Grasim Chemical Division, Balabhadrapuram	P. O. Balabhadrapuram - Survey No. 1, 2, 3, 4, Kanedumetta Road, Balabhadrapuram, East Godavari – 533 343, Andhra Pradesh
Grasim Chemical Division, Indian Rayon	Veraval 362 266, Dist. Gir, Somnath, Gujarat

Advanced Materials (Epoxy) Plant:

Name	Address
Grasim Epoxy Division, Vilayat	Plot No.1, GIDC Vilayat Industrial Estate, P. O. Vilayat, Taluka: Vagra, Dist. Bharuch – 392 012 Gujarat

Textile Plants:

Name	Address
Vikram Woollens	Plot GH I to IV, Ghironghi, Industrial Area Malanpur – 477 117 Dist. Bhind, Madhya Pradesh
Jaya Shree Textiles	P. O. Prabhas Nagar – 712 249, Dist. Hooghly, West Bengal
Grasim Premium Fabric	Plot No. T-8, Five Star MIDC, Kagal – Hatkanangle, Kasba Sangaon, Kolhapur – 416 236, Maharashtra

Shareholder Information (Contd.)

Viscose Filament Yarn Plants:

Name	Address
Indian Rayon	Indian Rayon Compound, Veraval 362 266, Dist. Gir Somnath, Gujarat
Century Rayon	Murbad Road, Shahad – 421 103, Dist. Thane, Maharashtra

Insulator Plants:

Name	Address
Aditya Birla Insulators, Rishra	P. O. Prabhas Nagar, Rishra Dist. Hoogly – 712 249, West Bengal
Aditya Birla Insulators, Halol	P. O. Meghasar Taluka, Halol Dist. Panchmahal, Gujarat – 389 330

26. REDRESSAL AGENCIES FOR SHAREHOLDERS

Ministry of Corporate Affairs (MCA) 'A' Wing, Shastri Bhawan, Rajendra Prasad Road, New Delhi – 110 001 Tel.: (011) 23381295 Web: www.mca.gov.in	**Securities and Exchange Board of India (SEBI)** Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 26449000 / 40459000 Fax: (022) 26449019 - 22 Web: www.sebi.gov.in
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34 Fax: (022) 22721919 Web: www.bseindia.com	**National Stock Exchange of India Limited (NSE)** 'Exchange Plaza', C-1, 5th Floor, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 26598100-8114 Fax: (022) 26598120 Web: www.nseindia.com
National Securities Depository Limited (NSDL) Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel.: (022) 24994200 Toll Free No.: 1800 1020 990/1800 224 430 Web: www.nsdl.co.in	**Central Depository Services (India) Limited (CDSL)** Marathon Futurex, A-Wing, 25th Floor, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013 Tel.: (022) 2305 8640 Web: www.cdslindia.com

27. WEBLINKS FOR THE POLICIES / CODES

Particulars	Weblink
Policy on Board Diversity	https://www.grasim.com/upload/pdf/board-diversity-policy-grasim.pdf
Risk Management Policy	https://www.grasim.com/Upload/PDF/risk-management-policy.pdf
Corporate Tax Policy	https://www.grasim.com/upload/pdf/corporate-tax-policy.pdf
Human Rights Policy	https://www.grasim.com/upload/pdf/human-rights-policy.pdf
Environmental Policy	https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf
Energy & Carbon Policy	https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf
Water Stewardship Policy	https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf
Wood Fibre Sourcing Policy	https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf
Quality Environment and Occupational Health and Safety Policy	https://www.grasim.com/upload/pdf/IMS-policy-harihar.pdf
Grievance-handling Policy	https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf
Policy for Archival of Documents	https://www.grasim.com/upload/pdf/archival_policy.pdf
Policy for Preservation of Documents	https://www.grasim.com/upload/pdf/policy_preservation_documents.pdf
Executive Remuneration Policy	https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf
Code of Conduct	https://www.grasim.com/upload/pdf/code-of-conduct.pdf
Corporate Social Responsibility Policy	https://www.grasim.com/upload/pdf/Grasim_CSR_Policy_2013.pdf
Dividend Distribution Policy	https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf
Policy on Determination of Materiality of Information or Events	https://www.grasim.com/upload/pdf/Policy_materiality_information.pdf
Vigil Mechanism & Whistle-Blower Policy	https://www.grasim.com/upload/pdf/whistle_blower_policy.pdf
PIT Code of Practice and Procedures for Fair Disclosure of UPSI	https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf
Familiarisation Programme for Independent Directors	https://www.grasim.com/Upload/PDF/familiarisation-programme-independent-directors.pdf
Policy on Determination of Material Subsidiary	https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsidiary_Cos.pdf
Policy on Related Party Transactions	https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf
Terms and Conditions of Appointment of Independent Directors	https://www.grasim.com/upload/pdf/terms_conditions_independent_director.pdf
Information Security Policy	https://www.grasim.com/Upload/PDF/information-security-policy.pdf

Feedback:

Members are requested to give us their valuable suggestions for improvement of our investor services.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17124MP1947PLC000410
2.	Name of the Listed Entity	Grasim Industries Limited ('Grasim')
3.	Year of incorporation	25th August 1947
4.	Registered office address	Birlagram, Nagda – 456 331, Madhya Pradesh, India
5.	Corporate address	Aditya Birla Centre, 'A' Wing, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030, Maharashtra, India
6.	E-mail	grasim.secretarial@adityabirla.com
7.	Telephone	+91 22 6652 5000, +91 22 2499 5000
8.	Website	https://www.grasim.com
9.	Financial year for which reporting is being done	1st April 2021 to 31st March 2022
10.	Name of the Stock Exchange(s) where shares are listed	1. Bombay Stock Exchange Limited 2. National Stock Exchange of India Limited 3. Societe de la Bourse de Luxembourg
11.	Paid-up Capital	₹131.67 Crore
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sailesh Daga (Company Secretary) 022- 2499 5000 E-mail ID: sailesh.daga@adityabirla.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report covers the standalone operations of Grasim Industries Limited.

II. Products/services

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

Sr. No.	Product/Service	Description of Main Activity	% of Turnover of the entity
1.	Manufacturing	Fibre & Yarn	59%
2.	Manufacturing	Chemical and allied Chemicals	38%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Fibre & Yarn	20302 20303 17011	59%
2.	Chemicals (Includes Epoxy)	20116	38%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	21	2*	23
International	0	0	0

There are one or more plants at a single geographical location.
On a standalone basis, Grasim does not have any manufacturing unit outside India.

*Corporate & Registered Office (excluding marketing offices)

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (No. of States)	28 states & 8 Union Territories
International (No. of Countries)	94

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

17% of total operating revenue of the Company.

c) A brief on types of customers:

Grasim Viscose – Viscose fibre customers consist of the entire value chain partners. VSF is shipped to yarn manufacturers, which is then converted into fabric, processed and finished in subsequent stages, and used for garment manufacturing. The non-woven value chain is a shorter one, where the convertors involved in roll-goods production are our customers and final products like wipes.

Grasim Chemicals – Our Chlor-Alkali business supports varied range of application including production of pulp and paper, soaps, detergents, viscose fibre, zeolites, food additives, textile processing and more. The business largely serves the need of diverse and critical industries which are industrial in nature (B2B). Advanced Material, where we manufacture products in Epoxy value chain, addresses various touch points across the value chain in industries as diverse as wind and auto segment, paints, construction, coating, composite and electrical applications.

Grasim Textile – Our Textile business serves the need of textile value chain and retail customers through its retail outlets for some of its products.

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
				EMPLOYEES		
1.	Permanent (D)	**7,255**	6,800	94%	455	6%
2.	Other than Permanent (E)	**-**	-	-	-	-
3.	**Total employees (D + E)**	**7,255**	**6,800**	**94%**	**455**	**6%**
				WORKERS		
4.	Permanent (F)	**16,336**	16,210	99%	126	1%
5.	Other than Permanent (G)	**15,799**	15,381	97%	418	3%
6.	**Total workers (F + G)**	**32,135**	**31,591**	**98%**	**544**	**2%**

Permanent Employee includes all full time employees; Management cadre, Non-management cadre and workmen of Grasim Industries Limited. Ref. Page No. of Integrated Report 78.

Business Responsibility & Sustainability Report (Contd.)

b) Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	7	7	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**7**	**7**	**100%**	**-**	**-**
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	62	62	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**62**	**62**	**100%**	**-**	**-**

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. (B)	% (B / A)
Board of Directors	12	2	17%
Key Management Personnel	3	-	-

20. Turnover rate for permanent employees and workers:

	FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total
Permanent Employees & Permanent Workers	9%	18%	9%	7%	12%	7%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ subsidiary/ associate companies/ joint ventures:

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

1. Please refer to Page No. 123 for the list of subsidiaries, associate companies and joint ventures.
2. UltraTech Cement Limited and it's subsidiaries, associate companies and joint ventures follows its separate business responsibility initiatives.
3. Aditya Birla Capital Limited and it's subsidiaries, associate companies and joint ventures follows its separate business responsibility initiatives.
4. The Company's business responsibility initiatives apply to its other subsidiaries.

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: YES

(ii) Turnover (₹ in Crore) 20,857

(iii) Net worth (₹ in Crore) 48,616

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes,then provide web-link for grievance redress policy)	FY 2021-2022			FY 2020-2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	42	Nil	Nil	27	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	990	87	-	1,128	116	-
Value Chain Partners	Yes	4	-	-	10	-	-
Other (Whistle Blower)*	Yes	5	1	-	5	1**	-

The Company policies are placed on the Company's website under Corporate Governance and Policies and Code of Conduct section and the same can be accessed through the web-link: https://www.grasim.com/investors/policies-and-code-of-conduct.

* In most Whistle blower cases the identity is not known and they may belong to any of the above stakeholders group.

**As on the report date the complaint was closed.

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

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Please refer to materiality assessment on page no. 32					

Business Responsibility & Sustainability Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Policy and management processes									
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c) Web Link of the Policies, if available	Please see below link - https://sustainability.adityabirla.com/policies.php https://www.grasim.com/investors/policies-and-code-of-conduct https://www.birlacellulose.com/reports-policies.php								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. We have a supplier code of conduct and some of the company's policies are extended to the value chain partners as well.								
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	**Principle 1**: International IR framework, ISAE3000 **Principle 2:** FSC®, PEFC™, ISO 9001, ISO 14001, ISO 14040/44, EcoVadis (Epoxy) **Principle 3:** ISO 45001 **Principle 4:** International IR framework ,SA 8000 **Principle 5:** SA 8000 **Principle 6:** GRI Standards, ISO 14001 **Principle 7:** International IR framework, GRI **Principle 8:** SA 8000 **Principle 9:** ISO 9001, ISO 14001, ISO 27001, OEKO-TEX								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to Integrated Report page No. 64								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
	Governance, leadership and oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to Integrated Report page No. 26, 64								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. H.K Agarwal, Managing Director								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, 1. Mr. N. Mohan Raj, (Chairman) Independent Director 2. Mr. V. Chandrasekaran, Independent Director 3. Dr. Thomas M. Connelly, Jr., Independent Director 4. Mr. H. K. Agarwal, Managing Director 5. Mr. Kalyan Ram Madabhushi, COO - Pulp & Fibre 6. Mr. Jayant Dhobley, Business Head - CFI 7. Mr. Thomas Varghese, Business Head – Textiles								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Grasim has policies for all the principles which are reviewed by the executive management, internal auditors, statutory auditors and consultants on periodic basis. We amend our policies on the basis of recommendation/rectification by management/auditors/consultants/any statutory requirement. We aim to be in forefront in all compliances.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y									

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company engages multiple independent assurance/assessment agencies during every financial year. In FY 2021-22 the following agencies carried out the assessment/assurance activities for different Principles : E&Y, KPMG, TUV-NORD.								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Business Responsibility & Sustainability Report (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions.

The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programme held	Topics/principals covered under the training and its impact	% of persons in respective category covered by the awareness programme
Board of Directors	2	Taskforce for Climate Related Financial Disclosures (TCFD) & Sustainability	100%
Key Managerial Personnel	2	Taskforce for Climate Related Financial Disclosures (TCFD) & Sustainability	100%
Employees Other than KMPs and BoD Workers	During the year there were multiple on-line and off-line sessions which were conducted. The employees have a wide range of options to select from these trainings from Gyanodaya portal.	Safety, Code of business conduct, whistle blower, PoSH policies	82%

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			NIL		
Compounding fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

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

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

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

   Yes, The Company has an anti-corruption and anti-bribery policy in place and the same extends to all the employees of the Company. The Company communicates, creates awareness, and disseminates the Anti-Corruption and Anti Bribery Codes to all its employees, vendors, suppliers. To implement 'zero-tolerance' culture against corruption and bribery, a third-party external agency has been appointed to register and process the complaints.

   Web Link to the policy – https://www.grasim.com/upload/pdf/code-of-conduct.pdf

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

Particulars	FY 2021-2022	FY 2020-2021
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2021-2022		FY 2020-2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

   There are no cases on corruption and conflicts of interest.

Business Responsibility & Sustainability Report (Contd.)

Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company conducts program for the value chain partners which are targeted at health and safety awareness, addressing the educational need and educate the partners on the code of conduct of the Company. The program is carried out for a transparent business conduct.		

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

   Yes, the Company has a code of conduct for the Board and Senior Management pursuant to the provisions of Listing Regulations.

   Further, the Board Members and KMPs confirms that there was no material, financial and commercial transactions, where they have interest that may have any potential conflict with the interest of the Company, at the beginning of every financial year and as and when there is any change in such interest.

   The Directors do not participate in agenda items at the Board/Committee Meetings in which they are interested or deemed to be interested party.

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

Essential Indicators

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

	FY 2021-2022	FY 2020-2021	Details of improvements in environmental and social impacts
R&D	7%	14%	Please refer to Director's report on page. no. 108 for details
Capex	7%	3%	Statutory Environmental Capex

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

   Yes

   For our viscose business, Dissolving Grade Pulp (DGP) made from renewable resource wood is the key raw material. All the wood is procured from the sustainably managed forests which are certified to globally acclaimed forestry certifications. Wood sourcing has the highest impact on the sustainable supply chain of the viscose industry and thus, we have a very stringent 'Wood Sourcing Policy' that ensures protection of ancient and endangered forests. In addition to this, we work with global not-for-profit Canopy which work towards forestry conservation. Canopy conducts an audit for all the viscose producers globally to understand their wood sourcing practices. Our Company has been at the top of the ranking from last 3 years. The top ranking in the environmental report reflects our relentless effort to improve sustainable wood sourcing practices, conservation of forests, innovations, next generation fibre solutions and transparency across the value chain.

   Further to this, we are currently implementing a more robust 'Supplier Assessment Programme' to strengthening our sourcing as per the principles of Sustainable Sourcing.

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

   For our VSF and textile business a significant protion of input material i.e Pulp, flax and wool is sourced from sustainable sources.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The Company focuses on resource optimisation and maximisation of 4 R's principles(Reduce, Recycle, Reuse and Regenerate). In line with this, the Company invests in latest technologies with high efficiency to reduce consumption levels, it also deploys closed loop technologies to recover and recycle natural resources such as water, energy, chemicals and waste.

   The Company has started a new product by using pre-consumer garment waste and recycling it to make VSF and replacing the virgin raw material with 20%. The new product retains all the qualities of the product made from virgin raw material. The product has been received well by the value chain. The Company in future will increase the content of recycled material that will help in reducing the resource consumption and contribute to the overall sustainability of the business.

   On the other hand, the waste generated in the manufacturing is recycled and reused. Fly Ash generated in our captive power plants is used by cement industry there by reducing the impact on environment that may arise due to the disposal of the waste. The gypsum produced in Effluent Treatment Plant (ETP) processes is used for cement manufacturing. The Company recycles complete quantity of plastic packaging material used in all its products. Also it recycles the packaging material used by its raw material suppliers in a sustainable manner.

   The Company has installed Sulphate removal system in one of its unit which will help in elimination/reduction of barium carbonate in brine system and sludge up to 30%. Wash water in the Fibre washing is being recycled to a larger extent, thus also recycling the chemicals therein, as well as replacing use of fresh water to that extent.

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

   Yes, EPR is applicable to the entity only for plastic waste management as per PWM rules 2016. The total quantity of plastic packaging materials used for all our products (fibre, salt) are recycled by facilitating collection and reprocessing of equivalent quantity of plastic waste through authorised recyclers. In addition to that, all the plastic wastes that are generated at the sites are disposed responsibly through authorised recyclers.

   We are registered with CPCB and submitted waste collection action plan aligning with CPCB guidelines in 2018. The businesses comply to the requirement of EPR and the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

Leadership Indicators

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
20302	Viscose Staple Fibre	59%	Cradle-to-gate	Yes	https://www.birlacellulose.com/policies_reports_files/policies_reports_pdf_36_1636614623.pdf#page=41
20116	Chlor Alkali Product	38%	Vilayat Chemical Unit, Gujarat (cradle to gate)	Yes	No

Business Responsibility & Sustainability Report (Contd.)

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

Name of Product/Service	Description of the risk/concern	Action Taken
Viscose Staple Fibre	1. Scarcity of water 2. Scarcity of coal	1. Continuous reduction in freshwater consumption by applying the 4R Principles (reduce, reuse, recycle and regenerate). Water recycling and Zero liquid discharge plans under implementation across plants. 2. Implementing renewable sources for power for reduction in cost- - Entering into long-term contracts, securing coal supplies at competitive prices. - Increasing share of renewable energy consumption in the manufacturing process. - Co-generation power plant which reuses steam to generate electricity.
Caustic Soda	Electricity used in the Electrolysis process leading to GHG emission	1. Technology up-gradation use of 6th generation electrolysers, timely recoating & remembraning to optimise power consumption, installation of VFDs, Installation of IE-3 Grade Motors by replacing the Old – Non-IE/below IE-2– Standard, installation of energy efficient equipment. 2. Actively participate in Perform, Achieve and Trade (PAT) cycle as per Bureau of Energy Efficiency (BEE) which helps in conservation and efficient use of energy. 3. Increased share of renewable power/green energy footprint to reduce fossil fuels & carbon emissions.

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-2022	FY 2020-2021
None		

4. Of the products and packaging reclaimed at end of life of products, amount (in tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2021-2022			FY 2020-2021		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	None					
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

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

Essential Indicators

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

Category	% of employees covered by									
	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees										
Male	6,800	100%	6,800	100%	-	-	4,054	60%	-	-
Female	455	100%	455	100%	455	100%	-	-	-	-
Total	**7,255**	**100%**	**7,255**	**100%**	**455**	**100%**	**4,054**	60%	**-**	**-**
Other than Permanent Employees										
Male	Not Applicable									
Female										
Total										

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

Category	% of workers covered by									
	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Workers										
Male	16,210	100%	16,210	100%	-	-	-	-	-	-
Female	126	100%	126	100%	126	100%	-	-	-	-
Total	**16,336**	**100%**	**16,336**	**100%**	126	100%	**-**	**-**	**-**	**-**
Other than Permanent Workers										
Male	Vendors and Contractors are required to adhere with the statutory compliance as per the applicable State rules.									
Female										
Total										

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2021-2022			FY 2020-2021		
	No. of Employees covered as a % of total employees	No. of Employees covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of Employees covered as a % of total employees	No. of Employees covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	4%	37%	Yes	4%	38%	Yes
Others (Please specify)	The company extends superannuation scheme and NPS to employees at their option, out of the total remuneration.					

3. Accessibility of workplaces

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

Yes

Business Responsibility & Sustainability Report (Contd.)

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

   Yes, On website the code of conduct policy is uploaded which also highlight that the Company will provide equal opportunity to all without discriminating on any grounds be of gender, age, sex, religion, cultural background, health or medical condition, physical ability, appearance, marital status, etc. Please refer the section of human capital for more reference. These policies are uploaded on the intranet and available to all the employees.

   Weblink- https://www.grasim.com/upload/pdf/code-of-conduct.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work	Retention Rate	Return to work	Retention Rate
Male	18	100%	-	-
Female	2	100%	-	-
Total	**20**	**100%**	**-**	**-**

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

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Grasim has a policy for internal grievance of employees and workers. The same is uploaded on the intranet for the Company.
We take appropriate disciplinary actions against any employee whose actions are proved to be in violation of the Code. All employees and workers are requested to report any operational and performance issues and concerns to their supervisor or reporting manager. For Organisational issues, performance and appraisal related concerns or if the complaint is against the Supervisor or Reporting Manager, they are directed towards Human Resource Manager. We have a portal for reviewing the organisational issues and the same can be used by the employees to voice any concern.
Additional to this we conduct yearly survey to understand if employees have any complaints or grievance.

Please refer to Human Capital on Page No. 78 for details.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-2022			FY 2020-2021		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Male	**6,800**	-	-	**6,796**	254	4%
Female	**455**	-	-	**356**	12	3%
Total Permanent Employees	**7,255**	**-**	**-**	**7,152**	**266**	**4%**
Male	**16,210**	15,775	97%	**16,285**	16,205	100%
Female	**126**	125	99%	**124**	123	99%
Total Permanent Workers	**16,336**	**15,900**	**97%**	**16,409**	**16,328**	**100%**

8. Details of training given to employees and workers:

Category	FY 2021-2022					FY 2020-2021				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
	No. (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	**6,800**	6,001	88%	4,927	72%	**6,796**	3,445	51%	4,367	64%
Female	**455**	380	84%	266	58%	**356**	205	58%	222	62%
Permanent Workers										
Male	**16,210**	16,210	100%	7,588	47%	**16,285**	16,285	100%	3,738	23%
Female	**126**	126	100%	56	44%	**124**	124	100%	12	10%

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

Category	FY 2021-2022			FY 2020-2021		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	**6,800**	6,800	100%	**6,796**	6,796	100%
Female	**455**	455	100%	**356**	356	100%
Total	**7,255**	**7,255**	**100%**	**7,152**	**7,152**	**100%**
Permanent Workers						
Male	**16,210**	1,705	10%	**16,285**	1,718	10%
Female	**126**			**124**		
Total	**16,336**	**1,705**	**10%**	**16,409**	**1,718**	**10%**

10. Health and safety management system:

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

Yes, the Occupational health and safety management system implemented by the Company covers all employees and contractual workers. A robust health and safety (H&S) framework encompassing all activities guides our culture across the organisation. The H&S management system is an integral part of the framework. For improving safety accountability, the Company has added safety performance as a part of the appraisal system, making it a key deliverable for all management cadre employees. All our employees are trained on safety aspects regularly. We are proud that most of our operational facilities are certified with OHSAS 18001 and other applicable international occupational health and safety management standards.

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

We have maintained an integrated approach to Process Safety Management (PSM) directed at the elimination of incidents and the mitigation of risks. ABG's PSM (in line with OSHA's framework) is integrated in our HSE Management Framework.

We have introduced the Process Safety Management Sub-committee in our safety governance structure at the onset of 2019. Sub-committee led by the leadership team has defined the charter and has identified seven key PSM elements for implementation across business

- Process Safety Information
- Process Hazard Analysis
- Operating Procedures
- Management of Change
- Pre- startup Safety Review
- Mechanical Integrity and Quality Assurance
- Emergency Response and Planning

Further, the requirement for building competence in Process Safety management and Process Hazard analysis (HAZOP, Consequence analysis, Bow-tie analysis) was addressed by involving external Subject matter experts- training and workshops for identified task force from various discipline across the business for employing structured approach in addressing the process safety risk.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, Various initiatives in OHS were taken to ensure incident free and safe execution of the project activities namely

- Six-step contractor safety management programme
- Single window system for contractors (safety induction, medical examination and equipment/ tools inspection program prior to entry)
- Integrated Permit to work system for project
- Site Safety Inspection and audit by qualified Safety Supervisor
- Periodic Safety Performance review by Project Apex safety Committee and Project Safety Sub-Committee.

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, employees and workers of the Company have the access to non-occupational medical and healthcare services 24*7.

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

Safety Incident/Number	Category	FY 2021-2022	FY 2020-2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees & Workmen	0.22	0.36
Total recordable work-related injuries	Employees & Workmen	The company plans to report more comprehensive data in the subsequent reporting cycle.	
No. of fatalities (includes contractual employee)	Employees & Workmen	2	3
High consequence work-related injury or ill-health (excluding fatalities)	Employees & Workmen	The company plans to report more comprehensive data in the subsequent reporting cycle.	

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Building Safety Culture	• We have implemented Behavior Based Safety Observation Round module through our IT platform Enablon where all employees are eligible for reporting Safe and Unsafe practices at workplace to reduce hazards along with corrective actions.
Bringing Safety Awareness	• We have central safety committee at unit level and committee at Department level. Also we conduct bi-weekly Central Safety committee review. • Besides this we have structured Kaizen-scheme in organisation where safety related Kaizens/Suggestions are captured from all level of employees.
Improvement in safety measures	• It is mandatory to undergo safety induction/orientation for all new employees (includes contractor, workmen, TOTI- workmen joiners, security, staff etc). • Trainings by subject matter expert from Group sustainability cell organised across multiple sites. • INSPIRE 3 conducted at GPF for safety leadership. • We have a structured process of sharing knowledge management capsules on safety and sustainability across all units. • Our Safety Frameworks are also being audited by Group assurance team. • We have well-defined audit system for carrying out internal & external audit (Environmental & Occupational Health Safety parameters) as per schedule throughout the year. We have already developed a pool of internal auditors trained in the different ISO Standards to review the compliance periodically. Internal Audit is conducted twice a year and External Audit is conducted by BVQI subsequently (twice a year). • We impose penalty for the violation conduct by concern contractor as per our consequence management of contractor and also appreciate contractors, employees on best safety initiatives/practices. • Before commencement of any job we conduct Toolbox talk for all contractors followed by JSA & work permit.
Safety training & awareness	• We have structured framework for incident investigation and Certified Taproot professions across DT sites.

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

	FY 2021-2022			FY 2020-2021		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	NIL					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	100% (All units of Grasim including assessment by both internal and external parties)

Business Responsibility & Sustainability Report (Contd.)

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

    Corrective actions for all categories of incident have been identified and actions have been taken.

    We have well-defined audit system for carrying out internal & external audit (Environmental & Occupational Health Safety parameters) as per schedule throughout the year.

    We have already developed a pool of internal auditors trained in the different ISO Standards to review the compliance periodically. Internal Audit is conducted twice a year and External Audit is conducted by BVQI subsequently (twice a year). Opportunities for improvement and NC raised in the internal audit are well taken care of with root cause & Corrective action preventive action.

    Our ABG Sustainability Frameworks/Sustainable Assessment Questionnaire Audit are conducted by group Sustainability Cell. We published our Sustainability report and Safety data being audited during Assurance process (DQS India).

    Incidents are investigated and root cause & its counter measures is communicated & implemented across the units.

    We have a process to communicate incidents which happened across our respective businesses and follow a structured framework for incident investigation.

    Preliminary incident investigation report is uploaded in Enablon software within 24 hours, as per our group sustainability policy. In case of major incident, we investigate it by forming the cross functional teams to find the exact root cause of the incident & it is discussed in central safety committee meeting. Also, we have certified Taproot professionals for Incident investigations. We have taken innovation/innovative approach towards safety to reduce down risk level, accident or injury. Safety is our up-most priority and all corrective actions are taken if any incident is observed.

Leadership Indicators

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

   A) Employees – Yes

   B) Workers – Yes

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

   1. Ensuring that the Contractor vendors are timely making PF and ESIC payments of their employees by releasing payment to Contractor after getting proof of compliance.
   2. Monthly reconciliation of GSTR-2B to ensure that the vendor is timely making GST payment and filing the GST Return on time to Government.
   3. Timely filing of GST Returns by us so that the customer can avail GST Credits on time. If any issues related to GST Credit are raised by customer, we ensure that the same are timely resolved.
   4. Follows up with the Customers and Vendors for TDS /TCS Certificate (Form16A and Form27D) to ensure the TCS / TDS payment are timely done by them.
   5. Timely TDS / TCS payment and issuance of Certificate to Vendor and Customer and Employee so that the credit can be timely availed by them.
   6. Collection of Income Tax Return from Vendors on yearly basis to ensure proper levy of TDS Rate which even ensures that Vendors file their Income Tax Return on time.
   7. Collection of TRC, NO PE Certificates and 10F Form on all foreign payment related to Goods and Services which ensures there is no evasion of Tax by Foreign entities and foreign currency payments can be regularised.
   8. Timely payment of Labour Welfare Fund of Employees.

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

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-2022	**FY 2020-2021**	**FY 2021-2022**	**FY 2020-2021**
Employees Workers	2	3	The employees/workers families were compensated to their satisfaction.	

The above number only represents the no. of fatalities, the company plans to report more comprehensive data in the subsequent reporting cycle for high consequence work-related injury/ ill-health.

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

   Yes, The Company assist the employees at the time of retirement or termination of employment in different manner, even if out-side the group.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	We don't necessarily conduct audit but all value chain partners are assessed for their health & safety practices on site. If they are not following the safe practice, we levy penalty.

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

   No Gaps/concerns were noted.

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

Essential Indicators

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

   Stakeholder engagement/Refer to stakeholder engagement Page. No. 30

   At Grasim, we explore stakeholder relationships as a means to understand varied perspectives, pre-empt evolving needs and keep ourselves ahead of the trends. The engagement also provides us an opportunity to convey to them our approach and interventions, and how we can jointly create value. We extensively communicate our business purpose and objectives to our stakeholders and assess, evaluate and subsequently address our stakeholders' concerns and then incorporate those in our decision-making process. Our stakeholder engagement strategy ensures advocacy and transparent communication on the challenges as well as the opportunities.

Engagement processes specific to each stakeholder group, that is inclusive, material and responsive

Inform encourage and build capacity

Delineate Scope and mode of engagement

Inform encourage and build capacity

Review mechanism

Communicate to stakeholders

Business Responsibility & Sustainability Report (Contd.)

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Team meetings • Employee satisfaction survey • Employee newsletters • Townhall meetings • Annual performance reviews • Forums • One-to-one meetings/briefings • Portal/intranet • Family get-togethers	Ongoing	• To improve engagement and communication with employees • To promote collaborative working, diversity and well being at work • To offer opportunities to fast-track career growth
Customers and Value Chain Partners	No	• Customer satisfaction surveys • In-person meetings/letters • Social media • Company and corporate websites • Product information on packaging • Customer relationship development • Customer conferences	Ongoing	• To maintain strong relationship with our customers • To ensure that we listen to their needs • To ensure that we deliver sustainable and innovative products and solutions
Suppliers	No	• Supplier evaluation questionnaires • Contractual meetings • Tender quotations • Information requests	Ongoing	• To maximise opportunities for suppliers throughout the value chain • To ensure sustainability is integrated into our procurement decisions
Government and Regulators	No	• Briefings and direct meetings • Multi-stakeholder forums • Industry associations	Continuous	• To improve our sustainability performance • To improve compliance with regulations relevant to our activities
Local Communities	Yes	• One-to-one meetings • Site tours • Participation in local events • Corporate Social Responsibility (CSR)	Ongoing	• To create strong partnerships with local communities • To support our supply chain and maintain our social license
Shareholders, Investors and Lenders	No	• Annual General Meeting • Annual Reports • One-to-one meetings • Quarterly conference calls • Investor conferences, • Road shows and plant visits • Rating agency notes	Ongoing	• To disclose sustainability KPIs and integrating financial and non-financial factors to provide high-value information and generate significant long-term value to investors and shareholders
Media	No	• Media surveys • Interviews • Media briefings • Press releases • Social media	Ongoing	• To improve understanding of industry's positive impact on sustainability and climate change and drivers for further development
NGOs and Other Groups	No	• One-to-one meetings Presentations • Participation in events	Need-Based	• To provide additional stakeholder insight into emerging and established sustainability topics

Leadership Indicators

1. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

   At Grasim, we are increasingly aware of newer realities that shape the world, including climate change and energy transition, water scarcity, and movement to circular economy, among others. From the very start, we have conducted business operations responsibly. In the recent years, we have taken and delivered on aggressive targets, specifically on the environmental front. We are committed to sustainable forestry, circularity, and increasingly have renewable energy powering our operations. On the social front, the work we undertake through our community initiatives ensure our continued social licence to operate and empower the society at large in our key areas of intervention. From a governance standpoint, we have instituted stringent policies that are followed and updated regularly, and have an effective governance mechanism powered by the Board and its committees.

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

   Through a dedicated stakeholder engagement, we are taking inputs from the stakeholders on key triple bottom line factors. The responsibility to facilitate this is with the management, and we have third party consultants who facilitate this. The results of these engagements are submitted to the Board and are communicated to the public via annual integrated reports.

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

   Yes, dedicated stakeholder engagement exercises are conducted once every 2-3 years. The latest intervention has been completed in May 2022. The details of this engagement can be found on the Stakeholder Engagement section of the Integrated Report. The topics identified as material by the stakeholders through prioritisation, dovetail into out strategy-making process and are linked to our ESG commitments. These have been clearly marked in the various sections of the report in the Integrated Report.

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

   Gender and transgender (women, girls etc.)

   Across Grasim units, we reach out to 311 villages of 9 states, 11.24 lakh population through our CSR programmes, we emphasis on promoting Girl child literacy, school enrolment of girls students, scholarship to girl students, felicitating scholar girls students, digital literacy for girls, creating excellent ambience in the schools, education materials support to girls, support to girls hostels and Kasturba Balika Vidyalaya, promoting self-help groups for rural women, capacity building of rural women, entrepreneurship development among rural women, Adolescent health awareness programme for women, multi-specialty medical camps for women, construction of toilets for girls students in the schools, providing safe drinking water etc. Through our CSR projects, every year we reach out to more than 3 lakh rural women.

   Age (children, elderly etc.)

   Across Grasim units we are supporting 131 Anganwadis for rural children's by creating best facilities in the Anganwadis by developing Model Anganwadis, providing toys and furniture and educational materials for the learning of the children and also addressing needs of the malnourished children by providing supplementary foods. We are also supporting elderly people in the rural area by developing community assets where elderly people of villages are enjoying living peacefully and happily their rest of the life. We are also addressing health related issues by organising various camps, Awareness Programme, Yoga and other spiritual Shibir for the elderly people.

   Descent/ identity/ ethnicity (caste, religion, scheduled castes, scheduled tribes, etc.)

   Across Grasim, 5 multi-specialty Hospitals are providing quality health Services to more than 1.7 lakh population every year irrespective of caste, religion, class. During 1st, 2nd and 3rd phase of COVID-19, Grasim has taken series of relief measures and reached out to more than 600 villages and covered 16 lakh population of rural area across 17 units

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spread over in 9 states pan india. Most of the population were belong to Vulnerable and Marginalised Groups. As per our group social vision we are emphasising on weaker section of the society for their integrated development.

Occupation (displaced, landless small/marginal farmers, migrant workers, etc.)

Grasim through its CSR programmes, organising programmes for the landless, small marginal farmers and migrant workers to improve their income by imparting various training, exposure visit, experimenting new methodologies, techniques, promoting zero budget and organic farming, utilisation of efficient irrigation system, WADI project, cattle Breed improvement Programme, Dairy Development, Poultry farming, Kitchen gardening, entrepreneurship development, handicraft promotion, capacity building of rural youth, linkages with nationalised banks and convergence with government programme, Self Help Groups, FPO etc. and Water Conservation programme. Grasim covers more than 2.5 lakh population through its livelihood promotion programme every year.

Persons with disability

Grasim extending its support to 6 differently abled centres and covers 968 beneficiaries every year, providing support like food materials, education support, vehicle, livelihood sources, medical treatment and medicines etc.

Community Service

Across Grasim units, there are 110 development professionals + medical Team are working relentlessly for the integrated development of community at 17 manufacturing units spread over in 9 states. During the year team of CSR professionals and medical team came across more than 11 lakh population through its CSR projects with the belief of 'Serve to the Community is Served to the Nation' and contributing to improve GDP of nation.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2021-2022			FY 2020-2021		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
			Employees			
Permanent	**7,255**	1,391	19%	**7,152**	3,237	45%
Other than permanent			Not Applicable			
Total Employees	**7,255**	**1,391**	**19%**	**7,152**	**3,237**	**45%**
			Workers			
Permanent	**16,336**	2,141	13%	**16,409**	1,142	7%
Other than permanent	**15,799**	All contractors have made aware of Human Rights Policy.		**17,349**	All contractors have made aware of Human Rights Policy.	
Total Employees	**32,135**	**2,141**	**7%**	**33,758**	**1,142**	**3%**

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

Category	FY 2021-2022					FY 2020-2021				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	6,800	53	1%	6,747	99%	6,796	46	1%	6,750	99%
Female	455	6	1%	449	99%	356	6	2%	350	98%
Permanent	**7,255**	**59**	**1%**	**7,196**	**99%**	**7,152**	**52**	**1%**	**7,100**	**99%**
Male	Not Applicable									
Female										
Other than permanent										
Workers										
Male	16,210	2,333	14%	13,877	86%	16,285	2,062	13%	14,223	87%
Female	126	49	39%	77	61%	124	42	34%	82	66%
Permanent	**16,336**	**2,382**	**15%**	**13,954**	**85%**	**16,409**	**2,104**	**13%**	**14,305**	**87%**
Male	All contractors have been paid more than /= minimum wages in accordance with the laws of the land where the Company operates.									
Female										
Other than permanent										

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	12	Please refer to Directors Report on Page No. 108	2	Please refer to Directors Report on Page No. 108
Key Managerial Personnel	3		0	
Employees other than BoD and KMP	6,797	₹4,43,228	455	₹4,43,228
Workers	16,210		126	

Note : The median remuneration for FY 2021-2022 is calculated for comparable permanent employees and workers including both male and female.

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

Yes, All our manufacturing locations have their own committee to address any human rights complaints.

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

We have a human rights policy which is publicly available. Apart from this we have grievance redressal committee which is addressing all the grievances including human rights. https://www.grasim.com/upload/pdf/human-rights-policy.pdf

Business Responsibility & Sustainability Report (Contd.)

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

	FY 2021-2022			FY 2020-2021		
	Filed during the year	Filed during the year Pending resolution at the end of year	Remarks	Filed during the year	Filed during the year Pending resolution at the end of year	Remarks
Sexual Harassment	3	1*	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

*As on the report date the complaint was closed.

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

We have a POSH policy across the group. All complaints in the same is handled strictly. Any employee may lodge a complaint of sexual harassment against any other employee to the chairperson or to any member of the relevant complaints committee. All complaints will have to be sent in writing and will be dealt with in strict confidence by the committee members. The complaints should be sent at the earliest, but preferably within 30 days from the date of occurrence of the alleged incident. The Chairperson of the committee shall, within 7 working days of the receipt of such a complaint, personally meet or designate a member of the complaints committee to meet the employee who has made the complaint and record the statements made at such meeting. During this meeting the employee is also expected to present any corroborative material/evidence to substantiate the complaint. After the meeting with the complainant, and on satisfaction of the existence of a *prima facie* case of Sexual Harassment, the chairperson shall call for a committee meeting within the next 7 working days.

During this meeting of the complaints committee, the person accused of the harassment will be called. The complaints committee will communicate the complaint to the person accused where he/she will be given an opportunity to give his/her views of the situation. After having heard both the parties, the complaints committee shall thoroughly investigate (meet the complainant, enquire into evidence provided, meet the witnesses, consult with experts etc.) the complaint and make a report of its findings within the next two weeks. This report will be submitted to the relevant Management Team. In case the complaint registered is found to be frivolous or false or was made with a mischievous intention, the complainant will be liable to face strict disciplinary action up to and including termination of employment. Any employee who is a part of the investigations shall not be victimised or subject to any unfavourable treatment.

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

We include such clause in certain business agreements and contracts where relevant. This forms part of our Human Rights Policy and Code of Conduct for suppliers.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour Forced/involuntary labour Sexual harassment Discrimination at workplace Wages Others – please specify	We internally monitor compliances of all the relevant laws and policies pertaining to these issues. There have been no material observation by local statutory authorities or third parties during the year. We take all necessary measures that there is not discrimination/child labour/ sexual harassment by value chain partners.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

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

   Grievance redressal mechanism is implemented at manufacturing sites to resolve grievances received. We have a focal point at all our plants for human rights grievances/complaints. The employee/stakeholder can directly communicate his/her grievance to the focal point at each location. They will take necessary actions for resolving the same.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   The scope and coverage of HRDD is extended to all the plants of the company. We are in the process of implementing the tool across multiple locations.

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

   The registered and corporate office and other plants of the Company have ramps for easy movement of differently abled visitors. The corporate offices are located in commercial premises which may be on the ground floor or have elevators and infrastructure for differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	No assessment conducted during the year 2021-22. We are aiming to conduct assessment in the future.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

   Not Applicable

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

Essential Indicators

Note : The assurance engagement done by Ernst & Young (EY) was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Please refer to the assurance statement on Page No. 100.

1. Details of total energy consumption (in Million GJ) and energy intensity, in the following format:

Parameter	FY 2021-2022	FY 2020-2021
Total electricity consumption (A)	6.39	4.56
Total fuel consumption (B)	53.54	68.31
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	59.93	72.87
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	2,873.20	5,883.16
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.

Business Responsibility & Sustainability Report (Contd.)

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

   Yes, 14 sites have been covered under PAT in different cycles notified. Out of the same, 3 units have fallen short of the targets. We are in the process of identifying and implementing projects for improving energy efficiencies at these sites.

   Our immediate efforts are focused on existing systems and practices that will have the greatest conservation impact with minimal expense such as accurate monitoring of systems, Boiler and steam distribution, outside lighting levels, HVAC, Air Compressor, Chiller, Pumps, motors, compressed air line, electrical distribution, plant machinery, water conservation, changing behaviour and educating employees about the importance of energy conservation and management.

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

Parameter	FY 2021-2022	FY 2020-2021
Water withdrawal by source (Million Cubic Metre)		
(i) Surface water	36.28	35.93
(ii) Groundwater	2.18	2.61
(iii) Third party water	10.87	9.24
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (Million Cubic Metre) (i + ii + iii + iv + v)	**49.33**	**47.79**
Total volume of water consumption (Million Cubic Metre)	36.87	34.33
Water intensity per rupee of turnover for one cubic metre (Water consumed/turnover)	1,767.96	2,771.68
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.

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

   Yes.
   Grasim has achieved a path breaking innovation by successfully commissioning the first ZLD plant in the viscose industry in the world. This sets a new benchmark in the closed-loop process and increases the water recovery to the extent of 95% from the viscose process and at the same time, reduces the liquid effluents to zero.

Challenges

- No established ZLD technology available to treat Viscose and lyocell effluent
- High inorganic and dissolved solids and hardness in the effluent
- High organic content leads to bio-fouling of membranes
- The solids are required to be recovered in usable form

Innovations

- World's leading water technology companies invited to bid for technology
- Team worked closely with technology providers to design process

Outcome

- ZLD project started in 2019 and commissioned and stabilised by September 2021
- Fresh water withdrawal from nearby river is reduced, as 95% of recovered water from treated effluent and ZLD plant is now being recycled back to the process
- Positive impact on the society at large
- Recovery of sodium sulphate is possible in usable form beyond 85%
- New benchmark in closed-loop production – zero effluents discharge from the site and zero pollution load due to wastewater
- Improved water security that addresses the water scarcity due to climate change – climate change resilience plan

ZLD facility for Chlor alkali units (Nagda, Renukoot, Ganjam, Rehla and BB Puram) except Veraval and Karwar as both units have approval for deep sea discharge from MoEF,CC. We also have ZLD facilities in two of our textile units out of three and one in Halol Insulators. In totality Grasim has 9 ZLD units.

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

Parameter	UoM	FY 2021-2022	FY 2020-2021
NOx	MT	2,013.49	3,248.75
SOx	MT	6,332.01	5,289.09
Particulate matter (PM)	MT	1,311.72	1,310.18
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.

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

Parameter	UoM	FY 2021-2022	FY 2020-2021
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Million MT CO2 eq	4.57	4.14
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Million MT CO2 eq	1.39	1.12
Total Scope 1 and Scope 2 emissions per rupee of turnover	Emissions per rupee of turnover for one MT	285.98	424.67
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.

7. Does the entity have any project related to reducing Greenhouse Gas (GHG) emission? If Yes, then provide details.

Yes,

1. The Chemical business has successfully commissioned Renewable Energy power projects at Karwar (gross ~ 27 MW Wind projects) & Vilayat (gross ~ 17.6 MW-Wind-Solar Hybrid) and consumed ~ 15.8 Crore kWh of renewable energy (including RE power purchased through IEX) in FY22. Insulators business uses 100% natural gas/LPG operated kilns for energy optimisation.
2. We have installed filter press in place of centrifuge for ETP sludge separation as a power saving project which is environment friendly as well as low cost of operation.
3. We have started Hydrogen Bottling plant project also in FY 2021-22 to sell vented hydrogen. In this project we will save lost energy which was being vented to atmosphere earlier.
4. Replacement of old i1 motors with latest i3 motors consuming more power and fitment of VFDs wherever applicable.
5. Complete phasing out of conventional lighting with LED lighting as well as ceiling fan replacement is in progress with BLDC motor fans.
6. Business uses latest 6^{th} generation electrolysers membrane coating has been done in a phased manner to enhance energy efficiency in Chlor-Alkali plant.

Business Responsibility & Sustainability Report (Contd.)

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

Parameter	FY 2021-2022	FY 2020-2021
Total Waste generated (in metric tonnes)*		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)*	1,33,865.01	59,697.87
MEE Salt	-	-
USED & OLD OIL (Hazardous)	-	-
ETP Sludge (Non-Hazardous)	-	-
Sludge (Non-Hazardous)	-	-
Fly ash(Non-Hazardous)	-	-
Process Waste (Non-Hazardous)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	8,94,063.10	5,81,808.15
Total (A+B + C + D + E + F + G + H)	**10,27,928.11**	**6,41,506.02**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) (Hazardous Waste)		
Category of waste		
(i) Recycled (ii) Re-used	49,720.53	10,268.68
(iii) Other recovery operations	16,797.33	56.44
Total	**49,720.53**	**10,325.12**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) (Non-Hazardous Waste)		
Category of waste		
(i) Recycled (ii) Re-used	7,70,193.66	5,12,015.77
(iii) Other recovery operations	86,451.10	44,352.48
Total	**8,56,644.76**	**5,56,368.25**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) (Hazardous Waste)		
Category of waste		
(i) Incineration	870.06	7,124.47
(ii) Landfilling	66,477.10	42,244.23
(iii) Other disposal operations	-	-
Total	**67,347.16**	**49,368.70**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) (Non-Hazardous Waste)	FY 2021-2022	FY 2020-2021
Category of waste		
(i) Incineration	0.44	188.19
(ii) Landfilling	37,417.90	23,606.71
(iii) Other disposal operations	-	1,644.99
Total	**37,418.34**	**25,439.89**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?

Yes, please refer Page No. 100 for independent agency's assurance statement.

* The company plans to report more comprehensive data in the next reporting cycle.

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

In any industry, effective waste management and minimisation should be a priority ensuring that the wastes generated from operations pose no adverse impact on human and environmental health.

We aim to reduce the amount of waste we generate. Our sites comply with all applicable health, safety and environmental requirements, and we ensure waste materials are sent for disposal in the most sustainable manner.

Our waste management approach continues to evolve as we improve identification and accounting of our waste. In our Company, we follow waste management hierarchy which represents the most preferred options for dealing with the waste to limit the disposal as far as possible.

All the sites follow the local waste management rules for disposal and classification as applicable. In waste management, we follow circular economy principles i.e. using the waste for another process or another industry.

The hazardous waste generated at our units is either supplied to authorised recyclers, disposed through Treatment Storage and Disposal Facilities (TSDF), or supplied to other industries as raw material.

We are exploring solutions to waste disposal and utilisation with our Aditya Birla Group peers. Fly ash, a by-product from coal-fired power stations, is sent to our Group's cement sites which is used there in clinker replacement. As a result, fly ash, which is a waste for viscose business, is used as a raw material in cement plants and reduces the amount of natural resources required, as well as GHG emissions and is a very apt example of circular economy.

Waste is used in several applications, for example, gypsum sludge is used as a raw material for cement and organic sludge is used as a fuel for energy generation. Most of the waste generated at our sites is either recycled/ reused/ recovered and hence least amount of waste goes to landfill.

We are continuously striving towards increasing ETP efficiency, reduction in use of hazardous chemicals, avoiding misuse of water

- Chemicals management team forms an important aspect of product designing, safe operations and ensuring quality of effluent from our units.
- We have Certified Chemical Management Professional across DT sites.
- A chemical management team has been formed at both the units to drive the chemical management processes. Our objective is to protect consumer health and chemical safety at workplace for all our employees.

Each units have prepared comprehensive waste management plan which includes identification and categorisation basis characterisation as per HWMR-2016 and comprehensive analysis of other waste which are associated with their process and system. Waste stored in designated storage area as per CPCB / SPCB guidelines.

Chlor Alkali plants are selling some of the hazardous waste to various customers and these products falls under rule 9 of HWM Rules 2016 of CPCB. Biomass Briquette is used in Veraval unit as a fuel, thus replacing coal. The Company is continuously increasing multi-source procurement of mechanised washed salt which helps in reduction of sludge generation. Fly ash generated from captive power plants is used in cement plants/ brick manufacturing. Organisation has installed Sulphate removal system to eliminate/reduce barium carbonate in brine system and sludge up to 30%. Company have initiated PA sludge disposal to recycler which is getting used for the production of NPK Fertiliser.

Business Responsibility & Sustainability Report (Contd.)

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

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Grasim Chemicals, Ganjam, Orissa	Chemical plant, caustic soda	Yes

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Grasim Industries - Birla Paints Division, Haryana	SIA/HR/IND3/68324/2021	18th December 2021	Yes	Yes	https://www.grasim.com/Upload/PDF/copy-environmental-clearance.pdf
Grasim Industries - Birla Paints Division, Tamilnadu	SIA/TN/IND3/63411/2021	19th May 2021	Yes	Yes	http://environmentclearance.nic.in/writereaddata/Formb/TOR/TOR_letter/230620219SMW6M3K.pdf
Grasim Industries - Birla Paints Division, Punjab	SEIAA/PB/IND/2021/EC/22	19th January 2022	Yes	Yes	https://www.grasim.com/Upload/PDF/grasim-ec-letter-19-1-2022.pdf

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

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		NIL		

Leadership Indicators

1. Provide break-up of the total energy consumed (in Million GJ) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-2022	FY 2020-2021
From renewable sources		
Total electricity consumption (A)	0.78	0.32
Total fuel consumption (B)	2.52	1.95
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**3.30**	**2.27**
From non-renewable sources		
Total electricity consumption (D)	5.61	4.24
Total fuel consumption (E)	51.01	66.35
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**56.62**	**70.60**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.

2. Provide the following details related to water discharged:

Parameter	FY 2021-2022	FY 2020-2021
Water discharge by destination and level of treatment (in Million Cubic Metre)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	13.27	-
(i) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	15.45	-
(iii) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	0.03	-
(iv) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in Million Cubic Metre)	**28.75**	**23.84***

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?
Yes, please refer Page No. 100 for independent agency's assurance statement.
*Break-up not available for FY 2020-2021.

3. Water withdrawal, consumption and discharge in areas of water stress (in Million Cubic Metre):

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

(i) Name of the area (ii) Nature of operations	We have assumed all our plants to be in water stress region. Please refer to Page No. 18 for our plant locations.

Business Responsibility & Sustainability Report (Contd.)

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

Parameter	FY 2021-2022	FY 2020-2021
Water withdrawal by source (in Million Cubic Metre)		
(i) Surface water	36.28	35.93
(ii) Groundwater	2.18	2.61
(iii) Third party water	10.87	9.24
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in Million Cubic Metre)	**49.33**	**47.78**
Total volume of water consumption (in Million Cubic Metre)	**36.87**	**34.33**
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in Million Cubic Metre)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	13.27	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	15.45	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	0.03	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in Million Cubic Metre)	**28.75**	**23.84***

*Break-up not available for FY 2020-2021.

4. Please provide details of total Scope 3 emissions & its intensity:

Parameter	UoM	FY 2021-2022	FY 2020-2021
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Million MT CO_2 eq	4.81	-
Total Scope 3 emissions per rupee of turnover	Emissions per rupee of turnover for one MT	230.85	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?

No, Scope 3 data is non assured data and the same has not be verified by independent assurance provider.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No Impact

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Remarks
1.	EU Best Available Technology (BAT) in Viscose Fibre Business	http://birlacellulose.com/press-inner.php?url=birla-celluloses-grasim-vilayat-site-achieves-the-eu-bat-compliances	This will help in achieving lower sulphur-to-air emissions as per EU BAT limits	Initiative is in progress
2.	Memsift Innovation in Viscose Fibre Business	http://birlacellulose.com/press-inner.php?url=memsift-establishes-partnership-with-birla-cellulose-for-piloting-innovative-membrane-technology		Initiative is in progress
3.	Waste reduction	--		
4.	Steam Accumulator	--		
5.	Fuel conversion from FO to LDO	--	Reduced SOX emission	Halol
6.	Biomass Briquette are used in Veraval unit as a fuel	--	Replacing coal, GHG emission reduction	Veraval
7.	Using washed Salt (High purity salt)	--	Reduced waste generation	DCA units
8.	Nanotechnology incorporated in SRS plant	--	Reduction in the production of Brine Sludge	Vilayat CA
9.	Initiated PA sludge disposal to Recycler (used for production of NPK Fertiliser) is a sustainable step	--	Reduction in the landfilling qty. alongwith with cost saving	
10.	Re-useable Synthetic Belts	--	Enhanced safety at operations as 're-usable synthetic belts' stronger than plastic strips, eliminated usage of plastic strips and shrink wraps.	

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

Grasim is committed to conduct its operations in a safe & secure manner. Part of this commitment is preparing to respond to crisis that may occur. A key objective is for emergency preparedness and response activities to be consistent throughout locations. Business continuity plans are in place which are communicated and tested periodically to ensure smooth resumption of activities in case of any unforeseen incident.

Aditya Birla Group has partnered with an agency for managing Code Red & Call Center operations during a crisis for India Operations. Any ABG employee can call the Code Red emergency number to notify an incident. The Code Red team shall verify the caller employee data and seek clarity about the incident. During a crisis, Site ICS will call the call center to inform them about the crisis scenario and activate their services.

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

As per information available, there has been no significant impact to the environment, arising from the value chain of the Company.

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

Some of the value chain partners were assessed for environmental impacts.

Business Responsibility & Sustainability Report (Contd.)

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

Essential Indicators

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

   6

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

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2.	Centre for Advancement of Philanthropy	State
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4.	Institutional Investor Advisory Services India Limited	National
5.	Confederation of Indian Industry (CII)	National
6.	Association Of Man-made Fibre Industry Of India (AMFII)	National

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

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	The Competition Commission of India ('CCI') vide its order dated October 5, 2017 held that the Company, Aditya Birla Chemical (India) Limited and Punjab Alkalies and Chemicals Limited were involved in bid rigging in relation to a tender floated by Delhi Jal Board from 2009-10 to 2014-15 and imposed a penalty of ₹ 23 million, ₹ 20.9 million and ₹ 18.8 million respectively.	The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT)
Competition Commission of India	Competition Commission of India (CCI) has passed an order dated 16th March 2020 under Section 4 of the Competition Act, 2002, imposing a penalty of ₹301.61 Crore in respect of the Viscose Staple Fibre turnover of the Company.	The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT)
Competition Commission of India	Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order dated 3rd June 2021, levying a penalty of ₹3.49 Crore for non-compliance with the Order passed on March 16, 2020.	The Company filed Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI.
Competition Commission of India	Competition Commission of India (CCI) has passed another order dated 6th August 2021 under Section 4 of the Competition Act, 2002. However, because of the penalty of ₹301.61 Crore has already been imposed on the Company in previous order the CCI deemed it appropriate not to impose any further monetary penalty on the Company.	The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT)

Leadership Indicators

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

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
	There is no public policy advocated as of now.				

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Impact Assessment of Hoogly based Serampur Uttarpara Agro Producer Company limited		15.11.2021	Yes	No	NA

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

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NIL						

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

We have a separate grievance redressal mechanism for stakeholders. The Company communicates the procedure to stakeholders to raise awareness and offer transparency on how stakeholders can voice their grievances. Stakeholders can convey their grievances to Admin & Liaison officer, who will further take them to Grievance Committee. For stakeholders' grievance redressal policy, find the web link attached - https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf

Grievance Mechanism Process

The figure below describes the process that will be used to resolve any grievances:

Business Responsibility & Sustainability Report (Contd.)

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

Parameter	FY 2021-2022	FY 2020-2021
Directly sourced from MSMEs/ small producers	7%	7%
Sourced directly from within the district and neighboring districts	24%	21%

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Training and Capacity building of BoD members	Training Programmes for BoD members
Low Business by the FPO	Business channel development

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

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1.	Jharkhand	Palamau & Garhwa	1,01,47,716

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

   No

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

   N/A

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

   N/A

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

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

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

Sr. No.	Benefit Shared (Yes/No)	Basis of calculating benefit share
Not Applicable		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	COVID-19	9,77,114	100%
2	Reproductive and Child Health (RCH) & Swachh Bharat Abhiyan	4,97,988	100%
3	MGNREGA, Agriculture Technology Management Agency	82,435	100%
4	Sarva Shiksha Abhiyan	56,680	100%
5	E-Panchayat	50,341	100%
6	Atma Nirbhar Bharat	23,915	100%
7	Ayushman Bharat Yojana	1,000	100%
8	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	157	100%
9	Pradhan Mantri Suraksha Bima Yojna (PMSBY)	53	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   We have a structured mechanism to take care of the consumer complaints within a definite time period and the same is reviewed by the senior management team on a regular basis. The escalation mechanism varies from business to business given the mix of B2B and B2C component.

Process Inputs

Input	Source	Freq./When	Ref.Doc.	Review Criteria
Customer complaint				
Details of the product name, batch no., type of complaint	Marketing	As and When Materials Received	E-mail	Name of customer, quantity, product name

Process interface

Activity	Responsibility	Ref. Doc
Route cause analysis, corrective action & preventive action		
Marketing person put the complaint in CRM by generating the Ticket ID	Marketing Department	
• After getting customer complaint details communicate to all concern person	DH	F01 (QAD-P-05)
• Quality related complaint is investigated immediately and reverted to SCM & marketing department	DH	
• If required ask for complaint sample from customer through Marketing Department	DH	
• If complaint found genuine than a detail Route Cause is escalated	DH	F01 (QAD-P-05)
• Detail Route cause analysis and corrective action report shared with customer through Marketing Department as per below details.		
1) Domestic customer - Quality, Packaging documentation, and labels complaints within 15 days. - Weight shortage and application complaints within 60 days. 2) Export customer - Quality, Packaging documentation, and labels complaints within 30 days. - Weight shortage and application complaints within 60 days.	DH	F01 (QAD-P-05)

Business Responsibility & Sustainability Report (Contd.)

Activity	Responsibility	Ref. Doc
• If complaint is found not genuine same is communicated to customer	DH/ Marketing department	F01 (QAD-P-05)
• If possible QA also recommends to visit customer as to understand and check the authenticity of complaint. (If required)	DH/ Marketing department	

Feedback – Online on Mission Happiness – CCC Team – Based on enhanced NPS protocols with near 95% customers providing feedback on same.

We have a online mechanism for customer feedback called Mission Happiness. The same is a very active portal where nearly 95% customers are providing feedback.

Complaints - online on CRM (DWOL) – CTS Team

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	This information is available in a product 'Safety data sheet' (SDS). The Company's products confirm to all applicable statutory parameters.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2021-2022			FY 2020-2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	No	No	No complaints received.	No	No	No complaints received.
Advertising	No	No	No complaints received.	No	No	No complaints received.
Cyber-security	No	No	No complaints received.	No	No	No complaints received.
Delivery of essential services	N/A	N/A	N/A	N/A	N/A	N/A
Restrictive Trade Practices	No	No	No complaints received.	No	No	No complaints received.
Unfair Trade Practices	No	No	No complaints received.	No	No	No complaints received.
Other – Epoxy	33 (0.47 Nos/1K MT sale)	6	Epoxy Product	22 (0.38 Nos/1K MT sale)	0	Epoxy Product
Other – VSF – Maximum complaints on Product reimbursements	53	NIL		75	NIL	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	N/A
Forced recalls	0	N/A

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes.

   https://www.grasim.com/Upload/PDF/information-security-policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

   No incident reported

   Customer Happiness Score (FY'22);

   Grey – 63.2%

   Dyed – 47.0%

   Other Specialities – 47.6%

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Birla Cellulose.Com, CRM will be soon available to customers for live view

   MissionHappiness.online available for feedback

   www.livaeco.com

   www.livafluidfashion.com

   https://www.grasim.com/

   https://www.birlacellulose.com/

   https://www.adityabirlachemicals.com/

   https://www.jayashree-grasim.com/

   The information on our products is available on our website:https://www.abg-am.com/

   The site provides details of products (by application or end use industry segment, by chemistry and by brands)

   Additionally, the potential customers can also enquire for products via "Enquiry" facility provided on our website.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   The Company displays product information on multiple levels from bale packaging to hang tags with clear product names and product attributes and benefits. The Company also has a website which provides information about its products and their usage. The Company has also introduced 'molecular tracer' in certain speciality fibres that gives full information on the source of the product and sustainable forestation practices certified by third-party agencies. We provide the safety sheet for all our products for their responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Most of our customers our B2B and we have a mechanism in place to inform consumers of any risk of disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, we have conducted customer satisfaction surveys for our businesses.

5. Provide the following information relating to data breaches:

a)	Number of instances of data breaches along-with impact	NIL
b)	Percentage of data breaches involving personally identifiable information of customers	NIL

Towards Inclusive Growth: CSR Report 2021-22:

WATER: OUR ETERNAL LIFELINE

'Water, the life force for humanity, is the absolutely essential building block. It is the central piece for our planet.' Recount Leonardo da Vinci, who said, 'Water is the driver of nature'.

Water and decent sanitation are inextricably linked to all development processes. International agencies such as UNICEF, United Nations University, United Nations Sustainable Development Report, among others record that, water scarcity impairs over 40% of the global population and 2.4 billion people do not have access to basic sanitation services. Sadly, every year 300,000 children succumb to water borne diseases. It augurs well that Goal-6 of Sustainable Development Goals (SDG) focuses on clean water and sanitation. It underpins other SDGs as well. Water is the lifeline, any which way.

By and large the UNSDGs, viewed in totality are a revolutionary leap, a kind of wakeup call to every nation to pay close attention to people largely from the vulnerable sector and the planet. It has heightened sensitivities across 193 countries. A shot in the arm of the move towards a fair and equitable society, the UNSDGs have an appealing logic.

At Aditya Birla Group, our underlying motto in our CSR engagement has always been to engage, uplift and empower communities, and in doing so perpetually be a force for good and enrich lives. We are heavily invested in healthcare, education, sustainable livelihood and infrastructure development. Water is the pivotal force that propels our projects in business and beyond. It is the most critical resource. Its sustainable management is of immense importance for our business community. So the SDG Goal-6 is of great significance to us.

Climate change, dwindling ecosystems, exploitation of natural resources besides pollution, have accelerated the stress on water resources in terms of its availability and quality. While the report spells out all of your Company's CSR engagements, for any progress, availability of water is the most critical factor.

Towards building water resilience, our businesses at Aditya Birla Group have taken a comprehensive stepwise approach both inside the location boundaries as well as in the watersheds of our operation. We have put in place our Water Stewardship Policy championed by our Group Chairman, Business Directors/CEOs and other seniors. This aims at protection and conservation of water resources through excellent water management practices and governance systems and is being operationalised through performance targets and roadmaps across our sites.

When one thinks of water in the hinterland of India with its rugged pathways, the picture that immediately surfaces in the mind's eye is that of a woman with pitcher on her head, trudging miles on end to fetch it. Today, the scenario is very different. In quite a few of the 9,000 villages that we work in, we have met this arduous task of ensuring water availability for households and farmers. The Government has rightfully given access to water in rural areas, the primacy it deserves. The plan is to provide tap water for all under the 'Har Ghar, Nal Se Jal' scheme. The scheme's dashboard reports that over 5.6 Crore homes now have water on tap.

An integrated aggressive watershed management programme implemented as part of our CSR engagement has yielded rich dividends as well. Its components include water harvesting structures, construction of check-dams, instituting tube wells, tanks and water reservoirs. Side-by-side rainwater harvesting, including rooftops, reinventing step-wells, lakes (talaos), wells (bowris), soil conservation, refurbishing aquatic ecosystems, setting up reverse osmosis plants and water ATMs, have brought much succour to a water starved populace pan India. Besides the admirable Government support, we partner extensively with development agencies such as NABARD, MYRADA, ICRISAT and AFPRO on the technical side, among others. The water conserved annually is over 33 billion liters, of which we have conserved 1.55 billion liters. Water user groups are formed at the plants to make sure that eventually the villagers become self-reliant. There is a sense of joy and lightness among them. Numbers mean a lot, but smiles mean a lot more.

In the words of our visionary Prime Minister, 'Jal hai toh kal hai'.

Smt. Rajashree Birla
Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development
Chairperson, CSR Committee of the Board, Grasim Industries Limited

A summary of our CSR work:

SDG-1: TO RID POVERTY ACROSS ALL NATIONS BY 2030

In the 9 states where we operate, we are engaged in enriching lives of the underprivileged, in multiple ways to decelerate the percentage of Below Poverty Line (BPL) families.

SDG-2: TO END ALL FORMS OF HUNGER AND MALNUTRITION BY 2030

We are aiming to significantly lower the current rate of malnutrition to 5% from 8% of the population in the foreseeable future through sustainable agriculture, helping farmers with land clearances, technology upgradation, closing the marketing loop, Government Schemes and supporting the District Authorities, including Collectors and Block Development Officers.

Water Positivity

Our Chairperson has alluded to ways in which we work to ensure water positivity. Up until now, we have constructed 5 check dams, 187 rainwater harvesting structures, soak pits, large ponds. This has enabled us conserve 55 million cubic feet of water reaching out to 5,451 farmers (Nagda, Veraval). Furthermore, a 203-acre horticulture plot developed has been a boon to our farming populace at Nagda, Harihar, Halol, Ganjam, Vilayat and Rehla. Organic farming (Nagda, Ganjam, Halol and Veraval) is much encouraged.

Veterinary camps aided over 5,417 cattle owners. Nearly 25,500 cattle were immunised and 4,851 cattle were artificially inseminated. It has enhanced the income of the farmers as the milk outcome notched up by 70%. Farmer training programmes have been intensified. Collectively, there has been an upswing in their earnings.

SDG-3: ENSURING, HEALTHY LIVES AND PROMOTING WELL-BEING FOR ALL, IN ALL AGE GROUPS

Over 4.07 lakh people recourse to our 740 healthcare camps.

Our 7 ambulances attend to a 33,662 strong populace. Alongside, we tend to patients at our Company's five hospitals and dispensaries. During the year, we have provided healthcare support to nearly 4 lakh patients.

Furthermore, eye camps, dental checkups, blood donation, homeopathy, Thalassemia, hemoglobin testing and general health counselling resulted in benefitting 12,981 families.

Importantly, collaborating with the District Health Department, our 47 Family Welfare Centres, we reached out to 16,817 women (antenatal, post-natal care, mass immunisation, nutrition and escort services for institutional delivery). Over 1,08,622 children were immunised against polio, BCG, DPT and Hepatitis-B across the Company's locations.

SDG-4: EDUCATION

Our close involvement with the Kasturba Gandhi Balika Vidyalayas has motivated 2,177 girls to pursue formal education.

Over digital literacy programmes delighted 4,370 students from the villages (Nagda, Kharach, Vilayat, Renukoot, Veraval, Kalyan).

Nearly 4,925 children enrolled at 142 Anganwadis that we support (Nagda, Vilayat, Harihar, Rehla, Kalyan). Under the Integrated Child Development Scheme (ICDS), 185 malnourished children were nurtured by us on the road to health.

At six Aditya Birla Public Schools (Nagda, Kharach, Harihar), we have 5,281 students.

The 'Gyanarajan' project, which provides special coaching for Grade XI – XII students to enable them to appear for JEE and NEET competitive exams was welcomed by students overwhelmingly. At Nagda, Rishra, Rehla, Vilayat, Kharach, 1,301 students have been given a scholarship.

Through project 'Shishya' 767 students attained proficiency in English.

Bettering the infrastructure of 4 school buildings (Nagda, Vilayat, Ganjam), accord sanitation and drinking water facilities at several schools.

SDG-5: WOMEN EMPOWERMENT AND GENDER EQUALITY

In the 353 self-help groups totaling 3,757 women, each one of them has been on a transformative journey.

At Harihar, these gutsy women have made 16,297 spinning candle bags and 20,295 face masks. In all, Grasim's Self-Help Groups (SHGs) made 1.61 lakh face masks. Yet another group of our SHGs stitched 66,000 jute bags for vendors.

The sixth, seventh and eighth SDGs, centre on water and sanitation, reliable, sustainable, modern energy, decent work, and economic growth.

Our 26 Reverse Osmosis (RO) plants provide safe drinking water. Pipelines and bore wells, water tanks, doorstep water facilities benefit more than 45,936 villagers.

Additionally, 104 individual toilets and sanitation facilities were constructed at various locations. Consequently, 95% of the villages where we operate have been declared Open Defecation Free (ODF).

Towards Inclusive Growth: CSR Report 2021-22: (Contd.)

Imparting vocational training, skills training, along with our farm/non-farm-based programmes and SHGs, meet with these SDG goals. Collectively, we have changed the lives of nearly 7,067 people.

SDG-9: BUILD RESILIENT INFRASTRUCTURE

Our infrastructure projects: connectivity, road repairs, community halls and assets, resting places, installation of solar street lights, Cement benches, construction of water tanks and installation of piped water supply, have bettered the lives of 45,936 people.

Of the 311 villages, we operate in 50 villages have been slated to become 'model villages'. Up until now, 30 villages have made the cut to be rated as 'model villages'. Impact assessment studies by external agencies have certified/commended the transformation of these villages.

Accolades/Awards received:

Grasim, Nagda

- TERI-IWA-UNDP Water Sustainability Awards 2022 under Category 'Water for All'
- National Awards for Excellence in CSR – 7th Edition 2021, Special COVID Category: 'Best COVID19 Solution for Community Care'.

Grasim, Halol

- Apex India CSR Excellence Gold Award 2021 for 'Livelihood Creation'

Our CSR spends

This year the Company has spent ₹42.47 Crore excluding CSR expenditure of ₹4.75 Crore which remained unspent. It has been transferred to a separate bank account in April 2022 for projects classified as ongoing projects by the Board. Your Company spent ₹38.40 Crore towards mandatory CSR obligations and an additional ₹4.07 Crore on voluntary CSR activities.

We owe our CSR achievements to our Chairman and Chairperson (CSR Committee). The Board of Directors, our Management, leadership teams, our CSR colleagues and each and every colleague from Grasim for always cheering our CSR engagements, geared towards enriching lives of 17 lakh of our fellow Indians in 311 villages across 9 states.

Independent Auditor's Report

To the Members of
Grasim Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Grasim Industries Limited ("the Company"), which also includes Assets and liabilities of its Employee Welfare Trust ("Trust"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of one of the joint auditors on financial statements of Trust as were audited by one of the joint auditors, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of reports of one of the joint auditors referred to in the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of impairment of investments in subsidiaries, associates and joint ventures</td></tr>
<tr><td>As disclosed in note 2.4 of standalone financial statements, the Company has investments in subsidiaries, associates and joint venture companies of Rs. 21,856 Crores (P.Y - Rs. 21,757 Crores). The said investments are carried at cost less allowance for impairment.

The Company analyses regularly for indicators of impairment of the said investments by reference to the requirements under relevant Ind AS.

We identified the annual impairment assessment as a key audit matter because carrying value of these investments is significant, assessment process is complex, judgmental by nature, significant changes in business environment and further based on the inherent subjectivity, uncertainty and judgment involved in the following key assumptions:
• projected future cash inflows;
• expected growth rate; discount rate; terminal growth rate;
• comparison of price and market multiples

Refer note 1.32 – significant accounting policy for impairment of investments.</td><td>Our audit procedures included the following:
• Tested the design and the operating effectiveness of internal controls over the impairment assessment process including assessment of valuation models used in assessment of impairment in the value of investment in subsidiaries, associates and Joint venture.
• Examined the Company's assessment for indicators of impairment of such investments. In cases where such indicators existed, tested the estimates and assumption made by the Company of the recoverable amounts, and the allowance for impairment for these investments.
• Evaluated competence, capabilities and independence of the specialist engaged by the Company and analyzed the valuation reports issued by such specialist.
• Involved our internal valuation expert to assist in evaluating the key assumptions of the valuations.
• Tested the arithmetical accuracy of the computation of recoverable amounts of investments.
• Assessment of historical forecasting accuracy by comparing previously forecasted cash flows to actual.

Assessed the disclosures in relation to its annual impairment test in note 2.4 to the financial statements.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Regulations – Litigation pertaining to matters related to direct tax and Competition Commission of India (CCI)	
As disclosed in note 4.1 of the standalone financial statements, the Company has pending litigations with regards to direct tax matter relating to demerger of financial services business amounting to Rs. 8,044.82 Crore (including interest of Rs. 3,151.38 Crore upto 31st March 2022) and on the same matter, DCIT has issued the draft order dated 30th September 2021 under section 143(3) read with section 144(C)(1) of the Act for the assessment year 2018-19 and imposed capital gain tax on the value of shares, without considering that the shares were issued to the shareholders pursuant to the scheme of arrangement and no consideration was received by the Company, which could be subjected to tax. Based on the draft Order, demand is estimated at Rs. 8,831.90 Crore (including interest and excluding any penalty proceedings) and order issued by the Competition Commission of India ("CCI") on the Viscose Staple Fibre ("VSF") business of the Company amounting to Rs. 301.61 Crore detailed as under: • The Company's tax positions has been challenged by the tax authorities for Demand of dividend distribution tax and the capital gain on the value of shares transferred alleging that the demerger of the Financial Services Business is not qualifying demerger as per Income Tax Act, 1961 and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed / share transferred by the Company to its shareholders. • CCI has issued an order against the Company alleging abuse of dominant position in VSF business and consequent violations of Competition Act, 2002. We considered the above as key audit matter as the Company applies significant judgment in estimating the likelihood of the future outcome based on its own past assessments, judicial precedents and opinions of experts/legal counsels when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of these matters. This is due to highly complex nature and magnitude of amounts involved along with the fact that resolution of income-tax and CCI proceedings may span over multiple years and may involve protracted litigation and these estimates could change substantially over time as based on regulatory positions as these matters progress.	Our audit procedures included the following: • Tested the design and operating effectiveness of internal controls related to the assessment of the likely outcome of regulatory and tax matters and provision made, if any. • Obtained and read the details of legal and tax disputed matters. Further, read the latest correspondence between the Company and various regulatory authorities (including filing made to these authorities). • Considered evaluation made by the management and assessed management's position through discussions on both the probability of success and the magnitude of any potential loss. • Read external opinions/confirmation, as applicable has been obtained by the management for direct tax and CCI matters and other evidence to evaluated management's assessment of the risk profile in respect of them. • Involved tax expert in assessing the nature and amount of the tax exposure. Assessed management's conclusions on whether exposures are probable, contingent or remote. • Assessed the disclosures in note 4.1 made in relation to these direct tax and CCI matter for compliance with disclosure requirements.
Discontinued operation of Fertilizer Business :	
As disclosed in note 4.4 of the standalone financial statements, The Fertilizer business of the Company has been transferred to Indo Rama India Private Limited on a slump sale basis under a Scheme of Arrangement under sections 230-232 of the Companies Act, 2013. Accordingly, the Company's Fertilizer business was classified as discontinued operation since the quarter ended 31 December 2020. As the requisite approvals from the Shareholder and Creditors of the Company, National Company Law Tribunal ("NCLT") and the Ministry of Petroleum and Natural Gas ("MoPNG"), GAIL and UPSIDA has been received, 1st January 2022 is considered as the completion date for transfer. Purchase Consideration of the transaction is Rs. 1,866.94 Crore. As this is a significant transaction during the current financial year. It is evaluated as a Key audit matter, considering its magnitude, the compliances required with relevant statutes, specific disclosure requirements under the reporting framework, all of which require significant auditor attention.	Our audit procedures included, among others, the following: • Tested the design, implementation and operating effectiveness of the Company's controls over computation of profit on disposal and the relevant disclosures of discontinuing operations in the Company's financial statements. • Obtained and tested Company's computation of profit after tax and the other tax impacts relating to the transaction. • Obtained and tested Company's evaluation applied in determining the accounting treatment and agreed with underlying supporting documents. • Examined the agreement executed to transfer of Fertiliser business and verified the minutes of the respective meetings of the Board of Directors and shareholders of the Company and relevant approvals from regulatory authorities relating to this transaction. • Tested the completeness and accuracy of disclosures made by the management in the financial statements as required by Ind AS 105 pertaining to the aforesaid transaction.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, and based on the work done/ audit report of one of the joint auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors'/ Trustees' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors/ Trustees are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the company/ Trustees of the employees welfare trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company/ Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/ Trustees are also responsible for overseeing the financial reporting process of the Company/ Trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Obtain sufficient appropriate audit evidence regarding the financial statements of Trust and of the Company to express an opinion on the standalone financial statements. For the Trust included in the standalone financial statements, which have been audited by one of the joint auditors, such joint auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter :

The financial statements of the Trust have been audited by one of the joint auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the Trust, is based solely on the report of such joint auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    (a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 4.1 to the standalone financial statements.

    (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 4.11 to the standalone financial statements.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 4.13(ix) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 4.13(x) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

(e) (i) The final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

(ii) As stated in note 4.8.4 to the Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQIH9613

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN : 22037924AJMISF6713

Mumbai
Date: 24 May 2022

Annexure A

to the Independent Auditors' report – 31 March 2022

With reference to the Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two to three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the Ind AS financial statements are held in the name of the Company, except for the following which are not held in the name of the Company in Annexure I.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been verified with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties during the year. The Company has made investments and granted unsecured loans in respect of which the requisite information is as below:

₹ in Crore

Particulars	**Loans**
Aggregate amount during the year	
- Subsidiaries	6.00
- Joint ventures	5.00
- Associates	16.13
Balance outstanding as at balance sheet date	
- Subsidiaries	6.00
- Associates	16.13

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed:

Name of the parties	Aggregate amount dues renewed (₹ in Crore)	Percentage of the aggregate to the total loans granted during the year
Aditya Birla Renewables Limited	3.00	11%
Aditya Birla Solar Limited	3.00	11%
Aditya Birla Science and Technology Limited	16.13	59%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have undisputed liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) The According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are mentioned in Annexure II to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of section 192 of the Act, are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 1 CIC which is registered with the Reserve Bank of India, 4 CICs which are in the process of registration with Reserve Bank of India and 3 CICs which are not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQIH9613

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN : 22037924AJMISF6713

Mumbai
Date: 24 May 2022

Annexure I

Title deeds not in name of the Company

Description of property	Gross carrying value (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold Land	286.26	Aditya Birla Nuvo Limited	No	5 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company
Freehold Land	143.92	Jayahsree Textiles Limited	No	50 Years	
Freehold Land	23.44	Indian Rayon Corporation Limited	No	50 Years	
Freehold Land	3.61	Indian Rayon And Industries Limited	No	50 Years	
Freehold Land	47.50	Jayahsree Textiles Limited	No	50 Years	
Freehold Land	1.77	Solaris Chemtech Limited	No	14 Years	
Freehold Land	57.23	Andhra Pradesh Industrial Investment Corporation	No	3 Years	Transfer is in process
Freehold Land	38.60	Bharat Commerce & Industries Limited	No	8 Years	Under Legal Proceeding
Freehold Land	0.51	Various Individual Parties	No	Year 1985-2015	Under Legal Proceeding
Building	154.93	Aditya Birla Nuvo Limited	No	5 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company
Building	96.82	Jayahsree Textiles Limited	No	50 Years	
Building	15.77	Indian Rayon Corporation Limited	No	50 Years	
Building	2.43	Indian Rayon And Industries Limited	No	50 Years	
Building	23.54	Jaya Shree Textiles	No	50 Years	
Building	7.62	Jiyajee Rao Cotton Mills	No	7 Years	Under Legal Proceeding
Building	6.10	Solaries Chemtech Limited (SCIL)	No	14 Years	This land has not yet been transferred in the name of M/s SCIL post its past amalgamations due to some dispute regarding payment of outstanding stamp duty. Unless M/s SCIL is able to pay the stamp duty and get the land regularized in their own name, it will not be possible for us (ABCIL/GIL) to get it transferred in our name. The dispute of Stamp Duty is pending before Gujrat High Court (GHC), Ahmedabad
Lease Hold Land	1.10	Bihar Caustics And Chemicals Limited	No	42 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company
Lease Hold Land	1.27	Kanoria Chemicals & Industries Limited	No	12 Years	
Lease Hold Building	4.70	Aditya Birla Nuvo Limited	No	5 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company

Annexure II

Name of the Statute	Nature of the Dues	Period to which the amount relates	Total (₹ in Crore)	Forum where case is pending
Income Tax	Income Tax and Interest	2001-20	100.98	Appellate Authority
		2017-18	3,786.35	Appellate Authority
		2008-21	0.53	Assessing Authority
Customs Act, 1962	Custom Duty, Interest and Penalty	2001-14	0.87	Supreme Court
		1975-88	2.32	High Court
		2004-18	16.33	Appellate Authority
		1985-20	11.54	Assessing Authority
Entry Tax	Entry Tax and Interest	2004-18	21.59	High Court
		2004-12	0.67	Assessing Authority
Central Excise Act, 1944	Excise Duty, Interest and Penalty	1996-18	1.06	High Court
		1994-17	45.00	Appellate Authority
		1974-18	39.14	Assessing Authority
Sales Tax/Value Added Tax Act	Sales Tax, VAT, Interest and Penalty	2008-09	0.01	High Court
		2006-18	25.45	Appellate Authority
		2001-21	6.61	Assessing Authority
Service Tax under Finance Act, 1994	Service Tax, Interest and Penalty	2005-14	49.90	High Court
		2005-11	12.78	Appellate Authority
		1997-16	3.67	Assessing Authority

Annexure B

to the Independent Auditors' report on the standalone financial statements of Grasim Industries Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Grasim Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQIH9613

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN : 22037924AJMISF6713

Mumbai
Date: 24 May 2022

Standalone Balance Sheet

as at 31st March 2022

₹ in Crore

	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	13,645.17	9,763.49
Capital Work-in-Progress	2.1	1,740.14	4,033.43
Goodwill		2.78	2.78
Other Intangible Assets	2.2	896.18	943.24
Intangible Assets Under Development	2.2	2.65	-
Right of Use Assets	2.3	313.57	256.99
Financial Assets			
Investments in Equity of Subsidiaries, Joint Ventures and Associates	2.4	21,855.56	21,756.84
Other Investments	2.5	12,086.23	8,870.87
Loans	2.6	9.14	7.98
Other Financial Assets	2.7	311.36	277.50
Non-Current Tax Assets (Net)		59.88	44.98
Other Non-Current Assets	2.8	205.77	103.50
Total - Non-Current Assets		**51,128.43**	**46,061.60**
Current Assets			
Inventories	2.9	3,940.84	2,178.99
Financial Assets			
Investments	2.10	4,748.98	3,012.02
Trade Receivables	2.11	1,690.42	1,312.03
Cash and Cash Equivalents	2.12	52.69	69.22
Bank Balances other than Cash and Cash Equivalents	2.13	172.64	63.47
Loans	2.14	26.44	67.96
Other Financial Assets	2.15	95.64	92.31
Other Current Assets	2.16	780.14	520.02
Total Current Assets		**11,507.79**	**7,316.02**
Non Current Assets Held for Sale	4.4	-	1,322.21
TOTAL		**62,636.22**	**54,699.83**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	2.17	131.67	131.62
Other Equity	2.18	48,484.12	42,816.24
Total - Equity		**48,615.79**	**42,947.86**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.19	3,034.49	3,089.46
Lease Liabilities	2.3	55.63	45.34
Other Financial Liabilities	2.20	3.10	2.93
Provisions	2.21	54.87	77.94
Deferred Tax Liabilities (Net)	2.22	1,841.38	1,733.94
Other Non-Current Liabilities	2.23	71.67	78.33
Total - Non-current Liabilities		**5,061.14**	**5,027.94**
Current Liabilities			
Financial Liabilities			
Borrowings	2.24	1,086.28	1,073.98
Lease Liabilities	2.3	24.13	14.45
Supplier's Credit	2.25	183.40	-
Trade Payables	2.26		
Total Outstanding due of Micro and Small Enterprises		90.55	78.81
Total Outstanding due of Creditors other than Micro and Small Enterprises		4,560.18	2,573.29
Other Financial Liabilities	2.27	1,203.99	1,260.24
Other Current Liabilities	2.28	1,067.46	596.44
Provisions	2.29	287.05	290.05
Current Tax Liabilities (Net)		456.25	494.77
Total Current Liabilities		**8,959.29**	**6,382.03**
Liabilities Directly Associated with Non Current Asset Held for Sale	4.4	-	342.00
TOTAL EQUITY AND LIABILITIES		**62,636.22**	**54,699.83**

Significant Accounting Policies and Key accounting estimates and Judgements 1

The accompanying Notes are an integral part of the Standalone Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Standalone Statement of Profit and Loss

for the year ended 31st March 2022

₹ in Crore

	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
Continuing Operations:			
INCOME			
Revenue from Contracts with Customers	3.1	20,856.84	12,386.36
Other Income	3.2	895.31	513.68
Total Income (I)		**21,752.15**	**12,900.04**
EXPENSES			
Cost of Materials Consumed	3.3	9,794.47	5,215.57
Purchases of Stock-in-Trade	3.4	152.90	56.45
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(538.59)	273.86
Employee Benefits Expense	3.6	1,774.29	1,391.29
Finance Costs	3.7	247.24	235.95
Depreciation and Amortisation Expense	3.8	913.96	828.17
Power and Fuel		3,434.26	2,075.99
Other Expenses	3.9	3,023.35	1,808.88
Total Expenses (II)		**18,801.88**	**11,886.16**
Profit Before Exceptional Items and Tax from Continuing Operations (I) - (II)		2,950.27	1,013.88
Exceptional Items	3.10	(69.11)	(80.99)
Profit Before Tax from Continuing Operations		**2,881.16**	**932.89**
Tax Expense			
Current Tax	3.11	434.50	126.64
Write back of tax relating to prior years	3.11	(320.61)	-
Deferred Tax	2.22	71.82	(4.20)
Total Tax Expense		**185.71**	**122.44**
Profit for the Year from Continuing Operations (III)		**2,695.45**	**810.45**
Discontinued Operations			
Profit before tax from Discontinued Operations	4.4	155.98	145.44
Exceptional items (net)	4.4	510.79	-
Tax expenses on Profit from discontinued operations	4.4	(310.95)	(50.89)
Profit for the Year from Discontinued Operations (IV)		**355.82**	**94.55**
Profit for the Year (V= III+IV)		**3,051.27**	**905.00**
Other Comprehensive Income	3.12		
A (i) Items that will not be reclassified to profit or loss		3,443.92	4,933.00
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(224.86)	(347.65)
		3,219.06	**4,585.35**
B (i) Items that will be reclassified to profit or loss		0.50	4.96
(ii) Income Tax relating to items that will be reclassified to profit or loss		(0.49)	(1.40)
		0.01	**3.56**
Other Comprehensive Income for the Year (VI)		**3,219.07**	**4,588.91**
Total Comprehensive Income for the Year (V + VI)		**6,270.34**	**5,493.91**
Paid-up Equity Share Capital (Face Value ₹ 2 per share)		**131.67**	**131.62**
Earnings Per Equity Share (Face Value ₹ 2 each)	3.13		
Basic - Continuing Operations (₹)		41.05	12.34
Diluted - Continuing Operations (₹)		40.99	12.33
Basic - Discontinued Operations (₹)		5.42	1.44
Diluted - Discontinued Operations (₹)		5.41	1.44
Basic - Continuing Operations and Discontinued Operations (₹)		46.47	13.78
Diluted - Continuing Operations and Discontinued Operations (₹)		46.40	13.77

Significant Accounting Policies and Key accounting estimates and Judgements 1

The accompanying Notes are an integral part of the Standalone Financial Statements

In terms of our report on even date attached

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Firm Registration No.: 101248W/W-100022

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
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Jayesh Gandhi
Partner
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For and on behalf of the Board of Directors of
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Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

A. EQUITY SHARE CAPITAL

Year Ended 31st March, 2022

₹ in Crore

Balance as at 1st April, 2021	Changes in Equity Share Capital during the year (Note 2.17.3)	Balance as at 31st March, 2022
131.62	0.05	131.67

Year Ended 31st March, 2021

₹ in Crore

Balance as at 1st April, 2020	Changes in Equity Share Capital during the year (Note 2.17.3)	Balance as at 31st March, 2021
131.57	0.05	131.62

B. OTHER EQUITY

Year Ended 31st March, 2022

₹ in Crore

	Reserves and Surplus						Other Comprehensive Income (OCI)			
	Securities Premium	General Reserve	Capital Reserve	Treasury Shares	Retained Earnings	Employee Stock Options Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Hedging Reserve	Total
Balance as at 1st April, 2021	23,713.41	11,584.56	3,670.17	(108.53)	5,529.53	56.71	8.54	(1,636.66)	(1.49)	42,816.24
Profit for the Year	-	-	-	-	3,051.27	-	-	-	-	3,051.27
Other Comprehensive Income for the Year	-	-	-	-	@24.71	-	(2.03)	3,194.35	2.04	3,219.07
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**3,075.98**	**-**	**(2.03)**	**3,194.35**	**2.04**	**6,270.34**
Dividends Paid	-	-	-	-	(592.26)	-	-	-	-	(592.26)
Purchase of Treasury Shares	-	-	-	(61.95)	-	-	-	-	-	(61.95)
Issue of Treasury Shares	-	-	-	19.55	-	-	-	-	-	19.55
Employee Stock Options Exercised	18.09	-	-	-	-	(18.26)	-	-	-	(0.17)
Employee Stock Options Granted (net of lapses)	-	-	-	-	-	32.37	-	-	-	32.37
Cancellation of vested employee stock options	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	**23,731.50**	**11,584.56**	**3,670.17**	**(150.93)**	**8,013.25**	**70.82**	**6.51**	**1,557.69**	**0.55**	**48,484.12**

@ Represents remeasurement of Defined Benefit Plan

Standalone Statement of Changes in Equity (Contd.)

for the year ended 31st March 2022

Year Ended 31st March, 2021

₹ in Crore

	Reserves and Surplus						Other Comprehensive Income (OCI)			
	Securities Premium	**General Reserve**	**Capital Reserve**	**Treasury Shares**	**Retained Earnings**	**Employee Stock Options Reserve**	**Debt Instruments through Other Comprehensive Income**	**Equity Instruments through Other Comprehensive Income**	**Hedging Reserve**	**Total**
Balance as at 1st April, 2020	23,695.91	11,584.37	3,670.17	(111.74)	4,838.60	52.66	6.39	(6,173.43)	(2.90)	37,560.03
Profit for the Year	-	-	-	-	905.00	-	-	-	-	905.00
Other Comprehensive Income for the Year	-	-	-	-	@48.58	-	2.15	4,536.77	1.41	4,588.91
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**953.58**	**-**	**2.15**	**4,536.77**	**1.41**	**5,493.91**
Dividends Paid	-	-	-	-	(262.65)	-	-	-	-	(262.65)
Shares issued to employees on exercise of Employee stock options	-	-	-	3.21	-	-	-	-	-	3.21
Employee Stock Options Exercised	17.50	-	-		-	(4.95)	-	-	-	12.55
Employee Stock Options Granted (net of lapses)	-	-	-	-	-	9.19	-	-	-	9.19
Cancellation of vested employee stock options	-	0.19	-	-	-	(0.19)	-	-	-	-
Balance as at 31st March, 2021	**23,713.41**	**11,584.56**	**3,670.17**	**(108.53)**	**5,529.53**	**56.71**	**8.54**	**(1,636.66)**	**(1.49)**	**42,816.24**

@ Represents remeasurement of Defined Benefit Plan

Significant Accounting Policies - Refer Note -1

The accompanying Notes are an integral part of the Standalone Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Standalone Statement of Cash Flows

for the year ended 31st March 2022

₹ in Crore

	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	**2,881.16**	**932.89**
	Adjustments for:		
	Exceptional Items (refer note 3.10)	69.11	80.99
	Depreciation and Amortisation Expense	913.96	828.17
	Finance Costs	247.24	235.95
	Interest Income	(59.43)	(49.26)
	Dividend Income	(643.02)	(228.83)
	Unrealised Exchange Gain	(1.49)	(1.83)
	Allowance for Credit losses (Net)	(10.43)	5.35
	Provisions against Contingent Liabilities Created & Written Back (refer note 2.29.1{c})	(0.25)	(6.98)
	Loss on Sale/Discard of Property, Plant and Equipment (Net)	9.48	11.20
	Employee Stock Option/Stock Appreciation Right Expenses (note refer 3.6) (net of recovery from a Subsidiary against options granted to their Employees)	34.85	12.13
	Unrealised Gain on Investments measured at Fair Value through Profit or Loss (Net)	(114.48)	(128.64)
	Profit on Sale of Investments (Net)	(33.48)	(50.24)
	Operating profit Before Working Capital Changes	**3,293.22**	**1,640.90**
	Adjustments for:		
	Trade Receivables	(358.75)	190.68
	Financial and Other Assets	(306.31)	(63.53)
	Inventories	(1,761.85)	390.04
	Trade Payables and Other Liabilities	2,440.08	422.80
	Cash Generated from Operations	**3,306.39**	**2,580.89**
	Income Taxes Paid (Net of Refund)	(650.15)	(178.55)
	Net Cash Generated from Operating Activities (A)	**2,656.24**	**2,402.34**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Other Intangible Assets (refer note {ii} below)	(2,538.15)	(1,193.24)
	Proceeds from Disposal of Property, Plant and Equipment	6.55	10.24
	Asset transfer cost on Merger	(28.39)	(206.80)
	Acquisition/Investments in Subsidiaries, Joint Ventures and Associates	(98.72)	(60.90)
	Investment in Other Non-Current Equity Investments	(38.78)	(100.12)
	Sale/(Purchase) of Current Investments {Net}	(1,352.52)	(897.52)
	Loans and Advances given to Subsidiaries, Joint Ventures and Associates	(5.00)	(38.25)
	Receipt against Loans and Advances given to Subsidiaries, Joint Ventures and Associates	15.21	44.45
	Investment in Bank Deposits (having original maturity more than 3 months) and earmarked balances with Banks	(109.17)	(35.55)
	Interest from Subsidiaries, Joint Ventures and Associates	2.77	15.13
	Interest from Others	17.47	17.56
	Dividend from Subsidiaries, Joint Ventures and Associates	611.74	214.94
	Dividend from Others	31.28	13.89
	Net Cash (Used) in Investing Activities (B)	**(3,485.71)**	**(2,216.17)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital under ESOS	8.95	12.60
	Treasury Shares acquired by ESOP Trust	(61.95)	-
	Issue of Treasury Shares	10.48	3.30
	Proceeds from Non-Current Borrowings	1,000.00	515.29
	Repayments of Non-Current Borrowings	(132.76)	(148.39)
	Proceeds/(Repayment) of Current Borrowings (Net)	(905.08)	(1,283.92)
	Proceeds/ (Payment) of Supplier's Credit	183.40	-
	Payments of Lease Liabilities	(20.46)	(16.24)
	Payments of Interest on Lease Liabilities	(5.07)	(5.09)
	Interest & Finance charges Paid (Net of Interest Subsidy)	(262.60)	(324.07)
	Dividend Paid	(591.51)	(262.21)
	Net Cash (used) in Financing Activities (C)	**(776.60)**	**(1,508.73)**
D.	**Net Decrease in Cash and Cash Equivalents (A+B+C)**	**(1,606.07)**	**(1,322.56)**
	Cash and Cash Equivalents at the Beginning of the Year (note 2.12)	69.22	51.03
	Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	1,589.54	1,340.75
	Cash and Cash Equivalents at the End of the Year from Continued Operations (note 2.12)	**52.69**	**69.22**
	Discontinued Operation		
	Cash and Cash Equivalents at the Beginning of the Year	-	-
	Net Cash Generated from Operating Activities (A)	(217.33)	1,395.26
	Net Cash (used) in Investing Activities (B)	(48.93)	(53.86)
	Proceeds from divestment of Fertiliser Business	1,855.80	-
	Net Cash Generated from/ (used) in Financing Activities (C)	-	-
	Net Cash Flow Generated from Discontinued Operations (A+B+C)	1,589.54	1,341.40
	Reclassified as Held for Sale	-	(0.65)
	Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	(1,589.54)	(1,340.75)
	Cash and Cash Equivalents at the End of the Year of Discontinued Operations	-	-
	Cash and Cash Equivalents at the End of the Year	**52.69**	**69.22**

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March 2022

Notes:

(i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013.

(ii) Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Creditors against Capital Expenditure during the year.

(iii) **Supplemental Information**

(a) Non Cash Transaction from Investing Activities

₹ in Crore

Particulars	Balance as at 1st April, 2021	Cash flows	Non-Cash changes Fair Value Adjustment	Reclassified	Balance as at 31st March, 2022
Non-Current Investments	30,627.71	137.50	3,365.65	(189.07)	33,941.79
Current Investments	3,012.02	1,386.00	161.89	189.07	4,748.98
	33,639.73	**1,523.50**	**3,527.54**	**-**	**38,690.77**

₹ in Crore

Particulars	Balance as at 1st April, 2020	Cash flows	Non-Cash changes Fair Value Adjustment	Reclassified	Balance as at 31st March, 2021
Non-Current Investments	25,771.74	161.02	4,791.28	(96.33)	30,627.71
Current Investments	1,770.40	947.76	197.53	96.33	3,012.02
	27,542.14	**1,108.78**	**4,988.81**	**-**	**33,639.73**

(b) Changes in liabilities arising from financing activities

₹ in Crore

Particulars	Balance as at 1st April, 2021	Cash flows	Debt issuance cost	Non-Cash changes Fair Value Adjustment	Balance as at 31st March, 2022
Total Borrowings	**4,163.44**	**(37.84)**	**(2.98)**	**(1.85)**	**4,120.77**

₹ in Crore

Particulars	Balance as at 1st April, 2020	Cash flows	Debt issuance cost	Non-Cash changes Fair Value Adjustment	Balance as at 31st March, 2021
Total Borrowings	**5,091.87**	**(917.02)**	**(0.58)**	**(10.83)**	**4,163.44**

(iv) Refer note 2.3.I.B for cash outflows for lease liabilities.

Significant Accounting Policies Refer Note -1

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Mumbai
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Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

CORPORATE INFORMATION

Grasim Industries Limited ("the Company") is a limited Company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. The Company is a public limited Company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The Company is engaged primarily in Viscose (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Epoxy and allied Chemicals) and others (Insulators, Textiles and Solar Power Designing, Engineering Procurement and Commissioning).

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Derivative Financial Instruments at fair value (covered under para 1.20)
- Certain financial assets and liabilities at fair value [refer accounting policy regarding financial instruments (covered under para 1.22)]
- Assets held for disposal - measured at the lower of its carrying amount and fair value less cost to sell;
- Employee's Defined Benefit Plan measured as per actuarial valuation.
- Employee Stock Option Plans measured at fair value and
- Assets and Liabilities acquired under Business Combination measured at fair value.

1.3 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest Crores, utpo 2 decimal places except as otherwise indicated.

1.4 Business Combination and Goodwill/Capital Reserve:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and

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subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

1.5 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 month period has been considered by the Company as its normal operating cycle.

1.6 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Freehold land is stated at cost less impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of de-commissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably.

Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Standalone Statement of Profit and Loss during the year in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when these are held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

1.7 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

1.8 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

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The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major assets class where useful life considered as provided in Schedule II:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1.	Plant and Machinery - Continuous Process Plant	25 years
2.	Reactors	3 years
3.	Vessel / Storage Tanks	20 years
4.	Factory Buildings	30 years
5.	Building (other than Factory Buildings) RCC Frame Structure	60 years
6.	Electric Installations and Equipment (at Factory)	10 years
7.	Computer and other Hardwares	3 years
8.	General Laboratory Equipment	10 years
9.	Railway Sidings	15 years
10.	- Carpeted Roads- Reinforced Cement Concrete (RCC)	10 years
	- Carpeted Roads- other than RCC	5 years
	- Non Carpeted Roads	3 Years
11.	Fences, wells, tube wells	5 years

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving at the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

B. Assets where useful life differs from Schedule II:

S. No.	Nature of Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life of the Assets
1.	Plant & Machinery:-		
1.1	Other Than Continuous Process Plant (Single Shift)	15 Years	15-20 years
1.2	Other Than Continuous Process Plant (Double Shift)	Additional 50% depreciation over single shift (10 Years)	20 years
1.3	Other Than Continuous Process Plant (Triple Shift)	Additional 100% depreciation over single shift (7.5 Years)	7.5-15 years
2.	Motor Vehicles	6-10 Years	4-5 years
3.	Electronic Office Equipment	5 Years	4 years
4.	Furniture, Fixtures and Electrical Fittings	10 Years	5-7 years
5.	Building (other than Factory Buildings) other than RCC Frame Structures	30 Years	60 years
6.	Power Plant	40 Years	25 years
7.	Servers and Networks	6 Years	3 years
8.	Spares in the nature of PPE		10 years
9.	Assets individually costing less than or equal to ₹ 10,000/-		Fully depreciated in the year of purchase
10.	Separately identified Component of Plant and Machinery		2-25 years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition, and in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

1.9 Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognized as at 1 April, 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets, acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Intangible Assets and their useful lives are as under:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1.	Computer Software	3 years
2.	Trademarks, Technical Know-how	10 years
3.	Value of License/Right to use infrastructure	10 years
4.	Customer Relationship	15-25 years
5.	Brands	10 years
6.	Production Formula	10 years
7.	Distribution Network	5-25 years
8.	Right to Manage and Operate Manufacturing Facility	15 years
9.	Non-compete fees	3 years
10.	Order Backlog	3 months - 1 year

1.10 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalized as an asset, if the following conditions can be demonstrated:

a) The technical feasibility of completing the asset so that it can be made available for use or sell.

b) The Company has intention to complete the asset and use or sell it.

c) In case of intention to sell, the Company has the ability to sell the asset.

d) The future economic benefits are probable.

e) The Company has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

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1.11 Discontinued operations and non-current assets held for sale:

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.12 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.13 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads.

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1.14 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Employee Benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined Contribution Plans:

Contribution payable to the recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Standalone Statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The provident fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

Defined Benefit Plans:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year using projected unit credit method. Gratuity is funded with an approved trust.

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 Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set-up by the Company is additionally provided for.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur.

Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to profit or loss in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the Defined Benefit Plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Standalone Statement of Profit and Loss.

1.17 Employee Share Based Payments:

Equity-settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model and Binomial Model.

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The fair value, determined at the grant date of the equity-settled share-based payments, is charged to Standalone Statement of Profit and Loss on a systematic basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

Cash-settled Transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

1.18 Treasury Shares:

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options whenever exercised, would be settled from such treasury shares.

1.19 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Standalone Statement of Profit and Loss in the period in which these arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences relating to qualifying effective cash flow hedges.

1.20 Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Standalone Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Hedge Accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting

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changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Standalone Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in Standalone Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in Standalone Statement of Profit and Loss.

1.21 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

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At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

1.22 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch').

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Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

Equity Instruments

Investment in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint venture at cost.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts of profit or loss from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of financial assets, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments – for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of Financial Assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in other equity is recognised in Standalone Statement of Profit and Loss.

Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities:

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

De-recognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Standalone Statement of Profit and Loss.

Embedded Derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a re-classification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109, to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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1.23 Revenue Recognition:

(a) Revenue from contracts with customers;

- Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.
- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.
- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(b) Dividend income is accounted for when the right to receive the income is established.

(c) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(d) Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.24 Leases:

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;

- the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

- the Company has the right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Covid-19 related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116 if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessor:

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub - lease. The Company accounted for its sub leases in accordance with Ind AS 116 from the date of initial application.

Leasehold Assets Depreciation:

Leasehold Land and Building	Over the period of Lease

1.25 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognized in Statement of Profit and Loss in the period in which they are incurred.

1.26 Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss.

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When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

1.27 Exceptional Items:

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

1.28 Provision for Current and Deferred Tax:

Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax, relating to items recognised outside of the Statement of Profit and Loss, is recognised outside of the Statement of Profit and Loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except: When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.29 Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried

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forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

1.30 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Warranty Provisions

Provisions for warranty-related costs are recognised as an expense in the Standalone Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

1.31 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders 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 issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of 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 or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.32 Significant Accounting Judgments, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS requires judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Estimation of uncertainties relating to global health pandemic from COVID-19:**

  The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources

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of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

- **Classification of Lease Ind AS 116:**

  Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Litigation and contingencies:**

  The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

- **Assessment of Impairment of investments in subsidiaries, associates and joint ventures:**

  The Company reviews its carrying value of investments in subsidiaries, associates and joint ventures annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments is subsidiaries, associates and joint ventures is impaired requires an estimate in the value in use of investments. The Management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each company based on audited financials, comparable market price and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

- **Useful Lives of Property, Plant and Equipment and Intangible Assets:**

  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Measurement of Defined Benefit Obligation:**

  The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Deferred Tax Assets / Deferred Tax liability:**

  Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the Company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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- **Recognition and Measurement of Provisions and Contingencies:**

  Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair Value Measurement of Financial Instruments:**

  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgement include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

  The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.10

1.33 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

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2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

Description	Gross Block					Accumulated Depreciation					Net Block
	As at 1st April 2021	Additions	Deductions	(Transfer) from Discontinued Operations	As at 31st March, 2022	As at 1st April 2021	For the Year	Adjustments/ Deductions	(Transfer) from Discontinued Operations	As at 31st March, 2022	As at 31st March, 2022
TANGIBLE ASSETS #											
Freehold Land	831.52	370.90	-	-	1,202.42	-	-	-	-	-	1,202.42
Leasehold Improvements	2.51	4.46	-	-	6.97	1.93	0.64	-	-	2.57	4.40
Buildings	1,913.14	680.77	1.72	(3.02)	2,595.21	382.41	94.42	0.88	(0.36)	476.31	2,118.90
Plant and Equipment	10,242.25	3,485.67	63.23	(0.31)	13,665.00	2,990.90	653.85	52.98	(0.11)	3,591.88	10,073.12
Furniture and Fixtures	80.52	14.45	3.58	-	91.39	49.32	11.57	3.32	-	57.57	33.82
Vehicles	134.83	23.05	15.77	-	142.11	79.21	17.90	11.96	-	85.15	56.96
Office Equipment	123.77	117.15	7.60	(0.04)	233.36	69.53	23.49	6.68	(0.03)	86.37	146.99
Salt Pans, Reservoir and Condensers	7.41	-	-	-	7.41	7.04	-	-	-	7.04	0.37
Railway Sidings	20.57	1.25	-	-	21.82	12.69	0.94	-	-	13.63	8.19
Total Tangible Assets	**13,356.52**	**4,697.70**	**91.90**	**(3.37)**	**17,965.69**	**3,593.03**	**802.81**	**75.82**	**(0.50)**	**4,320.52**	**13,645.17**

₹ in Crore

Description	Gross Block					Accumulated Depreciation					Net Block
	As at 1st April 2020	Additions	Deductions	Deduction on account of Discontinued Operations (note 4.4)	As at 31st March 2021	As at 1st April 2020	For the Year*	Adjustments/ Deductions	Deduction on account of Discontinued Operations (note 4.4)	As at 31st March 2021	As at 31st March 2021
TANGIBLE ASSETS #											
Freehold Land	839.73	0.54	0.91	7.84	831.52	-	-	-	-	-	831.52
Leasehold Improvements	2.57	-	0.06	-	2.51	1.74	0.21	0.02	-	1.93	0.58
Buildings	1,911.70	50.16	0.14	48.58	1,913.14	312.53	76.26	0.04	6.34	382.41	1,530.73
Plant and Equipment	10,585.58	297.15	93.21	547.27	10,242.25	2,575.91	616.51	77.00	124.52	2,990.90	7,251.35
Furniture and Fixtures	77.54	6.21	1.84	1.39	80.52	40.01	11.71	1.60	0.80	49.32	31.20
Vehicles	139.87	9.95	13.50	1.49	134.83	71.67	18.35	10.01	0.80	79.21	55.62
Office Equipment	113.44	15.97	3.12	2.52	123.77	55.01	18.70	2.67	1.51	69.53	54.24
Salt Pans, Reservoir and Condensers	7.41	-	-	-	7.41	7.04	-	-	-	7.04	0.37
Railway Sidings	20.86	-	-	0.29	20.57	11.77	0.92	-	-	12.69	7.88
Total Tangible Assets	**13,698.70**	**379.98**	**112.78**	**609.38**	**13,356.52**	**3,075.68**	**742.66**	**91.34**	**133.97**	**3,593.03**	**9,763.49**

* Includes depreciation of ₹ 25.55 Crore of Fertilizer business for the previous year classified as discontinued operations.

Net Block of Tangible Assets amounting to ₹ 433.27 Crore (Previous Year ₹ 1,517.24 Crore) are pledged as security against the secured borrowings.

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2.1.1 Capital-Work-in Progress (CWIP)

As at 31st March, 2022

A) CWIP ageing schedule:

₹ in Crore

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,195.45	208.75	196.37	86.90	1,687.47
Projects temporarily suspended	-	-	-	52.67	52.67
Total	**1,195.45**	**208.75**	**196.37**	**139.57**	**1,740.14**

B) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

₹ in Crore

Projects	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in Progress:					
Captive power plant - Vilayat	170.63	-	-	-	170.63
45MW Turbine project - Vilayat	84.34	-	-	-	84.34
EDTA & CAP Project - Kharach	80.66	-	-	-	80.66
CSY Expansion-Plant	70.67	-	-	-	70.67
Wet Sulphric Acid	70.12	-	-	-	70.12
Others	280.51	37.72	1.13	-	319.36
Subtotal	**756.93**	**37.72**	**1.13**	**-**	**795.78**
ii) Projects temporarily suspended:					
Aditya Birla Tower	-	-	-	52.67	52.67
Subtotal	**-**	**-**	**-**	**52.67**	**52.67**

As at 31st March, 2021

A) CWIP ageing schedule:

₹ in Crore

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,374.67	1,811.11	762.03	14.74	3,962.55
Projects temporarily suspended	0.30	2.22	14.26	54.10	70.88
Total	**1,374.97**	**1,813.33**	**776.29**	**68.84**	**4,033.43**

B) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

₹ in Crore

Projects	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in Progress:					
Vilayat expansion Project Line 5 and 6	1,474.22	-	-	-	1,474.22
Caustic capacity expansion - BBPuram	504.35	32.66	-	-	537.01
Carbon-disulphide Adsorption Plant (CAP)-Vilayat	237.38	-	-	-	237.38
Debottlenecking 250 TPD Caustic- Rehla	234.80	-	-	-	234.80
Captive power plant - Vilayat	24.28	152.93	-	-	177.21
Others	921.34	54.21	-	-	975.55
Subtotal	**3,396.37**	**239.80**	**-**	**-**	**3,636.17**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

Projects	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
ii) Projects temporarily suspended:					
Aditya Birla Tower	-	-	-	52.67	52.67
100 / 132 KVA MSEB Power Supply Line	18.21	-	-	-	18.21
Subtotal	**18.21**	**-**	**-**	**52.67**	**70.88**

Notes:

2.1.2

a) Title deeds of Immovable Properties not held in name of the Company as on 31st March, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative there of or employee there of	Property held since	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land (A)	286.26	Aditya Birla Nuvo Limited	No	5 Years	The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/demerger are in process of being transferred in the name of the company.
		143.92	Jayahsree Textiles Limited	No	50 Years	
		23.44	Indian Rayon Corporation Limited	No	50 Years	
		3.61	Indian Rayon And Industries Limited	No	50 Years	
		47.50	Jaya Shree Textiles	No	50 Years	
		1.77	Solaris Chemtech Limited	No	14 Years	
		57.23	Andhra Pradesh Industrial Investment Corporation	No	3 Years	Transfer is in process.
		38.60	Bharat Commerce & Industries Limited	No	8 Years	Under Legal Proceeding.
		0.51	Various Individual Parties	No	Year 1985-2015	Under Legal Proceeding.
		602.84				
	Building (B)	154.93	Aditya Birla Nuvo Limited	No	5 Years	The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/demerger are in process of being transferred in the name of the company.
		96.82	Jayahsree Textiles Limited	No	50 Years	
		15.77	Indian Rayon Corporation Limited	No	50 Years	
		2.43	Indian Rayon And Industries Limited	No	50 Years	
		23.54	Jaya Shree Textiles	No	50 Years	
		7.62	Jiyajee Rao Cotton Mills	No	7 Years	Under Legal Proceeding
		6.10	Solaries Chemtech Limited (SCIL)	No	14 Years	This land has not yet been transferred in the name of M/s SCIL post its past amalgamations due to some dispute regarding payment of outstanding stamp duty. Unless M/s SCIL is able to pay the stamp duty and get the land regularized in their own name, it will not be possible for us (ABCIL/GIL) to get it transferred in our name. The dispute of Stamp Duty is pending before Gujrat High Cort (GHC), Ahmedabad.
		307.21				
	Total (A+B)	**910.05**				

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

b) Title deeds of Immovable Properties not held in name of the Company as on 31st March, 2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative there of or employee there of	Property held since	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land (A)	289.15	Aditya Birla Nuvo Limited	No	4 Years	The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/demerger are in process of being transferred in the name of the company.
		143.92	Jayahsree Textiles Limited	No	49 Years	
		23.44	Indian Rayon Corporation Limited	No	49 Years	
		3.61	Indian Rayon And Industries Limited	No	49 Years	
		47.50	Jaya Shree Textiles	No	49 Years	
		1.77	Solaris Chemtech Limited	No	13 Years	
		1.46	Jayshree Chemicals Limited	No	6 Years	
		57.23	Andhra Pradesh Industrial Investment Corporation	No	2 Years	Transfer is in process.
		38.60	Bharat Commerce & Industries Limited	No	7 Years	Under Legal Proceeding.
		0.51	Various Individual Parties	No	Year 1985-2015	Under Legal Proceeding.
		607.19				
	Building (B)	15.19	Bihar Caustics and Chemicals Limited	No	35 Years	The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/demerger are in process of being transferred in the name of the company.
		138.04	Aditya Birla Nuvo Limited	No	4 Years	
		96.82	Jayahsree Textiles Limited	No	49 Years	
		15.77	Indian Rayon Corporation Limited	No	49 Years	
		2.43	Indian Rayon And Industries Limited	No	49 Years	
		22.47	Jaya Shree Textiles	No	49 Years	
		6.10	Solaries Chemtech Limited (SCIL)	No	13 Years	This land has not yet been transferred in the name of M/s SCIL post its past amalgamations due to some dispute regarding payment of outstanding stamp duty. Unless M/s SCIL is able to pay the stamp duty and get the land regularized in their own name, it will not be possible for us (ABCIL/GIL) to get it transferred in our name. The dispute of Stamp Duty is pending before Gujrat High Cort (GHC), Ahmedabad.
		7.62	Jiyajee Rao Cotton Mills	No	6 Years	Under Legal Proceeding.
		52.09	Grasim Premium Fabric Private Limited	No	2 Years	Certified NCLT order is required to start the process of transferring asset in name of Grasim Industries Ltd. Awaiting for the certified order copy.
		356.53				
	Total (A+B)	**963.72**				

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

		As at 31st March, 2022	As at 31st March, 2021
2.1.3	**Property Plant and Equipment (PPE) held on Co-ownership with other companies (Company's Share):**		
	Buildings	72.76	72.76
	Plant and Equipment	0.40	0.40
	Furniture and Fixtures	2.17	2.17
	Vehicles	0.07	0.07
	Office Equipments	2.21	2.21
	Gross Block	77.61	77.61
	Net Block	43.01	46.06
2.1.4	**Property Plant and Equipment (PPE) includes Capital Expenditure for Research and Development activities by approved in-house R&D Centres:**		
	Gross Block	182.44	180.99
	Net Block	102.95	108.90
	Additions during the Year	7.12	9.23
	Capital Work-in-Progress	1.82	1.48
2.1.5	**Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:**		
	Expenditure incurred during the year:		
	Raw Materials Consumed	21.08	-
	Salaries, Wages and Bonus	59.90	36.48
	Contribution to Provident and Other Funds	2.48	1.65
	Contribution to Gratuity Fund	0.41	0.56
	Expenses on Employee Stock Option Scheme	0.33	0.23
	Borrowing Costs	97.02	80.53
	Power and Fuel	6.74	0.56
	Consumption Of Stores, Spare Parts And Components, Packing Materials And Incidental Expenses	1.59	1.60
	Repairs and Maintenance	6.01	1.76
	Insurance	0.25	3.19
	Rent	1.39	0.68
	Miscellaneous Expenses	29.76	13.97
		226.96	**141.21**
	Less: Income Earned during the year		
	Sale of Trial Run Production	24.99	-
		24.99	**-**
	Total Pre-Operative Expenses incurred during the year	**201.97**	**141.21**
	Add: Pre-Operative Expenditure Incurred upto Previous Year	292.38	157.50
	Less: Pre-Operative Expenditure Allocated to PPE during the Year	363.96	6.33
	Total Pre-Operative Expenses Pending Allocation	**130.39**	**292.38**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.2.1 OTHER INTANGIBLE ASSETS

₹ in Crore

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1st April 2021	Additions	Adjustments/ Deductions	As at 31st March, 2022	As at 1st April 2021	For the Year	Adjustments/ Deductions	As at 31st March, 2022	As at 31st March, 2022
INTANGIBLE ASSETS									
Computer Software	27.65	4.83	(0.13)	32.35	20.12	4.24	(0.10)	24.26	8.09
Value of License/Right to Use	62.99	34.02	-	97.01	37.51	5.91	-	43.42	53.59
Customer Relationship	369.90	-	-	369.90	60.17	16.84	-	77.01	292.89
Distribution Network	20.03	-	-	20.03	8.05	4.01	-	12.06	7.97
Order Backlog	16.70	-	-	16.70	16.70	-	-	16.70	-
Technical Know-how	27.24	-	-	27.24	7.27	2.55	-	9.82	17.42
Trademark and Brand	67.93	0.03	-	67.96	25.81	7.88	-	33.69	34.27
Right to Manage and Operate Manufacturing Facilities	666.50	-	-	666.50	140.07	44.48	-	184.55	481.95
Non Compete	21.50	-	-	21.50	21.50	-	-	21.50	-
Total Intangible Assets	**1,280.44**	**38.88**	**(0.13)**	**1,319.19**	**337.20**	**85.91**	**(0.10)**	**423.01**	**896.18**

₹ in Crore

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1st April 2020	Additions	Deduction on account of Discontinued Operations (note 4.4)	As at 31st March, 2021	As at 1st April 2020	For the Year*	Deduction on account of Discontinued Operations (note 4.4)	As at 31st March, 2021	As at 31st March, 2021
INTANGIBLE ASSETS									
Computer Software	24.40	3.44	0.19	27.65	15.80	4.49	0.17	20.12	7.53
Value of License/Right to Use	62.99	-	-	62.99	31.49	6.02	-	37.51	25.48
Customer Relationship	369.90	-	-	369.90	43.33	16.84	-	60.17	309.73
Production Formula	19.00	-	19.00	-	5.23	1.17	6.40	-	-
Distribution Network	69.93	-	49.90	20.03	9.52	5.23	6.70	8.05	11.98
Order Backlog	16.70	-	-	16.70	16.70	-	-	16.70	-
Technical Know-how	27.24	-	-	27.24	4.75	2.52	-	7.27	19.97
Trademark and Brand	151.23	0.20	83.50	67.93	40.90	13.01	28.10	25.81	42.12
Right to Manage and Operate Manufacturing Facilities	666.50	-	-	666.50	95.58	44.49	-	140.07	526.43
Non Compete	21.50	-	-	21.50	15.54	5.96	-	21.50	-
Total Intangible Assets	**1,429.39**	**3.64**	**152.59**	**1,280.44**	**278.84**	**99.73**	**41.37**	**337.20**	**943.24**

* Includes Amortisation of ₹ 7.52 Crore of Fertilizer business classified as discontinued operations.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.2.2 Intangible Assets Under Development (IAUD):

As at 31st March, 2022

A) Aging schedule:

₹ in Crore

IAUD	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.65	-	-	-	2.65
Projects temporarily suspended	-	-	-	-	-
Total	**2.65**	**-**	**-**	**-**	**2.65**

B) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan: Nil

2.3 LEASES

I. AS A LESSEE

A. Right of Use Assets

Carrying value of right of use assets as at 31st March, 2022

₹ in Crore

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Block
	As at 1st April 2021	Addition during the Year	(Transfer) from Discontinued Operations	Deletion during the Year	As at 31st March, 2022	As at 1st April 2021	Deletion during the Year	(Transfer) from Discontinued Operations	Depreciation for the Year	As at 31st March, 2022	As at 31st March, 2022
Land #	222.50	0.10	-	-	222.60	17.18	-	-	1.49	18.67	203.93
Building	86.98	43.64	(47.34)	13.54	164.42	38.74	7.85	(3.48)	22.04	56.41	108.01
Plant and Machinery	8.60	-	-	0.31	8.29	5.17	0.22	-	1.71	6.66	1.63
Total	**318.08**	**43.74**	**(47.34)**	**13.85**	**395.31**	**61.09**	**8.07**	**(3.48)**	**25.24**	**81.74**	**313.57**

Carrying value of right of use assets as at 31st March, 2021

₹ in Crore

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Block
	As at 1st April 2020	Addition during the Year	Deduction on account of Discontinued Operations (note 4.4)	Deletion during the Year	As at 31st March, 2021	As at 1st April 2020	Deletion during the Year	Deduction on account of Discontinued Operations (note 4.4)	Depreciation for the Year	As at 31st March, 2021	As at 31st March, 2021
Land #	426.11	-	(203.61)	-	222.50	24.71	-	(11.58)	4.05	17.18	205.32
Building	94.54	16.80	(1.97)	22.39	86.98	43.04	18.02	(1.97)	15.69	38.74	48.24
Plant and Machinery	8.60	-	-	-	8.60	3.51	-	-	1.66	5.17	3.43
Total	**529.25**	**16.80**	**(205.58)**	**22.39**	**318.08**	**71.26**	**18.02**	**(13.55)**	**21.40**	**61.09**	**256.99**

Includes Leasehold land of ₹ 133.86 Crore (previous year ₹ 133.86 Crore) of co-ownership with other companies.

* Includes Depreciation of ₹ 2.55 Crore towards Fertilizer business classified as discontinued operations.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

Title deeds of lease deed not held in name of the Company as on 31st March, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative there of or employee thereof	Property held since which date	Reason for not being held in the name of the company
Right of Use Assets	Leasehold land (A)	1.10	Bihar Caustics And Chemicals Limited	No	42 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/demerger are in process of being transferred in the name of the company.
		1.27	Kanoria Chemicals & Industries Limited	No	12 Years	
	Leasehold Building Gross Block (B)	4.70	Aditya Birla Nuvo Limited	No	5 Years	
	Total (A+B)	**7.07**				

Title deeds of lease deed not held in name of the Company as on 31st March, 2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative there of or employee thereof	Property held since which date	Reason for not being held in the name of the company
	Leasehold land (A)	5.18	Solaris Chemtech Limited	No	19 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/demerger are in process of being transferred in the name of the company.
		10.75	Aditya Birla Nuvo Limited	No	5 Years	
		1.41	Bihar Caustics And Chemicals Limited	No	41 Years	
		1.27	Kanoria Chemicals & Industries Limited	No	11 Years	
		0.24	Jayshree Chemicals Limited	No	6 Years	
		8.72	Grasim Premium Fabric Private Limited	No	2 Years	Certified NCLT order is required to start the process of transferring asset in name of Grasim Industries Ltd. Awaiting for the certified order copy.
	Leasehold Building Gross Block (B)	4.70	Aditya Birla Nuvo Limited	No	4 Years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/demerger are in process of being transferred in the name of the company.
	Total (A+B)	**32.27**				

B. Lease liabilities:

The following is the movement in lease liabilities during the year ended:

₹ in Crore

Particulars	31st March 2022	31st March 2021
Opening Lease Liability as on 1st April	59.79	66.21
Addition during the year	52.26	16.57
Cancellation of lease contracts	(11.83)	(4.45)
Finance Cost accrued during the period	5.07	5.09
Liability classified as Held for Sale	-	(2.30)
Payment of Lease Liabilities	(25.53)	(21.33)
Closing Lease Liabilities	**79.76**	**59.79**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

Maturity analysis of lease liability

₹ in Crore

Maturity analysis – contractual undiscounted cash flows	31st March 2022	31st March 2021
Less than one year	25.22	18.55
One to five years	84.62	47.36
More than five years	6.31	19.96
Total undiscounted lease liabilities	**116.15**	**85.87**
Lease liabilities included in the statement of financial position		
Current	24.13	14.45
Non-Current	55.63	45.34

Amounts recognised in the Statement of Profit and Loss

₹ in Crore

Particulars	31st March 2022	31st March 2021
Interest on lease liabilities	5.07	5.09
Variable lease payments not included in the measurement of lease liabilities	0.15	0.11
Expenses relating to short-term leases	15.70	10.51
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.86	0.99

During the year the Company had recognised rent concession of ₹ Nil (Previous year ₹ 1.24 Crore), applying Practical expedient to eligible leased contracts.

Amounts recognised in the statement of cash flows

₹ in Crore

Particulars	31st March 2022	31st March 2021
Total cash outflow for leases	25.53	21.33

The weighted average incremental borrowing rate applied to lease liabilities as at is between the range of 5.60% to 8.24% for a period varying from 2 to 9 years.

II As Lessor

Operating Lease

The Company has entered into operating leases on its office buildings. These leases have terms of 10 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The total rents recognised as income during the year is ₹ 1.3 Crore (31st March 2021: 0.31 Crore). Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

₹ in Crore

Particulars	31st March 2022	31st March 2021
Within one year	1.34	1.30
After one year but not more than five years	5.78	7.12
More than five years	4.52	4.52

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN EQUITY INSTRUMENTS

(Fully paid up)

₹ in Crore

Particulars	Face Value	Number of Shares/ Securities	As at 31st March, 2022	Number of Shares/ Securities	As at 31st March, 2021
Subsidiaries: Carried at Cost					
UltraTech Cement Limited #	₹ 10	165,335,150	2,636.25	165,335,150	2,636.25
Aditya Birla Capital Limited #	₹ 10	1,309,240,000	17,846.95	1,309,240,000	17,846.95
ABNL Investment Limited	₹ 10	28,140,000	108.79	28,140,000	108.79
Samruddhi Swastik Trading and Investments Limited	₹ 10	6,500,000	6.50	6,500,000	6.50
Aditya Birla Renewables Limited	₹ 10	378,228,795	385.12	320,025,356	326.92
Aditya Birla Solar Limited	₹ 10	66,585,354	66.83	66,585,354	66.83
ABReL Solar Power Limited	₹ 10	5,033,600	5.03	-	-
			21,055.47		**20,992.24**
Joint Ventures: Carried at Cost					
AV Group NB Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 38.25 Million	WPV	204,750	153.04	204,750	153.04
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey	₹ 10	16,665	0.47	16,665	0.47
AV Terrace Bay Inc., Canada	CAD 1	28,000,000	156.36	28,000,000	156.36
Aditya Group AB, Sweden	SEK 1000	50	274.89	50	274.89
Bhubaneswari Coal Mining Limited	₹ 10	33,540,000	33.54	33,540,000	33.54
Aditya Birla Power Composites Limited	₹ 10	22,732,740	22.73	17,548,080	17.55
Birla Jingwei Fibres Company Limited, China, Shares of aggregate value of RMB 174.53 Million	WPV	-	117.40	-	117.40
Birla Advanced Knits Private Limited	₹ 10	15,000,000	15.00	-	-
			773.43		**753.25**
Associates: Carried at Cost					
Aditya Birla Science & Technology Company Private Limited	₹ 10	9,899,500	11.35	9,899,500	11.35
Renew Surya Uday Private Limited	₹ 10	5,104,000	15.31	-	-
			26.66		**11.35**
			21,855.56		**21,756.84**

WPV - Without Par Value

Quoted Investments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2.4.1 Aggregate Book Value of:		
Quoted Investments	20,483.20	20,483.20
Unquoted Investments	1,372.36	1,273.64
	21,855.56	**21,756.84**
Aggregate Market Value of Quoted Investments	123,253.19	127,021.23

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.5 NON-CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

₹ in Crore

Particulars	Face Value	Number of Shares/ Securities	As at 31st March, 2022	Number of Shares/ Securities	As at 31st March, 2021
Investments in Equity Shares:					
Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 4.10 A}					
Thai Rayon Public Company Limited, Thailand #	Thai Baht 1	13,988,570	155.48	13,988,570	103.93
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	644.78	5,000	591.40
Hindalco Industries Limited #	₹ 1	88,048,812	5,014.38	88,048,812	2,877.88
Vodafone Idea Limited #	₹ 10	3,317,566,167	3,201.45	3,317,566,167	3,068.75
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	2.73	422,496	2.73
Birla International Limited - British Virgin Islands	USD 100	2,500	5.18	2,500	5.18
Aditya Birla Fashion and Retail Limited #	₹ 10	97,593,931	2,948.31	87,380,613	1,758.53
Aditya Birla Fashion and Retail Limited - (Partly Paid Up of ₹ 7.5) #	₹ 10	-	-	10,213,318	172.49
Bhadreshwar Vidyut Private Limited	₹ 10	5,069,000	0.10	5,069,000	0.10
			11,972.41		**8,580.99**
Investments in Preference Shares:					
Carried at fair value through Profit or Loss (FVTPL)					
Joint Ventures					
6% Cumulative Redeemable Retractable Non-voting Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 Million	WPV	6,750,000	34.28	6,750,000	31.02
1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million	WPV	160,000	49.88	160,000	50.86
Others					
8% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion & Retail Limited	₹ 10	500,000	0.98	500,000	0.94
8% Preference Shares of Birla Management Centre Services Limited (! Represents amount of ₹ 2,000)	₹ 10	-	-	200	!
			85.14		**82.82**
Investment in Partnership Firm					
Clean Max Power 3 LLP		-	26.60	-	15.91
Investments In various Mutual Funds units: Carried at Fair Value through Profit or Loss (Note 4.10 A)	₹ 10	1,999,900	2.08	152,000,000	191.15
			12,086.23		**8,870.87**

All shares are fully paid-up , unless otherwise stated

WPV - Without Par Value

Quoted Investments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2.5.1 Aggregate Book Value of:		
Quoted Investments	11,319.62	7,981.58
Unquoted Investments	766.61	889.29
	12,086.23	**8,870.87**
Aggregate Market Value of Quoted Investments	11,319.62	7,981.58

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.5.2 Category wise Non-Current Investments:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Quoted:		
Financial Investments measured at FVTOCI		
Equity Shares	11,319.62	7,981.58
	11,319.62	**7,981.58**
Unquoted:		
Financial Investments measured at FVTOCI		
Equity Shares	652.79	599.41
Sub-Total (a)	**652.79**	**599.41**
Financial Investments measured at FVTPL		
Mutual Fund Units	2.08	191.15
Preference Shares	85.14	82.82
Investment in Partnership Firm	26.60	15.91
Sub-Total (b)	**113.82**	**289.88**
Total (a+b)	**766.61**	**889.29**

2.6 LOANS

(Unsecured, Considered Good)
(Carried at Amortised Cost)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans to Employees	9.14	7.98
	9.14	**7.98**

2.7 NON-CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised Cost)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposits with Banks with maturity more than 12 months #	1.74	1.60
Security Deposits to Related Parties (Note 4.6.3)	35.90	36.12
Receivable towards divested businesses*	46.26	35.12
Less: Provision towards divested businesses	(11.14)	-
Security Deposits	194.71	183.47
Less: Provision on deposits	(0.44)	(0.44)
Government Grant & Incentive Receivable	48.09	21.63
Less: Provision towards Government Incentive	(3.76)	-
	311.36	**277.50**

* The Company has to receive from purchaser towards tax refunds of ₹ 35.12 Crore

Lodged as security with Government Departments

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.8 OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances for Purchase of Property, Plant and Equipment	116.05	95.65
Other Advances (Deposits with Government Authorities, etc.)	89.72	7.85
	205.77	**103.50**

2.9 INVENTORIES

(Valued at lower of cost and net realisable value)

₹ in Crore

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,264.41	970.57	2,234.98	629.86	554.95	1,184.81
Work-in-Progress	233.99	-	233.99	184.06	-	184.06
Finished Goods	740.32	191.64	931.96	396.60	50.58	447.18
Stock-in-trade	25.04	-	25.04	21.28	0.07	21.35
Stores and Spare Parts	387.72	119.01	506.73	260.90	72.74	333.64
Waste/Scrap (valued at Net Realisable Value)	8.14	-	8.14	7.95	-	7.95
	2,659.62	**1,281.22**	**3,940.84**	**1,500.65**	**678.34**	**2,178.99**

2.9.1 The Company follows adequate accounting policy for writing down the value of Inventories towards slow moving, non-moving and surplus inventories. Write down of Inventories (Net of reversals) for the year ₹ 18.20 Crore (Previous year ₹ 42.82 Crore).

This is included as part of cost of materials consumed and changes in inventory of finished goods, work in progress and stock in trade in statement of profit and loss. Inventory values shown above are net of the write down.

2.9.2 Working Capital Borrowings are secured by hypothecation of inventories of the Company (refer note 2.19).

2.10 CURRENT FINANCIAL ASSETS- INVESTMENTS

₹ in Crore

Particulars	Face Value	Number of Shares/ Securities	As at 31st March, 2022	Number of Shares/ Securities	As at 31st March, 2021
Quoted:					
Investment in Equity Share: Carried at FVTOCI					
Larsen & Toubro Limited	₹ 2	1,495,993	264.44	1,495,993	212.27
Investments in Debentures and Bonds: Carried at FVTOCI					
7.34 % Indian Railway Finance Corporation Limited - Tax-Free Bond - 2028	₹ 1,000	600,000	67.97	600,000	69.89
8.10 % Housing and Urban Development Corporation Limited -Tax-Free Bond - 2022	₹ 1,000	-	-	195,000	20.21
7.18 % Indian Railway Finance Corporation Limited - Tax-Free Bond - 2023	₹ 1,000	190,000	19.52	190,000	20.06

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

Particulars	Face Value	Number of Shares/ Securities	As at 31st March, 2022	Number of Shares/ Securities	As at 31st March, 2021
11.50 % Family Credit Limited Perpetual Taxable Bond - 2021	₹ 1,000,000	-	-	112	11.20
8.20 % Power Finance Corporation Limited - Tax-Free Bond - 2022	₹ 1,000	-	-	119,546	12.37
Unquoted:					
Investment in various Mutual Funds Units: Carried at FVTPL (note 2.10.3)		1,125,630,422	4,207.05	493,717,211	2,566.02
Certificate of Deposits			190.00		100.00
			4,748.98		**3,012.02**

All shares are fully paid-up, unless otherwise stated

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2.10.1 Aggregate Book Value of:		
Quoted Investments	351.93	346.00
Unquoted Investments	4,397.05	2,666.02
	4,748.98	**3,012.02**
Aggregate Market Value of Quoted Investments	351.93	346.00
Aggregate Impairment in Value of Investments	-	-

2.10.2 Category wise Current Investments:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Quoted:		
Financial Investments measured at FVTOCI		
Equity Shares	264.44	212.27
Debentures or Bonds	87.49	133.73
	351.93	**346.00**
Unquoted:		
Financial Investments measured at FVTPL		
Mutual Fund Units	4,207.05	2,566.02
Certificate of Deposits	190.00	100.00
	4,397.05	**2,666.02**

2.10.3 With respect to the disputed dividend distribution tax demand for the assessment year 2018-19, in previous year the Company has furnished a non-disposal undertaking to the Income Tax department undertaking that the Company shall not dispose certain mutual fund investment having value of ₹ 816.54 Crore (Previous year ₹ 777.52 Crore).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.11 TRADE RECEIVABLES *

(Carried at Amortised Cost, except otherwise stated)

(Unsecured, unless otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered Good@ {Secured ₹ 61.38 Crore, Previous Year ₹ 42.86 Crore}	1,690.42	1,312.03
Trade Receivables which have significant increase in credit risk	5.73	9.83
Trade Receivables- credit impaired	38.70	53.95
	1,734.85	**1,375.81**
Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired	44.43	63.78
	1,690.42	**1,312.03**
Trade receivables are interest and non-interest bearing and are generally upto 120 days terms.		
@ Includes amount due from related parties (Note 4.6.3)	9.38	80.45
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	260.51	209.25

2.11.1 Working Capital Borrowings are secured by hypothecation of Book debts of the Company (refer note 2.19).

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2.11.2 **Trade Receivables ageing schedule**

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2022						
Undisputed Trade receivables - considered good	426.80	7.97	3.40	-	-	438.17
Undisputed Trade receivables - which have significant increase in credit risk	-	2.95	2.60	-	-	5.55
Undisputed Trade receivables - credit impaired	-	-	-	11.49	1.51	13.00
Disputed Trade receivables - considered good	0.18	0.15	0.14	-	-	0.47
Disputed Trade receivables - which have significant increase in credit risk	-	0.04	0.14	-	-	0.18
Disputed Trade receivables - credit impaired	-	0.18	0.15	2.73	22.64	25.70
Total (A)						**483.07**
Not Due - Undisputed (B)						**1,251.78**
Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired (C)						**44.43**
Net Total (A+B-C)						**1,690.42**
Add: Unbilled Revenue						**-**
Grand Total						**1,690.42**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2021						
Undisputed Trade receivables - considered good	260.63	11.82	7.92	0.27	-	280.64
Undisputed Trade receivables - which have significant increase in credit risk	-	3.81	5.28	-	-	9.09
Undisputed Trade receivables - credit impaired	-	-	-	2.05	0.67	2.72
Disputed Trade receivables - considered good	-	0.55	-	-	-	0.55
Disputed Trade receivables - which have significant increase in credit risk	-	0.18	0.56	-	-	0.74
Disputed Trade receivables - credit impaired	-	0.18	0.30	42.45	8.30	51.23
Total (A)						**344.97**
Not Due - Undisputed (B)						**1,030.84**
Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired (C)						**63.78**
Net Total (A+B-C)						**1,312.03**
Add: Unbilled Revenue						**-**
Grand Total						**1,312.03**

2.12 CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
In Current Account	47.29	68.39
In EEFC Account	0.03	0.01
Cheques in Hand	4.43	-
Cash on Hand	0.94	0.82
	52.69	**69.22**

There are no restrictions with regard to cash and cash equivalents as at the end of reporting period and prior period.

2.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked Balance with Banks		
In Government Treasury Saving Account	0.03	0.03
Unclaimed Dividend	17.40	16.64
Bank Deposits (with maturity more than 3 months but less than 12 months)*	155.21	46.80
	172.64	**63.47**

- There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2022 and 31st March, 2021.

* Includes		
Lodged as Security with Government Departments	31.62	30.64
Unclaimed Fractional Warrants Of this the Company is in the process of transferring Fixed Deposits amounting to ₹ 4.24 Crore (Previous year ₹ 3.96 Crore) including interest in its own name.	0.88	0.88

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.14 LOANS

Unsecured (Considered Good, unless otherwise stated)
(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans to Related Parties (Note 4.6.3)	22.13	32.34
Loan to Employees and Body Corporates	4.31	35.62
	26.44	**67.96**

2.14.1 Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) Loans given to Subsidiaries, Joint Ventures and Associates:

₹ in Crore

Name of Companies	Terms	Maximum Balance Outstanding during the		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Subsidiaries:					
Aditya Birla Solar Limited	Interest rate 8.25% p.a., repayment in 360 days	9.00	13.00	3.00	9.00
Aditya Birla Renewables Limited	Interest rate 8.25% p.a., repayment in 360 days	5.00	5.00	3.00	5.00
Joint Venture:					
Birla Advanced Knits Private Limited	Interest rate 8.25% p.a., repayment in 21 days	5.00	-	-	-
Associate:					
Aditya Birla Science & Technology Company Private Limited	Higher of Gsec of one year or Bank Rate, Repayment in 3 years with early repayment options	18.34	20.54	16.13	18.34
	Total	**37.34**	**38.54**	**22.13**	**32.34**

The Loans have been utilised for meeting the business requirements by respective companies.

(b) Refer Note 2.4 for Investments in Subsidiaries, Associates and Joint Ventures

2.15 CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued on Investments	7.21	15.65
Other Receivables from Related Parties (Note 4.6.3)	0.56	0.77
Derivative Assets	0.01	-
Government Incentive Receivable	26.41	22.76
Security Deposits	42.85	35.84
Others (includes Insurance Claim Receivable, etc.)	18.60	17.29
	95.64	**92.31**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.16 OTHER CURRENT ASSETS

(Unsecured considered good, unless otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Government Authorities	355.56	256.72
Less: Provision towards doubtful dues	(11.33)	(11.33)
Other Receivables from Related Parties (Note 4.6.3)	1.76	1.69
Advances to Suppliers	294.31	199.26
Less: Loss Allowance	(4.62)	(4.56)
Others (includes Prepayments)	144.46	78.24
	780.14	**520.02**

2.17 EQUITY SHARE CAPITAL

2.17.1 Authorised*

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2,062,500,000 Equity Shares of ₹ 2 each (Previous Year 1,472,500,000 Equity Shares of ₹ 2 each)	412.50	294.50
1,100,000 Redeemable Cumulative Preference Shares of ₹ 100 each (Previous Year 1,100,000 shares of ₹ 100 each)	11.00	11.00
	423.50	**305.50**

* Pursuant to clause 8 of the Scheme of Arrangement between Grasim Premium Fabrics Private Limited and the Company (Scheme), authorized equity share capital of the Company increased to 2,062,500,000 equity shares of ₹ 2 each. Effective Date of the Scheme was 21st June 2021.

2.17.2 Issued, Subscribed and Fully Paid-up

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
658,295,426 Equity Shares of ₹ 2 each (Previous Year 658,044,844 Equity Shares of ₹ 2 each) fully paid-up	131.66	131.61
Share Capital Suspense		
28,295 Equity Shares of ₹ 2 each (Previous Year 28,295 Equity Shares of ₹ 2 each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under Scheme of Arrangement without payment being received in cash	0.01	0.01
	131.67	**131.62**

Shares kept in Abeyance

Pursuant to provisions of section 126 of the Companies Act 2013, the issue of 61,895 Equity Shares (Previous Year 61,985 Equity Shares) are kept in abeyance.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.17.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

Particulars	Number of Shares		₹ in Crore	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Outstanding as at the beginning of the year	658,073,139	657,827,233	131.62	131.57
Issued during the year under Employee Stock Option Scheme	250,582	245,906	0.05	0.05
Outstanding as at the end of the year	**658,323,721**	**658,073,139**	**131.67**	**131.62**

2.17.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

2.17.5 The Company does not have any Holding Company.

2.17.6 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Birla Group Holdings Private Limited	125,004,398	18.99%	125,004,398	19.00%
Life Insurance Corporation of India	60,011,298	9.12%	67,562,753	10.27%
IGH Holdings Private Limited	42,436,393	6.45%	37,973,393	5.77%

		As at 31st March, 2022		As at 31st March, 2021	
		No. of Shares	% Holding	No. of Shares	% Holding
2.17.7	Equity Shares of ₹ 2 each (Previous Year ₹ 2 each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement)	56,752,955	8.62%	41,636,682	6.33%

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.17.8 Shareholding of Promoters and Promoters group:

S.No.	Promoter Name	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % Holding	As at 31st March, 2022 % Change during the year	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % Holding	As at 31st March, 2021 % Change during the year
1	Birla Group Holdings Private Limited	125,004,398	18.99%	-0.01%	125,004,398	19.00%	0.00%
2	IGH Holdings Private Limited	42,436,393	6.45%	0.68%	37,973,393	5.77%	0.66%
3	Hindalco Industries Limited	28,222,468	4.29%	0.00%	28,222,468	4.29%	0.00%
4	Umang Commercial Company Private Limited	26,746,262	4.06%	0.00%	26,746,262	4.06%	-0.01%
5	Pilani Investment and Industries Corporation Ltd.	24,714,527	3.75%	-0.01%	24,714,527	3.76%	0.00%
6	P.T. Indo Bharat Rayon*	20,004,020	3.04%	0.00%	20,004,020	3.04%	0.00%
7	Thai Rayon Public Company Limited*	4,774,666	0.73%	0.00%	4,774,666	0.73%	0.44%
8	Anatole Investments Pte Ltd*	4,459,323	0.68%	0.27%	2,713,850	0.41%	0.41%
9	P T Sunrise Bumi Textiles*	1,268,750	0.19%	0.00%	1,268,750	0.19%	0.00%
10	Kumar Mangalam Birla	1,086,993	0.17%	0.00%	1,086,993	0.17%	0.08%
11	P T Elegant Textile Industry*	808,750	0.12%	0.00%	808,750	0.12%	0.00%
12	Birla Institute of Technology and Science	661,205	0.10%	0.00%	661,205	0.10%	0.00%
13	Rajashree Birla	552,850	0.08%	0.00%	552,850	0.08%	0.00%
14	Renuka Investments & Finance Limited	242,185	0.04%	0.00%	242,185	0.04%	0.00%
15	Vasavadatta Bajaj	118,537	0.02%	0.00%	118,537	0.02%	0.00%
16	Aditya Vikram KumarMangalam Birla HUF (Karta- Mr. Kumar Mangalam Birla)	89,720	0.01%	0.00%	89,720	0.01%	0.00%
17	Birla Industrial Finance (India) Limited	87,485	0.01%	0.00%	87,485	0.01%	0.00%
18	Birla Consultants Limited	87,382	0.01%	0.00%	87,382	0.01%	0.00%
19	Neerja Birla	73,062	0.01%	0.00%	73,062	0.01%	0.00%
20	Birla Industrial Investments (India) Limited	18,657	0.00%	0.00%	18,657	0.00%	0.00%
21	Surya Kiran Investments Pte Limited*	5,000	0.00%	0.00%	5,000	0.00%	0.00%
22	Vikram Holdings Pvt Ltd	750	0.00%	0.00%	750	0.00%	0.00%
23	Rajratna Holdings Private Limited	670	0.00%	0.00%	670	0.00%	0.00%
24	Vaibhav Holdings Private Limited	670	0.00%	0.00%	670	0.00%	0.00%
	Total	**281,464,723**	**42.76%**	**0.93%**	**275,256,250**	**41.83%**	**1.58%**

* GDRs held by Promoter Group

		As at 31st March, 2022	As at 31st March, 2021
2.17.9	Shares reserved for issue under options and contracts, including the terms and amounts: For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (refer note 4.9)	1,696,470	1,778,669
2.17.10	Aggregate number of Equity Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.		
	Equity Shares of ₹ 2 each issued in the financial year 2017-2018 as fully paid up to the shareholders of Aditya Birla Nuvo Limited (ABNL), pursuant to the Composite Scheme of Arrangement	190,462,665	190,462,665

Notes

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2.18 OTHER EQUITY

₹ in Crore

Particulars		As at 31st March, 2022	As at 31st March, 2021
a)	**Securities Premium**		
	Balance at the beginning of the year	23,713.41	23,695.91
	Add: ESOP Exercised	8.90	12.55
	Transferred from Employee Stock Option Reserve	9.19	4.95
	Balance at the end of the year	**23,731.50**	**23,713.41**
b)	**General Reserve**		
	Balance at the beginning of the year	11,584.56	11,584.37
	Add: Transfer from Employee Stock Option Reserve	-	0.19
	Balance at the end of the year	**11,584.56**	**11,584.56**
c)	**Capital Reserve**		
	Balance at the beginning of the year	3,670.17	3,670.17
	Balance at the end of the year	**3,670.17**	**3,670.17**
d)	**Treasury Shares**		
	Balance at the beginning of the year	(108.53)	(111.74)
	Add: Purchase of Treasury Shares	(61.95)	-
	Less: Issue of Treasury Shares	19.55	3.21
	Balance at the end of the year	**(150.93)**	**(108.53)**
e)	**Employee Stock Option Reserve**		
	Balance at the beginning of the year	56.71	52.66
	Add: Employee Stock Options Granted (net of lapses)	32.37	9.19
	Less: Transfer to Securities Premium on Exercise of Options	(18.26)	(4.95)
	Less: Transfer to General Reserve on Cancellation of vested employee stock Options	-	(0.19)
	Balance at the end of the year	**70.82**	**56.71**
f)	**Retained Earnings**		
	Balance at the beginning of the year	5,529.53	4,838.60
	Add: Profit for the year	3,051.27	905.00
	Less: Appropriation -		
	Gain on remeasurement of Defined Benefit Plan (net of tax)	24.71	48.58
	Dividends paid	(592.26)	(262.65)
	Balance at the end of the year	**8,013.25**	**5,529.53**
g)	**Other Comprehensive Income**		
	(i) Debt Instruments through Other Comprehensive Income		
	Balance at the beginning of the year	8.54	6.39
	Add: Gain/(Loss) during the year (Net of Tax)	(2.03)	2.15
	Balance at the end of the year	**6.51**	**8.54**
	(ii) Equity Instruments through Other Comprehensive Income		
	Balance at the beginning of the year	(1,636.66)	(6,173.43)
	Add: Gain during the year (Net of Tax)	3,194.35	4,536.77
	Balance at the end of the year	**1,557.69**	**(1,636.66)**
	(iii) Hedging Reserve		
	Balance at the beginning of the year	(1.49)	(2.90)
	Add: Gain during the year (Net of Tax)	2.04	1.41
	Balance at the end of the year	**0.55**	**(1.49)**
	Total	**48,484.12**	**42,816.24**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, write-off equity related expenses like underwriting costs, etc.

b. **General Reserve:** Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

c. **Capital Reserve:** Capital Reserve is mainly the reserve created during business combination of erstwhile Aditya Birla Chemicals (India) Limited and Aditya Birla Nuvo Limited with the Company.

d. **Debenture Redemption Reserve:** The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. However, this requirtment is no more applicable w.e.f. April 1, 2018 as per the amendment in the Companies (Share Capital and Debentures) Rules, 2014 vide dated August 16, 2019, accordingly the Company has not made any new addition in the said reserve and transferred outstanding balance to general reserve in the earlier years.

e. **Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to Profit or loss on disposal of such instruments.

f. **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings on disposal of such instruments.

g. **Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

h. **Employee Share Option Outstanding:** The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

i. **Treasury Shares:** The reserve for shares of the Company held by the Grasim Employees Welfare Trust (ESOP Trust).
The Company has issued employees stock option scheme for its employees. The shares of the Company have been purchased and held by ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.19 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	Non-current Portion		Current Maturities*		Total	
	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	As at 31st March, 2021
Secured						
Rupee Term Loans from Banks	-	-	-	10.08	-	10.08
Subsidised Government Loan	48.82	102.91	66.63	69.17	115.45	172.08
Unsecured						
External Commercial Borrowings	-	-	-	73.08	-	73.08
Non-Convertible Debentures	2,945.22	2,947.05	999.48	-	3,944.70	2,947.05
Deferred sales tax Loan (refer note 4.8.2)	40.45	39.50	0.95	-	41.40	39.50
	3,034.49	**3,089.46**	**1,067.06**	**152.33**	**4,101.55**	**3,241.79**

* Current Maturities of non-current borrowings have been disclosed under "2.24 CURRENT FINANCIAL LIABILITIES - BORROWINGS"

2.19.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

I: Secured Borrowings:

Particulars	Note	Rate of Interest Current Year/ (Previous Year)	End of tenure	As at 31st March, 2022		As at 31st March, 2021	
				Gross	Carrying Value	Gross	Carrying Value
(a) Rupee Term Loan from Banks							
HDFC Bank Limited	(i)	(1.9%)	19-12-2021	-	-	5.11	5.11
Kotak Mahindra Bank	(ii)	(2.6%)	03-06-2021	-	-	1.46	1.46
HDFC Bank Limited	(iii)	(2.45%)	28-05-2021	-	-	3.51	3.51
(b) Subsidised Government Loan							
Technology Development Board	(iv)	5% / (5%)	01-04-2024	111.20	115.45	166.80	172.08

(i) Rupee term loan secured by way of first pari passu charge over movable assets of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms was 21 quarterly instalments from 19th December, 2016 To 19th December, 2021, which is repaid during the current year.

(ii) Rupee term loan secured by way of first pari passu charge on existing and future movable Property Plant and Equipments of the Indian Rayon Division Plant at Gujarat and Textile Division plant at Rishra. The Charge to be shared with HDFC Bank. Repayment Terms was 20 quarterly instalments from 3rd September 2016 to 3rd June, 2021, which is repaid during the current year.

(iii) Rupee term Loan secured by exclusive charge on specific movable Property Plant and Equipments or 1st pari-passu charge on movable Property Plant and Equipments of Nagda (Staple Fibre Division) Repayment Terms was 20 Quarterly instalments starting from 31st August 2016 to 28th May, 2021, which is repaid during the current year.

(iv) Term loan (Subsidised Government Loan) secured by way of first pari passu charge created by hypothecation of the entire movable Property Plant and Equipments of the Company's Excel Fiber Division Plant at Kharach. Repayment Terms is 9 half yearly instalments from 1st April 2020. Remaining 4 Installments of ₹ 27.80 Crore.

Effective cost for the above loans is at 5% per annum. (Previous Year: in the range of 1.90% to 5% per annum.)

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

II: Unsecured Borrowings:

(a) External Commercial Borrowing

Particulars	Currency	Outstanding amount in USD	End of tenure	As at 31st March, 2022		As at 31st March, 2021	
				Gross ₹ Crore	Carrying Value ₹ Crore	Gross ₹ Crore	Carrying Value ₹ Crore
Mizuho Bank	USD	10,000,000	20-Aug-21	-	-	65.25	73.08

External Commercial Borrowing Terms: 3 equal yearly instalments of USD 10,000,000 each were payable on 20th August, which is repaid during the current year.

Foreign Currency Loans is hedged by way of Currency and Interest Rate Swaps.

- Effective cost has been calculated with hedged cost in terms of foreign currency loan.

Effective cost for the above loan was 8.23% per annum.

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

The other bank loans do not carry any financial debt covenant.

(b) Non- Convertible Debentures

₹ in Crore

Particulars	End of tenure	As at 31st March, 2022		As at 31st March, 2021	
		Gross	Carrying Value	Gross	Carrying Value
(i) 6.99% Series 21-22/I Non - Convertible Debentures	04-Apr-31	1,000.00	997.20	-	-
Repayment Terms: Redeemable at par					
(ii) 7.60% Series 19-20/II Non - Convertible Debentures	04-Jun-24	750.00	747.26	750.00	746.27
Repayment Terms: Redeemable at par					
(iii) 7.85% Series 19-20/I Non - Convertible Debentures	15-Apr-24	500.00	498.90	500.00	498.47
Repayment Terms: Redeemable at par					
(iv) 5.90% 1st Series Non - Convertible Debentures	16-Jun-23	500.00	499.82	500.00	499.92
Repayment Terms: Redeemable at par					
(v) 9.00% 30th Series Non - Convertible Debentures	10-May-23	200.00	202.03	200.00	204.06
Repayment Terms: Redeemable at par					
(vi) 6.65% Series 19-20/III Non - Convertible Debentures	17-Feb-23	500.00	499.52	500.00	499.06
Repayment Terms: Redeemable at par					
(vii) 7.65% Series 18-19/I Non - Convertible Debentures	13-Apr-22	500.00	499.97	500.00	499.27
Repayment Terms: Redeemable at par					
Total		**3,950.00**	**3,944.70**	**2,950.00**	**2,947.05**

-The Company has rights to keep this debentures alive for the purpose of reissue.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

(c) Deferred sales tax Loan

₹ in Crore

Particulars	Rate of Interest	End of tenure	As at 31st March, 2022		As at 31st March, 2021	
			Gross	Carrying Value	Gross	Carrying Value
Government of Karnataka	0%	25-Mar-28	8.94	6.05	8.94	5.59
Government of Uttar Pradesh *	0%	02-Jan-27	-	-	0.70	0.46
Government of Uttar Pradesh *	0%	04-Nov-25	-	-	0.70	0.47
Government of Uttar Pradesh *	0%	30-Nov-24	-	-	0.45	0.34
Government of Uttar Pradesh	0%	17-Nov-25	2.95	2.16	2.95	1.98
Government of Uttar Pradesh	0%	17-May-25	5.45	4.31	5.45	3.99
Government of Uttar Pradesh	0%	29-Oct-24	7.68	6.34	7.68	5.88
Government of Uttar Pradesh	0%	25-Dec-23	6.36	5.53	6.36	5.06
Government of Uttar Pradesh	0%	07-Aug-23	5.84	5.19	5.84	4.75
Government of Uttar Pradesh	0%	27-May-22	0.95	0.94	0.95	0.86
Government of Karnataka	0%	17-Jun-27	15.87	10.88	15.87	10.12
Total			**54.04**	**41.40**	**55.89**	**39.50**

* Repaid during the year

2.19.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

Particulars		Maturity Profile @		
		Not later than 1 year	1 to 5 years	Later than 5 years
Secured				
Subsidised Government Loan		55.60	66.60	-
Unsecured				
Non-Convertible Debentures		1,000.00	1,950.00	1,000.00
Deferred Sales Tax Loans (includes amount recognised in Notes 2.23 and 2.28)		0.95	53.09	-
Total	**Current Year**	**1,056.55**	**2,069.69**	**1,000.00**
	Previous Year	130.93	3,091.57	25.50

@ The above figures are as per contractual cashflows.

2.20 NON-CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security and Other Deposits	2.54	2.33
Other Liabilities payable to Related Parties (Note 4.6.3)	0.05	0.08
Other Liabilities	0.51	0.52
Total	**3.10**	**2.93**

2.21 NON-CURRENT PROVISIONS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
For Employee Benefits (Contractor Workman Gratuity, Pension and other employee benefits)	54.87	77.94
	54.87	**77.94**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.22 DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at 31st March, 2021	MAT Availed / (Utilised)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March, 2022
Deferred Tax Liabilities:					
Property, Plant & Equipment and Intangible Assets	1,784.92	-	(175.71)	-	1,609.21
Fair Valuation of Investments	197.71	-	22.61	218.52	438.84
Others	(3.76)	-	8.40	-	4.64
	1,978.87	**-**	**(144.70)**	**218.52**	**2,052.69**
Deferred Tax Assets:					
MAT Credit Receivable	34.63	-	(34.63)	-	-
Provision allowed under tax on payment basis	101.97	-	24.90	-	126.87
Expenses Allowable in Instalments in Income Tax	24.12	-	(17.28)	-	6.84
Income offered for tax, to be excluded in future	29.31	-	-	-	29.31
Short Term Capital Loss	54.70	-	(6.08)	-	48.62
Others	0.20	-	(0.53)	-	(0.33)
	244.93	**-**	**(33.62)**	**-**	**211.31**
Deferred Tax Liabilities (Net)	**1,733.94**	**-**	**(111.08)**	**218.52**	**1,841.38**

₹ in Crore

Particulars	As at 1st April, 2020	MAT Availed / (Utilised)	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March, 2021
Deferred Tax Liabilities:					
Property, Plant & Equipment and Intangible Assets	1,743.55	-	41.37	-	1,784.92
Fair Valuation of Investments	(69.34)	-	(54.21)	321.26	197.71
Others	0.11	-	(4.62)	0.75	(3.76)
	1,674.32	**-**	**(17.46)**	**322.01**	**1,978.87**
Deferred Tax Assets:					
MAT Credit Receivable	45.60	(10.97)	-	-	34.63
Provision allowed under tax on payment basis	96.09	-	5.88	-	101.97
Expenses Allowable in Instalments in Income Tax	32.66	-	(8.54)	-	24.12
Income offered for tax, to be excluded in future	29.31	-	-	-	29.31
Short Term Capital Loss	58.85	-	(4.15)	-	54.70
Others	6.65	-	(6.45)	-	0.20
	269.16	**(10.97)**	**(13.26)**	**-**	**244.93**
(i) Deferred Tax Liabilities (Net)	**1,405.16**	**10.97**	**(4.20)**	**322.01**	**1,733.94**

(ii) Considering significant capitalisation of assets in the current year, the Company has created deferred tax liability at the applicable concessional tax rate on temporary tax differences of depreciation expected to be reversed in the period after the Company is likely to opt for new tax regime under section 115BAA of Income Tax Act, 1961. This has resulted in deferred tax credit of ₹ 197.18 Crore in the current year in the Statement of Profit and Loss.

2.23 OTHER NON-CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Government Subsidy (refer note 4.8.2)	71.67	78.33
	71.67	**78.33**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.24 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans Repayable on Demand from Banks		
Secured:		
Working Capital Borrowings- Rupee Loans	19.22	51.19
Current Maturities of Long-Term Debts (Note 2.19)	66.63	79.25
Unsecured:		
Documentary Demand Bills/Usance Bills under Letter of Credit discounted	-	25.00
Current Maturities of Long-Term Debts (Note 2.19)	1,000.43	73.08
Other Loans		
Unsecured:		
Commercial Papers*	-	845.45
	1,086.28	**1,073.98**
* Maximum balance outstanding during the year	850.00	2,650.00

2.24.1 Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company. And quarterly Stock statements filed by the company with banks or financial institutions are in agreement with the books of accounts.

2.24.2 The Company had Undrawn Facility of ₹ 590 Crore as on 31st March 2022 and ₹ 570 Crore as on 31st March 2021.

2.24.3 The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

2.25 SUPPLIER`S CREDIT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Supplier's Credit	183.40	-
	183.40	**-**

Supplier’s Credit represents the extended interest bearing credit offered by the supplier which is secured against Usance Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the extended credit period. The interest for the extended credit period payable to the bank on maturity of the LC has been presented under Finance Cost. Rate of interest at 5.30%

2.26 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Outstanding due of Micro and Small Enterprises (refer note 4.8.1)	90.55	78.81
Due to Related Parties (Note 4.6.3)	100.93	33.05
Acceptances	1,066.90	493.80
Others	3,392.35	2,046.44
Total	**4,650.73**	**2,652.10**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.26.1 Trade Payables aging schedule

₹ in Crore

Particulars	Unbilled (Accrued Expenses) (A)	Not Due (B)	Outstanding for following periods from due date of payment					Grand Total (A+B+C)
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total (C)	
As at 31st March, 2022								
Micro and Small Enterprises	-	85.67	2.92	-	-	-	2.92	88.59
Other than Micro and Small Enterprises	640.05	3,013.92	849.50	-	-	-	849.50	4,503.47
Disputed dues – Micro and Small Enterprises	-	-	0.12	0.10	-	1.74	1.96	1.96
Disputed dues – Others	6.05	17.73	6.24	9.46	12.34	4.89	32.93	56.71
Total	**646.10**	**3,117.32**	**858.78**	**9.56**	**12.34**	**6.63**	**887.31**	**4,650.73**
As at 31st March, 2021								
Micro and Small Enterprises	-	69.17	9.42	-	-	-	9.42	78.59
Other than Micro and Small Enterprises	406.94	1,453.95	660.22	-	-	-	660.22	2,521.11
Disputed dues – Micro and Small Enterprises	-	-	0.12	-	-	0.10	0.22	0.22
Disputed dues – Others	6.06	13.08	9.65	14.61	2.56	6.22	33.04	52.18
Total	**413.00**	**1,536.20**	**679.41**	**14.61**	**2.56**	**6.32**	**702.90**	**2,652.10**

2.27 CURRENT - OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued but not Due on Borrowings	232.82	164.74
Unclaimed Dividends $	18.27	17.52
Security and Other Deposits (Trade Deposits)	94.02	77.02
Liability for Capital Goods (Including MSE) * #	355.04	526.52
Accrued Expenses Related to Employees	324.82	256.44
Derivative Liability	12.37	4.87
Other Payables (including Retention money, Liquidated damages, etc.)	166.65	213.13
	1,203.99	**1,260.24**

*Includes amount of ₹ 35.95 Crore (previous year ₹ 25.68 Crore) payable related to Micro and Small enterprises.

Includes acceptances of ₹ 58.62 Crore (previous year ₹ 224.84 Crore) towards capital goods.

$ It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund

2.28 OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Liabilities	404.64	302.36
Contract liability	379.92	97.60
Deferred Government Subsidy	28.95	28.79
Other Payables (including Legal Claims)	253.95	167.69
	1,067.46	**596.44**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

2.29 CURRENT PROVISIONS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
For Employee Benefits (Gratuity, Compensated Absences and Pension)	213.00	187.26
For Assets Transfer Cost {Note 2.29.1 (a)}	29.53	57.92
For Warranty Provision {Note 2.29.1 (b)}	1.82	1.82
For Provision against contingent liability {Note 2.29.1 (c)}	42.70	43.05
Total	**287.05**	**290.05**

2.29.1 Movement of provisions during the year as required by Ind AS- 37 "Provisions, Contingent Liabilities and Contingent Asset"

a. Provision for Cost of Transfer of Assets:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	57.92	184.53
Add: Provision during the year	-	80.99
Less: Utilisation during the year	28.39	207.60
Closing Balance	**29.53**	**57.92**

During earlier year, provision for asset transfer cost relates to merger of Aditya Birla Nuvo Limited (ABNL) and Aditya Birla Chemical Limited (ABCL) which has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABNL in the name of the Company.

b. Warranty Provision:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	1.82	1.82
Closing Balance	**1.82**	**1.82**

Provision is recognised for expected warranty claims on Insulators product sold during the last three years based on the past experience of level of returns and replacements.

c. Provision against Contingent Liability:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	43.05	70.03
Less: Utilisation during the year	0.10	2.18
Less: Unused amount reversed	0.25	4.80
Less: Provision classified as liability held for sale	-	20.00
Closing Balance	**42.70**	**43.05**

During earlier year, as per Ind-AS 103 (business combination) the Company had to recognise on the acquisition date the contingent liability assumed in a business combination if it was a present obligation that had arisen from past events and its fair value could be measured reliably, even if it was not probable that an outflow of resources would be required to settle the obligation.

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3.1 REVENUE FROM CONTRACT WITH CUSTOMERS

₹ in Crore

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
A. Revenue from contracts with customers disaggregated based on nature of product or services			
Revenue from Sale of Products			
a. Manufactured goods		20,467.66	12,102.38
b. Stock-in-trade		158.95	88.38
	(i)	**20,626.61**	**12,190.76**
Revenue from Sale of Services			
a. Project Management Services		5.82	15.82
b. O&M for Supervision & Monitoring Services & others		0.50	0.37
	(ii)	**6.32**	**16.19**
Other Operating Revenue			
Export Incentives		81.25	43.29
Power Sales		7.51	23.70
Scrap Sales (Net)		94.63	53.51
Other Miscellaneous Income (Insurance Claims, Sales Tax Incentive, transportation income, etc.)		40.52	58.91
	(iii)	**223.91**	**179.41**
REVENUE FROM CONTRACT WITH CUSTOMERS	**(i+ii+iii)**	**20,856.84**	**12,386.36**
B. Revenue from contracts with customers disaggregated based on geography			
a. Domestic		17,066.18	10,247.12
b. Exports		3,566.75	1,959.83
Revenue From Contract With Customers		**20,632.93**	**12,206.95**
C. Reconciliation of Gross Revenue from Contracts With Customers			
Gross Revenue		21,592.03	13,823.48
Less: Discount, incentives, price concession, etc.		955.29	1,613.84
Less: Returns		3.81	2.69
Net Revenue recognised from Contracts with Customers		**20,632.93**	**12,206.95**

Notes:

(i) The amounts receivable from customers become due after expiry of credit period which on an average upto 120 days. There is no significant financing component in any transaction with the customers.

(ii) The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.

(iii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

(iv) Revenue recognised from Contract liability (Advances from Customers):

The Contract liability outstanding at the beginning of the year was ₹ 97.6 Crore, out of which ₹ 87.76 Crore has been recognised as revenue during the year ended 31st March, 2022 and balance amount are refunded during the year.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2022

3.2 OTHER INCOME

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income on:		
Non-Current Investments - Debentures or Bonds (measured at FVTOCI)	9.02	9.60
Bank Accounts and Others	37.11	37.69
Unwinding up of Loans and Deposits	13.30	11.80
Dividend Income from:		
Subsidiary Companies (carried at cost)	611.74	214.94
Non- Current Investments - Others (measured at FVTOCI)	28.59	10.00
Current- Investments Others (measured at FVTOCI)	2.69	3.89
Investment - Mutual Funds' Units (measured at FVTPL)	33.48	50.24
Gain on Fair Valuation of:		
Preference Shares (measured at FVTPL)	2.32	10.26
Mutual Funds' Units (measured at FVTPL)	112.16	118.38
Rent Income	4.09	3.92
Miscellaneous Income	40.81	42.96
Total	**895.31**	**513.68**

3.3 COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock	1,184.82	1,285.31
Less: Stock of Discontinued operation	-	2.68
Add: Purchases and Incidental Expenses	10,850.68	5,125.60
Less: Sale of raw material	6.05	7.84
Less: Closing Stock	2,234.98	1,184.82
	9,794.47	**5,215.57**

3.4 PURCHASES OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchase of stock-in-trade	152.90	56.45
	152.90	**56.45**

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

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock		
Finished Goods	447.18	742.98
Stock-in-Trade	21.35	37.58
Work-in-Progress	184.06	206.27
Waste/Scrap	7.95	7.68
Less: Stock of Discontinued operation	-	(60.11)
	660.54	**934.40**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Less: Closing Stock		
Finished Goods	931.96	447.18
Stock-in-Trade	25.04	21.35
Work-in-Progress	233.99	184.06
Waste/Scrap	8.14	7.95
	1,199.13	**660.54**
(Increase)/Decrease in Stocks	**(538.59)**	**273.86**

3.6 EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, Wages and Bonus	1,502.33	1,178.83
Contribution to Provident and Other Funds (Notes 4.7.1.3 & 4.7.2)	97.21	90.68
Contribution to Gratuity Fund (Note 4.7.1.1)	40.30	37.65
Staff Welfare Expenses	99.77	72.17
Expenses on Employee Stock Option Scheme including SAR (4.9.6)	34.68	11.96
	1,774.29	**1,391.29**

3.6.1 Expenses on Employee Stock Option Scheme and Employee SAR Scheme net of recovery from a Subsidiary Company against options granted to the employees of the Subsidiary.

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Expenses on Employee Stock Option Scheme	0.17	0.17

3.7 FINANCE COSTS

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on Debt and Borrowings*	332.14	309.11
Finance Cost of Lease Liability	5.07	5.09
Interest on Income tax	3.89	0.00
Interest on Subsidised Government Loan (note 4.8.2)	3.16	2.28
	344.26	**316.48**
Less: Capitalised	97.02	80.53
	247.24	**235.95**
* Net of Interest Subsidy from Government	0.17	3.24

3.8 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant and Equipment	802.81	717.11
Amortisation of Intangible Assets	85.91	92.21
Depreciation of Right of Use Assets	25.24	18.85
	913.96	**828.17**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

3.9 OTHER EXPENSES

₹ in Crore

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
3.9.1	**Manufacturing Expenses**		
	Consumption of Stores, Spare Parts and Components and Incidental Expenses	435.17	262.36
	Consumption of Packing Materials	263.07	165.64
	Processing and Other Charges	214.39	60.42
	Repairs to Buildings	61.72	41.55
	Repairs to Machinery	249.33	175.41
	Repairs to Other Assets	75.52	60.92
3.9.2	**Administration, Selling and Distribution Expenses**		
	Advertisement	37.40	10.84
	Sales Promotion and Other Selling Expenses	122.29	68.85
	Freight and Handling Expenses	871.77	338.51
	Allowance for Doubtful Debts and advances (net)	(10.43)	5.73
	Insurance	49.81	46.94
	Rent	16.71	11.61
	Rates and Taxes	25.12	18.74
	Research Contribution and Expenses	25.54	23.50
	Directors' Fees	0.45	0.44
	Directors' Commission	4.00	2.50
	Exchange Rate Difference (Net)	63.79	45.42
	Loss on Sale of Property, Plant and Equipments (Net)	9.48	11.20
	Business Support Expenses	141.95	126.78
	Miscellaneous Expenses (Note 4.8.6)	366.27	331.52
		3,023.35	**1,808.88**
3.9.3	**Auditors' Remuneration (excluding GST) Charged to the Standalone Statement of Profit and Loss (included under Miscellaneous Expenses)**		
	Payments to Statutory Auditors:		
	Audit Fee	3.46	3.20
	Tax Audit Fee	0.33	0.30
	Fees for Other Services	0.26	3.08
	Reimbursement of Expenses	0.04	0.02
	Payments to Cost Auditors:		
	Audit Fee	0.17	0.18

3.10 EXCEPTIONAL ITEMS

(i) During the year Company, provision of ₹ 69.11 Crore has been made against disputed water charges pertaining to earlier years.

(ii) During the previous year, the Company has made additional provision of stamp duty and registration fess of ₹ 80.99 Crore payable for transfer of immovable assets consequent to merger of erstwhile Aditya Birla Nuvo Limited with the Company.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

3.11 RECONCILIATION OF EFFECTIVE TAX RATE (%)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Applicable Tax Rate	34.94%	34.94%
Income not considered for tax purpose	-5.61%	-14.23%
Expenses not allowed for tax purpose (including Exceptional Item)	0.54%	2.29%
Additional Allowances for tax purpose	-7.68%	-3.13%
Effect of change in Tax Rate (DTL reversal) (refer note 2.22{ii})	-5.56%	-1.91%
Deferred Tax reversal on Slump Sale of Fertilizer business	-5.16%	-
Tax paid at lower rate*	11.58%	-
Others	0.17%	0.53%
Effective Tax Rate	**23.22%**	**18.49%**
Provision for Tax of earlier years written back (refer note below)	-9.04%	-
Effective Tax Rate after write back	**14.18%**	**18.49%**

During the year ended 31st March, 2022, pursuant to decision of income tax appeals of earlier years in favour of the Company, the Company has written back tax provision amounting to ₹ 320.61 Crore.

*Including tax on account of sale of Indo Gulf fertiliser business calculated at long term capital gain tax rate of 23.30%.

3.12 OTHER COMPREHENSIVE INCOME

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	3,415.50	4,857.38
Income Tax relating to Equity Instrument through Other Comprehensive Income	(221.15)	(320.61)
Re-measurement of Defined Benefit Plan	28.42	75.62
Income Tax relating to Re-measurement of Defined Benefit Plan	(3.71)	(27.04)
Items that will be reclassified to Profit and Loss		
Debt Instruments through Other Comprehensive Income	(2.64)	2.80
Income Tax relating to Debt Instruments through Other Comprehensive Income	0.61	(0.65)
Gain on cash flow hedge	3.14	2.16
Income Tax relating to Gain on cash flow hedge	(1.10)	(0.75)
	3,219.07	**4,588.91**

3.13 EARNINGS PER EQUITY SHARE (EPS)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
i	**Net Profit for the Year Attributable to Equity Shareholders Continuing Operations (₹ Crore)**	2,695.45	810.45
ii	**Net Profit for the Year Attributable to Equity Shareholders Discontinued Operations (₹ Crore)**	355.82	94.55
	Net Profit for the Year Attributable to Equity Shareholders (i+ii)	**3,051.27**	**905.00**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	658,186,289	657,920,372
Less: Weighted-Average Number of Equity Shares held by ESOP Trust (Nos.) of Face Value of ₹ 2/- each	1,505,968	1,355,966
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	**656,680,321**	**656,564,406**
Basic EPS for Continuing Operations (₹ Per Share)	41.05	12.34
Basic EPS for Discontinued Operations (₹ Per Share)	5.42	1.44
Basic EPS – Continuing and Discontinued Operations (₹ Per Share)	46.47	13.78
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	656,680,321	656,564,406
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	870,437	600,388
Add: Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)	61,985	61,985
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**657,612,743**	**657,226,779**
Diluted EPS for Continuing Operations (₹ Per Share)	40.99	12.33
Diluted EPS for Discontinued Operations (₹ Per Share)	5.41	1.44
Diluted EPS – Continuing and Discontinued Operations (₹ Per Share)	46.40	13.77

4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF CLAIMS/DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:

₹ in Crore

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2022	As at 31st March, 2021
I	Customs Duty - The Customs Act, 1962	- Demand of duty on import of Steam Coal during April 2012 to January 2013 classifying it as Bituminous Coal	12.99	12.17
		- Demand of differential duty on import of Caustic Soda Flakes under project import category	1.62	7.09
		- Demand of duty on project import due to increase in rate of duty in Budget 1986-87	7.31	1.60
		- Various cases - Duty demanded on technical know-how by including it in the value of imported goods and levy of additional duty / countervailing duty etc.	5.48	2.74
II	Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002	- Appeal before CESTAT against excise duty demand on freight recovery from customers	11.58	10.74
		- Department's appeal before CESTAT against order of Commissioner allowing exemption under notification 30/2004-CE dated 09.07.2004	14.73	13.83
		- Show cause notice demanding duty alleging that mixing of dyes amounted to manufacture	9.86	9.57
		- Demand disputing classification of "Wipes"	11.18	10.37
		- Duty demanded on clearance of waste and scrap of capital goods	5.75	5.32
		- Duty demanded by including subsidy received from State Government in the assessable value of goods cleared	2.54	2.41
		- SCN disputing CENVAT availed in respect of CVD paid under protest on imported coal pending classification issue	4.63	4.38
		- Demand of excise duty on clearance of fly ash from factory	-	0.03
		- Demand of excise duty as original payment was made under incorrect registration number.	3.25	2.95
		- Demand notice disputing availment of Cenvat credit on capital goods alleging that the capital goods were exclusively used for manufacture of exempted products.	3.31	3.13

Notes
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₹ in Crore

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2022	As at 31st March, 2021
		- Demand disputing quantum of Cenvat Credit reversed on clearance of used capital goods.	2.63	2.50
		- Appeal before CESTAT against denial of cenvat credit taken suo-moto after reversing in response to Departmental audit objection.	2.26	2.14
		- Various cases - Demand of excise duty on removal of capital goods, removal of mercury, disallowance of cenvat credit on packaging material used for exempted goods, eligibility of CENVAT on different issues, etc.	3.86	3.74
III	Service Tax - The Finance Act, 1994	- Denial of Cenvat credit on input services alleging not used for providing output services	47.18	44.25
		- Demand of service tax on goods transportation agency services through payment in cash/ PLA instead of payment made by the company through cenvat balance.	3.78	3.57
		- SCN disputing transfer of cenvat credit by Aditya Birla Minacs IT Services Ltd. and Birla Technologies Limited to Aditya Birla Minacs Worldwide Limited on merger	6.52	6.21
		- Denial of cenvat credit on outward transportation charges	2.14	1.96
		- Appeal before CESTAT against denial of cenvat credit treating exports as exempt output services	1.20	1.20
		- Various cases demanding service tax on scientific and technology service, Cenvat credit of services used for renovation and repairs, rejection of refund claims, reversal of credit under Rule 6 of Cenvat Credit Rules, 2004, Cenvat Credit on Rent a Cab services, outdoor catering, etc.	4.39	4.23
IV	Entry Tax laws of various states	- Department appeal before the Karnataka High Court in the matter of levy of Special Tax on Entry of Goods	12.89	11.75
		- Demand of entry tax in the State of Uttar Pradesh pending before The Allahabad High Court	2.96	2.32
V	Sales Tax Act/ Commercial Tax Act of various states	- Demand towards non submission of various forms, disallowance of input credit, short reversal of credit, valuation issues and other matters	13.54	12.40
VI	Income Tax -Income-tax Act, 1961	- Demand of dividend distribution tax (including interest) alleging that the demerger of the Financial Services Business is not qualifying demerger as per Income Tax Act and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed by the Company to its shareholders.		
		a) Dividend distribution tax (including interest of ₹ 3,151.38 Crore, previous year: ₹ 2,446.72) pending before Tribunal	8,044.82	7,340.16
		b) Capital gain tax (including interest ₹ 2,864.40 Crore, previous year: Nil) pending before Dispute resolution Panel	8,831.90	-
		- Various disallowances/additions being contested in appeals (disallowance u/s 14A, disallowance of additional depreciation allowance, transfer pricing adjustments, penalty etc.).	19.96	19.30
VII	Other Statutes/ Other Claims	- CCI demand alleging abuse of dominant position in VSF market (refer note 4.1.1)	308.11	301.61
		- Demand of water drawl charges and water reservation charges by Irrigation Department.	242.78	282.39
		- Proportionate cost of effluent pipelines charges demanded by Gujarat Industrial Development Corporation	69.26	-
		- Fuel surcharge demand raised by Bihar State Electricity Board.	49.33	49.33
		- Demand of maintenance charges on land allotted by State Government.	-	44.92

Notes

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₹ in Crore

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2022	As at 31st March, 2021
		- Levy of additional surcharge on the consumption of power from source other than distribution licensee of area	137.96	40.40
		- Differential Stamp duty demand on Solaris business takeover	28.86	28.61
		- Labour re-instatement, back wages, workmen compensation, minimum wages issue, increase in retirement age and salary structure cases	8.95	10.76
		- Demand towards contribution to Infrastructure Fund and charges for time limit extension for use of industrial plot	0.64	0.64
		- Demand of water reservation charges from irrigation department.	8.49	8.22
		- Claims by various suppliers and contractors on terms of contract, etc.	5.72	5.45
		- Lease rent demand at increased rate by Kandla Port Trust	9.59	7.87
		- Higher price demanded in respect of land acquired through State Government	10.63	10.51
		- Demand of liquidated damages by Bihar State Industrial Development Corporation	2.83	2.69
		- Demand by Competition Commission of India for supply of Poly Aluminium Chloride	4.39	4.39
		- Dispute on price for supply of bamboo by Government of Kerala	2.06	2.06
		- Land lease rent demand at higher rate demanded by Uttar Pradesh State Industrial Development Corporation	-	1.78
		- Dispute on ownership of land by Gram Sabha	-	2.10
		- Various other cases pertaining to Claims by Railways, Electricity Board for lower electricity consumption, Stamp Duty dispute, Property Tax Arrears, Industrial Disputes, Railways license fee demand, Textile Cess on readymade garments, etc.	6.54	6.29
Total			**17,990.40**	**8,352.08**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the company's financial condition, results of operations or cash flows. It is not practicable 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.

4.1.1 Competition Commission of India (CCI) has passed an order dated 16th March 2020 under section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 Crore in respect of the Viscose Staple Fibre turnover of the Company. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) and NCLAT, vide Order dated November 04, 2020, stayed the recovery of the penalty amount during the pendency of the Appeal and directed the Company to deposit 10% of the penalty amount by November 19, 2020, which the Company has complied. The Appeal is pending before the NCLAT.

Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order dated June 03, 2021, levying a penalty of ₹ 3.49 Crores for non-compliance with the Order passed on March 16, 2020. The Company filed Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI. The CCI appeared before the Hon'ble Delhi High Court and assured that no precipitative steps shall be taken against the Company till the disposal of the matter.

Based on legal opinion, the Company believes that it has strong grounds against both these said orders, on merit and accordingly no provision has been made in the accounts.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

4.2 OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Custom Duty Liability (Net of Cenvat credit), which may arise if obligation for exports is not fulfilled against import of raw materials and machinery.	-	4.09

4.3 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

(i) Capital Commitments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 116.04 Crore (Previous Year ₹ 95.65 Crore)}	1,645.36	882.92

(ii) Financial and Other Commitments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Joint Ventures @	266.51	210.90

@ As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the financial statements.

(iii) Uncalled Liability on partly paid up shares of Aditya Birla Fashion and Retail Limited for previous year it was ₹ 28.09 Crore.

4.4 ASSETS / DISPOSAL GROUP HELD FOR SALE (IND AS 105)

During the previous year, the Company entered into a Scheme of Arrangement (the Scheme) under sections 230-232 of the Companies Act, 2013 with Indorama India Private Limited (Indorama) for slump sale of its Indo Gulf Fertiliser Business (comprising of manufacture, trading and sale of inter alia urea, soil health products and other agri-inputs) to Indorama.

On 1st January, 2022, the Company consummated the sale and transfer of Indo Gulf Fertiliser Business to Indorama as contemplated in the Scheme of Arrangement and recognised pre-tax gain of ₹ 540.15 Crore for the year ended 31st March, 2022, included under discontinued operations as exceptional items. The Company has provided ₹ 29.36 Crore towards outstanding liabilities of maintenance charges of UPSIDC pertaining to Indo Gulf Fertiliser business, included under discontinued operations as exceptional items.

₹ in Crore

Particulars		As at 31st December, 2021	As at 31st March, 2021
4.4.1	**Assets / Disposal Group Held for Sale (Ind AS 105)**		
	Group(s) of Assets classified as Held for Sale	1,675.40	1,322.21
	Liabilities associated with the group(s) of Assets classified as Held for Sale	372.55	342.00
4.4.2	**Major classes of assets and liabilities classified as Held for Sale:**		
	Property, plant and equipment	472.66	475.41
	Capital work-in-progress	70.44	22.94
	Other Intangible Assets	111.22	111.22
	Right of Use Assets	156.67	192.03
	Loans	1.78	38.78
	Inventories	72.86	65.77

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₹ in Crore

Particulars	As at 31st December, 2021	As at 31st March, 2021
Other Financial Assets	49.97	65.08
Trade receivables	720.08	315.98
Other assets	19.72	35.00
Total Assets	**1,675.40**	**1,322.21**
Trade Payables	278.33	214.03
Lease Liability	8.18	2.30
Security Deposits	43.05	43.05
Other liabilities and Provisions	42.99	82.62
Total Liability	**372.55**	**342.00**
Net Assets	**1,302.85**	**980.21**

Financial Performance and Cash flow presented are for nine months ended 31st December 2021 (31st March 2022 column) and year ended 31st March 2021.

₹ in Crore

	Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
4.4.3	**Financial performance related to discontinued operations:**		
	Revenue and Other Income	2,437.54	2,257.83
	Expenses	2,281.56	2,112.39
	Profit before tax	**155.98**	**145.44**
	Exceptional items (net) (note 4.4.5)	510.79	-
	Profit before tax	**666.77**	**145.44**
	Tax expenses	(54.58)	(50.89)
	Tax on sale of Discontinued Operations - Current Tax	(439.27)	-
	Tax on sale of Discontinued Operations - Deferred Tax	182.90	-
	Profit after tax	**355.82**	**94.55**
4.4.4	**Cash flow disclosure with respect to discontinued operations:**		
	Cash flow from Operating activities	(217.33)	1,395.26
	Cash flow from Investing activities	(48.93)	(53.86)
	Cash flow from Financing activities	-	-

4.4.5 Exceptional items (net)

₹ in Crore

Particulars	Year Ended 31st March, 2022
Sale Consideration	1,866.94
Net asset transferred	1,302.85
Gain on Disposal	**564.09**
Less: Transaction cost	(12.80)
Less: Provision against Deferred Considerations	(11.14)
Net Gain on Disposal of Fertiliser Business (A)	**540.15**
Maintenance Charges to UPSIDC pertaining to Fertiliser Business (B)	(29.36)
Net Gain (A + B)	**510.79**

Notes

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4.4.6 Title deeds of Immovable Properties not held in name of the Company as on 31st March, 2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is promoter, director or relative there of or employee there of	Property held since which date	Reason for not being held in the name of the company
Non Current Assets Held for Sale	Land	2.89	Aditya Birla Nuvo Limited	NO	5 years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/ demerger are in process of being transferred in the name of the company.
Non Current Assets Held for Sale	Building	10.75	Aditya Birla Nuvo Limited	NO	5 years	The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/ demerger are in process of being transferred in the name of the company.

4.5 OPERATING SEGMENTS

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Indian Accounting Standard on Segment Reporting (Ind AS 108) no disclosure related to the segment are presented in the Standalone Financial Statements.

4.6 RELATED PARTY DISCLOSURE

4.6.1 Parties where control exists

Parties	Relationship
ABNL Investment Limited	Wholly Owned Subsidiary
Aditya Birla Renewables Limited	Wholly Owned Subsidiary
Aditya Birla Solar Limited	Wholly Owned Subsidiary
Samruddhi Swastik Trading and Investments Limited	Wholly Owned Subsidiary
Sun God Trading and Investments Limited (merged with ABNL Investment Limited and ceased to be subsiadiry of ABNL Inv w.e.f. 29th June 2021)	Subsidiary's Subsidiary
Aditya Birla Renewables Utkal Limited	Subsidiary's Subsidiary
Aditya Birla Renewables SPV 1 Limited	Subsidiary's Subsidiary
Aditya Birla Renewables Subsidiary Limited	Subsidiary's Subsidiary
Aditya Birla Renewables Solar Limited	Subsidiary's Subsidiary
Aditya Birla Renewables Energy Limited	Subsidiary's Subsidiary
ABReL SPV 2 Limited	Subsidiary's Subsidiary
ABREL Solar Power Limited (incorporated w.e.f 31st August 2021) (WOS of ABREL)	Subsidiary's Subsidiary
Waacox Energy Private Limited (WOS of ABREL w.e.f. 5th July 2021)	Subsidiary's Subsidiary
ABReL Renewables EPC Limited (100%) - w.e.f. March 9, 2022	Subsidiary's Subsidiary
ABReL Century Energy Limited (100%) - w.e.f. March 10, 2022	Subsidiary's Subsidiary
UltraTech Cement Limited	Subsidiary
Dakshin Cements Limited (struck off w.e.f. April 9, 2021)	Subsidiary's Subsidiary
UltraTech Cement Lanka Private Limited	Subsidiary's Subsidiary
Harish Cement Limited	Subsidiary's Subsidiary
UltraTech Cement Middle East Investments Limited	Subsidiary's Subsidiary
Star Cement Co LLC, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co LLC, RAK, UAE	Subsidiary's Subsidiary
Al Nakhla Crusher, LLC, Fujairah, UAE	Subsidiary's Subsidiary
Arabian Cement Industry LLC, Abu Dhabi, UAE	Subsidiary's Subsidiary
UltraTech Cement Co W.L.L, Bahrain	Subsidiary's Subsidiary

Notes

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Parties	Relationship
PT UltraTech Mining, Indonesia	Subsidiary's Subsidiary
PT UltraTech Cement, Indonesia	Subsidiary's Subsidiary
PT UltraTech Investments Indonesia	Subsidiary's Subsidiary
Gotan Lime Stone Khanji Udyog Private Limited	Subsidiary's Subsidiary
Bhagwati Lime Stone Company Private Limited	Subsidiary's Subsidiary
PT UltraTech Mining Sumatera	Subsidiary's Subsidiary
UltraTech Nathdwara Cement Limited	Subsidiary's Subsidiary
Smooth Energy Private Limited	Subsidiary's Subsidiary
Bahar Ready Mix Concrete Limited	Subsidiary's Subsidiary
Merit Plaza Limited	Subsidiary's Subsidiary
Swiss Mercandise Infrastructure Limited	Subsidiary's Subsidiary
Krishna Holdings PTE Ltd, Singapore	Subsidiary's Subsidiary
Bhumi Resourches PTE Ltd, Singapore	Subsidiary's Subsidiary
Murari Holdings Ltd, Birtish Virgin Irland	Subsidiary's Subsidiary
Mukundan Holdings Ltd., BVI,	Subsidiary's Subsidiary
Star Super Cement Industry LLC, UAE	Subsidiary's Subsidiary
Binani Cement (Uganda) Limited	Subsidiary's Subsidiary
Binani Cement Tanzania Ltd, Tanzania,	Subsidiary's Subsidiary
BC Tradelink Ltd., Tanzania,	Subsidiary's Subsidiary
PT Anggana Energy resources, Indonesia,	Subsidiary's Subsidiary
3B Binani Glassfibre S.a.r.l	Subsidiary's Subsidiary
Goa Glass Fibre Limited	Subsidiary's Subsidiary
3B Fibreglass SRL (Belgium)	Subsidiary's Subsidiary
3B Fibreglass A/s (Norway)	Subsidiary's Subsidiary
Tunfib Sarl	Subsidiary's Subsidiary
Aditya Birla Capital Limited	Subsidiary
Aditya Birla PE Advisors Private Limited	Subsidiary's Subsidiary
Aditya Birla Capital Technology Services Limited	Subsidiary's Subsidiary
Aditya Birla Trustee Company Private Limited	Subsidiary's Subsidiary
Aditya Birla Money Limited	Subsidiary's Subsidiary
Aditya Birla Financial Shared Services Limited	Subsidiary's Subsidiary
Aditya Birla Finance Limited	Subsidiary's Subsidiary
Aditya Birla Insurance Brokers Limited	Subsidiary's Subsidiary
Aditya Birla Housing Finance Limited	Subsidiary's Subsidiary
Aditya Birla Money Mart Limited	Subsidiary's Subsidiary
Aditya Birla Money Insurance Advisory Services Limited	Subsidiary's Subsidiary
Aditya Birla Sun Life Insurance Company Limited	Subsidiary's Subsidiary
Aditya Birla Sun Life Pension Management Limited	Subsidiary's Subsidiary
Aditya Birla Health Insurance Co. Limited	Subsidiary's Subsidiary
ABCAP Trustee Company Private Limited (under strike off)	Subsidiary's Subsidiary
Aditya Birla ARC Limited	Subsidiary's Subsidiary
Aditya Birla Stressed Asset AMC Private Limited	Subsidiary's Subsidiary

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4.6.2 Other Related Parties where transactions have taken place during the year:

Parties	Relationship
Aditya Birla Sunlife AMC Limited (w.e.f. 7 October 2021)	Subsidiary's Associate
Aditya Birla Power Composite Limited	Joint Venture
Aditya Group AB, Sweden	Joint Venture
AV Group NB Inc, Canada	Joint Venture
AV Terrace Bay Inc Canada	Joint Venture
Aditya Birla Elyaf Sanayi Ve Ticaret Anomin Sirketi, Turkey	Joint Venture
Bhubaneshwari Coal Mining Limited	Joint Venture
Birla Advanced Knits Private Limited (incorporated on 14th July 2021)	Joint Venture
Birla Jingwei Fibre and Co. Limited	Joint Venture
Renew Surya Uday Private Limited	Associate
Aditya Birla Science and Technology Company Private Limited	Associate
Dr. Santrupt Misra - Non-Executive Director	Key Management Personnel
Dr. Thomas Connelly, Jr. - Independent Director	Key Management Personnel
Shri Adesh Kumar Gupta- Independent Director (w.e.f. 24th May 2021)	Key Management Personnel
Shri Cyril Shroff - Independent Director	Key Management Personnel
Shri N. Mohan Raj - Independent Director	Key Management Personnel
Shri Raj Kumar Non-Executive Director (w.e.f. 12th November 2021)	Key Management Personnel
Shri V. Chandrasekaran- Independent Director (w.e.f. 24th May 2021)	Key Management Personnel
Shri Vipin Anand - Non-Executive Director (ceased w.e.f. 14th October 2021)	Key Management Personnel
Shri Arun Thiagarajan - Independent Director (ceased w.e.f 6th May 2021)	Key Management Personnel
Smt. Anita Ramachandran - Independent Director	Key Management Personnel
Shri Ashish Adukia - CFO	Key Management Personnel
Smt. Rajashree Birla - Non-Executive Director	Key Management Personnel
Shri O.P. Rungta- Independent Director (ceased w.e.f. 24th May 2021)	Key Management Personnel
Shri Dilip Gaur - Managing Director (ceased w.e.f. 30th November 2021)	Key Management Personnel
Shri Kumar Mangalam Birla - Non-Executive Director	Key Management Personnel
Shri Shailendra K Jain - Non-Executive Director	Key Management Personnel
Shri H K Agrawal-Managing Director (w.e.f. 1st December 2021)	Key Management Personnel
IndoGulf Fertilizer Limited Employee Provident Fund	Post-Employment Benefit Plan
Century Rayon Provident Fund Trust 1&2	Post-Employment Benefit Plan
Jayshree Provident Fund Institution	Post-Employment Benefit Plan
Grasim Industries Limited- Employees Gratuity Fund	Post-Employment Benefit Plan
Grasim Industries Limited-Employees Provident Fund	Post-Employment Benefit Plan
Grasim Industries Limited-Superannuation Scheme	Post-Employment Benefit Plan
Birla Institute of Technology and Science Company	Other Related Parties in which Directors are interested
Aditya Birla Education Trust	Other Related Parties in which Directors are interested
Aditya Birla Management Corporation Private Limited*	Other Related Parties in which Directors are interested
Aditya Birla Health Service Private Limited	Other Related Parties in which Directors are interested
Birla Carbon India Private Limited	Other Related Parties in which Directors are interested
Birla Group Holding Private Limited	Other Related Parties in which Directors are interested
Birla Research Institute of Applied Sciences	Other Related Parties in which Directors are interested
Grasim Jana Kalyan Trust	Other Related Parties in which Directors are interested
Jayashree Charity (1962) Trust, Kolkata	Other Related Parties in which Directors are interested

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Parties	Relationship
Kalyan Charity Trust, Shahad	Other Related Parties in which Directors are interested
M/s. Shailendra K. Jain & Co.	Other Related Parties in which Directors are interested
Cyril Amarchand Mangaldas	Other Related Parties in which Directors are interested
Shardul Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested
Shri Devavrat Jain	Relatives of KMP
Shri Suvrat Jain	Relatives of KMP

* The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.

4.6.3 DISCLOSURE OF RELATED PARTY TRANSACTIONS:

Terms and Condition of Transaction with Related Parties

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The below transactions are as per approval of Audit Committee.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

₹ in Crore

A. Nature of Transactions	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Revenue from Contracts with Customers:		
UltraTech Cement Limited	1.36	1.45
Birla Jingwei Fibres Company Limited	65.95	117.27
Aditya Birla Renewables Limited	0.16	8.58
Aditya Birla Solar Limited	0.10	0.11
Aditya Birla Renewables SPV1 Limited	0.12	2.49
Aditya Birla Renewables Subsidiary Limited	0.05	0.06
Aditya Birla Power Composite Limited	0.37	1.32
Aditya Birla Management Corporation Private Limited	0.52	0.53
Aditya Birla Renewables Energy Limited	0.03	2.23
Aditya Birla Renewables Utkal Limited	0.01	0.01
Aditya Birla Renewables Solar Limited	5.74	-
Birla Carbon India Private Limited	0.11	0.13
Waacox Energy Private Limited	0.11	2.71
Total	**74.63**	**136.89**
Interest and Other Income:		
UltraTech Cement Limited	0.17	0.76
Aditya Birla Sun Life AMC Limited	0.44	0.66
Aditya Birla Science and Technology Company Private Limited	0.75	0.88
Aditya Birla Renewables Limited	0.25	0.46
Aditya Birla Solar Limited	0.66	1.02
Aditya Birla Management Corporation Private Limited	8.89	4.35
AV Terrace Bay Inc Canada	0.31	-

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₹ in Crore

A. Nature of Transactions	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Birla Carbon India Private Limited	0.25	0.88
Birla Advanced Knits Private Limited	0.02	-
Aditya Birla Power Composite Limited	3.04	1.96
Total	**14.78**	**10.97**
Reimbursement /(Recovery) of expenses:		
Aditya Birla Power Composite Limited	(1.43)	(0.71)
Aditya Birla Science and Technology Company Private Limited	0.25	(0.67)
Aditya Birla Management Corporation Private Limited	7.75	(0.14)
UltraTech Cement Limited	(0.04)	3.53
Birla Jingwei Fibres Company Limited	(0.05)	0.02
Samruddhi Swastik Trading and Investments Limited	0.00	0.01
ABNL Investment Limited	(2.31)	(0.07)
Total	**4.17**	**1.97**
Dividend Received:		
UltraTech Cement Limited	611.74	214.94
Dividend Paid:		
Birla Group Holdings Private Limited	112.50	50.00
Finance Cost:		
Aditya Birla Sun Life Insurance Company Limited	1.92	0.78
Purchases of Goods/Payment of Other Services		
UltraTech Cement Limited	9.38	7.99
AV Group NB Inc.	799.99	576.62
Aditya Group AB	586.00	310.14
Aditya Birla Science and Technology Company Private Limited	33.39	26.90
Aditya Birla Sun Life Insurance Company Limited	6.42	2.59
Aditya Birla Health Insurance Co. Limited	1.05	2.82
Aditya Birla Sun Life Pension Management Limited	0.00	-
Aditya Birla Health Service Private Limited	0.98	-
Aditya Birla Capital Limited	0.05	
Birla Jingwei Fibres Company Limited *	(0.01)	(0.26)
AV Terrace Bay Inc. Canada *	(0.02)	(0.03)
Aditya Birla Renewables Limited	13.37	12.37
Aditya Birla Management Corporation Private Limited	151.37	129.03
ABNL Investments Limited	0.80	0.96
Samruddhi Swastik Trading and Investments Limited	0.04	0.12
Birla Group Holdings Private Limited	0.21	0.22
Birla Research Institute of Applied Sciences	0.93	2.79
Birla Institute of Technology and Science Company	0.03	-
Cyril Amarchand Mangaldas	1.17	0.68
Shardul Amarchand Mangaldas & Co.	0.09	0.98
Mr. Suvrat Jain	0.12	0.11
Mr. Devavrat Jain	0.02	0.02
Shri Shailendra Jain	0.00	-

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₹ in Crore

A. Nature of Transactions	Year Ended 31st March, 2022	Year Ended 31st March, 2021
M/s Shailendra & Co.	0.00	-
Aditya Birla Education Trust	8.00	-
Jayashree Charity Trust, Kolkata	0.14	-
Kalyan Charity Trust, Shahad	0.11	-
Grasim Jana Kalyan Trust	0.10	-
Renew Surya Uday Private Limited	3.14	-
Total	**1,616.87**	**1,074.05**
*Recovery of IT expenses		
Payments to Key Management Personnel		
Managerial Remuneration Paid *	21.48	13.74
Commission to Non Executive Directors (KMPs)	4.00	2.50
Sitting fees to Directors	0.44	0.44
Dividend to Directors	1.66	0.45
* Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.		
Compensation of Key Management Personnel of the Company*		
Short-term Employee benefits	15.79	9.50
Post-Retirement benefits	2.74	2.81
Share-Based Payments	2.95	1.43
Total	**21.48**	**13.74**
* Expenses towards gratuity and leave encashment provisions are determined by actuary on an overall Company basis at the end of each year and, accordingly have not been considered in the above information.		
Loans Provided:		
Birla Advanced Knits Private Limited	5.00	-
ABNL Investments Limited	-	12.60
Samruddhi Swastik Trading and Investments Limited	-	25.65
Total	**5.00**	**38.25**
Repayments against Loans Provided:		
Birla Advanced Knits Private Limited	5.00	-
Aditya Birla Renewables Limited	2.00	-
Aditya Birla Solar Limited	6.00	4.00
ABNL Investments Limited	-	12.60
Samruddhi Swastik Trading and Investments Limited	-	25.65
Aditya Birla Science and Technology Company Private Limited	2.21	2.20
Total	**15.21**	**44.45**
Deposits Given/ (Refunded):		
Samruddhi Swastik Trading and Investments Limited	(0.22)	-
Aditya Birla Management Corporation Private Limited	-	(21.48)
Purchase of Non-Convertible Debentures:		
Aditya Birla Sun Life Insurance Company Limited	20.00	-

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₹ in Crore

A. Nature of Transactions	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Investments/(Sale) in Equity Shares:		
Renew Surya Uday Private Limited	15.31	-
Aditya Birla Renewables Limited	58.20	43.35
ABReL Solar Power Limited	5.03	-
Birla Advanced Knits Private Limited	15.00	-
Aditya Birla Power Composite Limited	5.18	17.50
Total	**98.72**	**60.85**
Purchases/(Sales) of Property, Plant and Equipment/Intangible Assets:		
UltraTech Cement Limited	6.18	2.03
Birla Research Institute of Applied Science	0.03	0.03
Total	**6.21**	**2.06**
Contribution to Post Retirement Funds:		
Grasim Industries Limited Employees' Provident Fund	16.71	14.35
Jayshree Provident Fund Institution	4.38	4.81
Indo Gulf Fertilizer Limited Employee Provident Fund Trust	1.08	1.10
Century Rayon Provident Fund Trust - 1 & 2	8.87	7.73
Grasim (Senior Executive & Officers) Superannuation Scheme	1.09	1.16
Grasim Industries Limited Employees Gratuity Fund	54.35	92.92
Total	**86.48**	**122.07**

₹ in Crore

B. Outstanding Balances	As at 31st March, 2022	As at 31st March, 2021
Other Non-current Liabilities (Financial and non-financial):		
UltraTech Cement Limited	0.05	0.06
Aditya Birla Management Corporation Private Limited	-	0.02
Total	**0.05**	**0.08**
Trade Payables:		
UltraTech Cement Limited	0.76	0.99
Aditya Birla Sun Life Insurance Company Limited	-	0.33
Aditya Birla Renewables Limited	0.03	0.05
Aditya Birla Health Insurance Company Limited	0.02	0.03
AV Group NB Inc.	63.73	18.85
Aditya Group AB	32.81	11.65
Aditya Birla Science and Technology Company Private Limited	0.44	0.01
Aditya Birla Management Corporation Private Limited	-	1.10
Renew Surya Uday Private Limited	3.14	-
Samruddhi Swastik Trading and Investments Limited	-	0.04
Total	**100.93**	**33.05**
Other Current Liabilities (Financial and Non-financial):		
Aditya Birla Sun Life Insurance Company Limited	-	0.05
Aditya Birla Sun Life AMC Limited	0.72	0.72
UltraTech Cement Limited	0.30	3.07
Aditya Birla Management Corporation Private Limited	23.31	10.75

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₹ in Crore

B. Outstanding Balances	As at 31st March, 2022	As at 31st March, 2021
Century Rayon Provident Fund Trust	2.99	2.68
Jayshree Provident Fund Institution	1.98	1.30
Aditya Birla Sun Life Pension Management Limited	0.03	0.01
Indo Gulf Fertilizer Limited Employee Provident Fund Trust	-	0.41
Total	**29.33**	**18.99**
Trade Receivables:		
UltraTech Cement Limited	0.07	0.07
Birla Jingwei Fibres Company Limited	5.25	74.30
Aditya Group AB	-	0.02
Aditya Birla Renewables Limited	0.06	0.01
Aditya Birla Renewables Energy Limited	0.01	1.45
Aditya Birla Solar Limited	0.02	0.03
Aditya Birla Renewables Subsidiary Limited	0.02	0.02
Aditya Birla Health Insurance Company Limited	-	0.02
Aditya Birla Sun Life Insurance Company Limited	-	0.03
Aditya Birla Renewables SPV1 Limited	0.07	1.39
Aditya Birla Renewables Solar Limited	1.90	-
Waacox Energy Private Limited	0.01	2.99
Aditya Birla Power Composite Limited	1.94	0.09
Birla Carbon India Private Limited	-	0.02
Aditya Birla Management Corporation Private Limited	0.02	-
Aditya Birla Renewables Utkal Limited	0.01	0.01
Total	**9.38**	**80.45**
Investments in Equity Shares (Note 2.4):		
Subsidiaries	21,055.47	20,992.24
Joint Ventures	773.43	753.25
Associates	26.66	11.35
Total	**21,855.56**	**21,756.84**
Investments in Preference Shares (Note 2.5):		
Joint Ventures	84.16	81.88
Non-Current Financial Assets - Deposits:		
Birla Group Holdings Private Limited	7.37	7.37
Aditya Birla Management Corporation Private Limited	28.53	28.53
Samruddhi Swastik Trading and Investments Limited	-	0.22
Total	**35.90**	**36.12**
Non Convertible Debentures Issued:		
Aditya Birla Sun Life Insurance Company Limited	30.00	10.00
Total	**30.00**	**10.00**
Current Financial Assets- Loans:		
Aditya Birla Science and Technology Company Private Limited	16.13	18.34
Aditya Birla Solar Limited	3.00	9.00
Aditya Birla Renewables Limited	3.00	5.00
Total	**22.13**	**32.34**

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₹ in Crore

B. Outstanding Balances	As at 31st March, 2022	As at 31st March, 2021
Other Current Assets (Financial and Non-financial):		
Aditya Birla Sun Life Insurance Company Limited	1.42	1.06
Aditya Birla Health Insurance Company Limited	0.31	0.85
Aditya Birla Sun Life AMC Limited	-	0.02
Aditya Birla Capital Limited	0.05	0.13
UltraTech Cement Limited	0.19	0.31
Birla Jingwei Fibres Company Limited	-	0.01
Aditya Birla Renewables Limited	0.12	0.55
Aditya Birla Solar Limited	0.15	0.08
Aditya Birla Sun Life Pension Management Limited	0.05	-
Birla Carbon India Private Limited	0.00	0.12
Aditya Birla Management Corporation Private Limited	0.03	0.35
Mr. Devavrat Jain	-	0.01
Total	**2.32**	**3.49**

4.7. RETIREMENT BENEFITS:

4.7.1 Defined Benefit Plans as per Actuarial Valuation:

Gratuity (funded by the Company):

The Company operates a Gratuity plan through a trust for its all employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Pension:

The Company provides pension to few retired employees as approved by the Board of Directors of the Company.

Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in cost of providing these benefits to employees in future. In this case the pension is paid directly by the Company (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and hence the plan carries the longevity risks.

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4.7.1.1. Gratuity and Pension:

₹ in Crore

	Particulars	Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(i)	**Reconciliation of Present Value of the Obligation:**				
	Opening Defined Benefit Obligation*	646.71	637.52	32.90	34.50
	Adjustments of:				
	Current Service Cost	46.83	37.77	4.65	-
	Interest Cost	41.36	41.32	2.07	2.33
	Actuarial Loss/(Gain)	(4.88)	(20.38)	(2.12)	0.97
	Benefits Paid	(54.35)	(49.52)	(7.95)	(4.90)
	Liability related to Discontinued operations	(48.04)	-	-	-
	Closing Defined Benefit Obligation	**627.63**	**646.71**	**29.55**	**32.90**
(ii)	**Reconciliation of Fair Value of the Plan Assets:**				
	Opening Fair Value of the Plan Assets	698.62	563.68	-	-
	Adjustments of:				
	Return on Plan Assets	44.68	37.79	-	-
	Actuarial Gain/(Loss)	12.52	53.75	-	-
	Contributions by the Employer	54.35	92.92	7.95	4.90
	Benefits Paid	(54.35)	(49.52)	(7.95)	(4.90)
	Liability related to Discontinued operations	(48.04)	-	-	-
	Closing Fair Value of the Plan Assets	**707.78**	**698.62**	**-**	**-**
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**				
	Present Value of the Defined Benefit Obligation at the end of the year	627.63	646.71	29.55	32.90
	Fair Value of the Plan Assets	707.78	698.62	-	-
	Net Liabilities/(Assets) recognised in the Balance Sheet	(80.15)	(51.91)	29.55	32.90
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**				
	Current Service Cost	46.83	37.77	4.65	-
	Past Service Cost	-	-	-	-
	Interest on Defined Benefit Obligations (Net)	(3.32)	3.53	2.07	2.33
	Net Cost	43.51	41.30	6.72	2.33
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	(1.20)	(0.58)	-	-
	Net Charge to the Statement of Profit and Loss*	42.31	40.72	6.72	2.33
	* Charge towards Discontinued operations included in above number	2.01	3.07	-	0.05
(v)	**Amount recognised in Other Comprehensive Income (OCI) for the Year:**				
	Changes in Financial Assumptions	(12.79)	20.30	(0.43)	0.57
	Changes in Demographic Assumptions	-	(0.02)	-	-
	Experience Adjustments	7.91	(40.66)	(1.69)	0.40
	Actual return on Plan Assets less Interest on Plan Assets	(12.52)	(53.75)	-	-
	Recognised in OCI for the year	(17.40)	(74.13)	(2.12)	0.97
(vi)	**Maturity profile of Defined Benefit Obligation:**				
	Within next 12 months (next annual reporting period)	60.41	62.36	6.79	6.17
	Between 1 and 5 years	180.68	151.44	20.94	19.22
	Between 6 and 9 years	238.16	307.38	13.84	13.65
	10 years and above	894.11	809.37	9.85	10.01

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₹ in Crore

Particulars		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(vii)	**Quantitative sensitivity analysis for significant assumptions:**				
	Increase/(decrease) on present value of defined benefit obligation at the end of the year				
	50 bps increase in discount rate	(28.43)	(28.47)	(0.70)	(0.82)
	50 bps decrease in discount rate	30.73	30.72	0.73	0.86
	50 bps increase in salary escalation rate	28.87	29.99	-	-
	50 bps decrease in salary escalation rate	(26.99)	(28.04)	-	-
	Increase in Life Expectancy by one year	-	-	0.98	1.25
	Decrease in Life Expectancy by one year	-	-	(0.86)	(1.09)
(viii)	**The major categories of Plan Assets as a % of total plan:**				
	Government of India Securities	10.78%	16.85%	N.A.	N.A.
	Corporate Bonds	0.66%	1.89%	N.A.	N.A.
	Insurer Managed Fund	88.37%	80.64%	N.A.	N.A.
	Others	0.19%	0.62%	N.A.	N.A.
	Total	100.00%	100.00%	N.A.	N.A.
(ix)	**Principal Actuarial Assumptions:**				
	Discount Rate	6.70%	6.40%	6.70%	6.40%
	Salary Escalation rate	6.00%-8.00%	5.50%-8.00%	-	-
	Mortality Tables	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	S1PA annuity rates adjusted suitably	S1PA annuity rates adjusted suitably
	Retirement Age:				
	Management	60 Yrs.	60 Yrs.		
	Non-Management	58 Yrs.	58 Yrs.		
(x)	**Weighted Average Duration of Defined Benefit obligation:**	10 Yrs.	8.15 Yrs.	5 Yrs.	4.31 Yrs.

(xi) There are no amounts included in the Fair Value of Plan Assets for:

a) Company's own financial instrument

b) Property occupied by or other assets used by the Company

(xii) Basis used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date, applicable to the period over which the obligation is to be settled.

(xiii) Asset Liability matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

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(xiv) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xv) Sensitivity Analysis:

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(xvi) The best estimate of the expected Contribution for the next year amounts to Nil (Previous Year Nil).

4.7.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 33.59 Crore (Previous Year ₹ 23.70 Crore) which includes compensated absences of discontinued operations were ₹ 2.61 Crore (previous year ₹ 1.22 Crore).

4.7.1.3 The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust:

Contribution to the recognised provident fund are substantially defined contribution plan. The Company is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. The Company does not expect any shortfall.

Amount recognised as expense and included in the Note 3.6 as "Contribution- Company owned Provident Fund" is ₹ 30.03 Crore (Previous Year ₹ 27.56 Crore) and Amount recognized as preoperative expense and included in note 2.1.5 as "Contribution- Company owned Provident Fund" is ₹ 1.02 Crore (Previous Year ₹ 0.43 Crore).

₹ in Crore

	Particulars	Provident Fund (Funded)	
		Current Year	**Previous Year**
(i)	**Reconciliation of Present Value of the Obligation:**		
	Opening Defined Benefit Obligation	1,311.87	1,170.69
	Adjustments of:		
	Current Service Cost	31.05	27.99
	Interest Cost	77.72	79.02
	Actuarial Loss/(Gain)	15.02	68.40
	Contributions by the Employees	76.15	76.74
	Benefits Paid	(85.13)	(95.42)
	Liabilities assumed /(settled)	(1.98)	(15.55)
	Liability transferred related to Discontinued operations	(121.07)	-
	Closing Defined Benefit Obligation	**1,303.63**	**1,311.87**
(ii)	**Reconciliation of Fair Value of the Plan Assets:**		
	Opening Fair Value of the Plan Assets	1,333.66	1,170.69
	Adjustments of:		
	Expected Return on Plan Assets	77.72	79.02
	Actuarial Gain/(Loss)	26.80	90.19
	Contributions by the Employer	31.05	27.99
	Contributions by the Employee	76.15	76.74

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₹ in Crore

Particulars		Provident Fund (Funded)	
		Current Year	Previous Year
	Benefits Paid	(85.13)	(95.42)
	Assets transferred related to Discontinued operations	(129.58)	-
	Assets acquired/(settled)	(8.70)	(15.55)
	Closing Fair Value of the Plan Assets	**1,321.97**	**1,333.66**
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**		
	Present Value of the Defined Benefit Obligation at the end of the period	1,303.63	1,311.87
	Fair Value of the Plan Assets	1,321.97	1,333.66
	Surplus Available over Defined Benefit Obligation	(18.34)	(21.79)
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**		
	Current Service Cost	31.05	27.99
	Interest on Defined Benefit Obligations (Net)	77.72	79.02
	Net Cost	108.77	107.01
	Expected return on plan assets	77.72	79.02
	Net Charge to the Statement of Profit and Loss	31.05	27.99
(v)	**Actual return on plan assets:**		
	Expected return on plan assets	77.72	79.02
	Actuarial gain on plan assets	26.80	90.19
	Actual return on plan assets	104.52	169.21
(vi)	**Asset information:**		
	Government Securities	573.81	584.35
	Private Sector Bonds	615.31	627.40
	Equity/insurer managed funds/mutual funds	79.11	65.09
	Others	53.74	56.82
	Total assets at the end of the year	1,321.97	1,333.66
(vii)	**Principal actuarial assumptions used:**		
	Discounted rate (per annum)	6.70%	6.40%
	Expected rate of return on plan assets (per annum)	7.33%-7.93%	6.25%-6.55%
	Average Historic Yield on Investment Portfolio	7.98%- 8.42%	8.17%- 8.68%
	Guaranteed Interest Rate	8.10%	8.50%

4.7.2 Defined Contribution Plans:

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount recognized as an expense and included in note 3.6 as " Contribution to Provident and Other Funds"	67.18	62.69
Amount recognized as pre-operative expense and included in note 2.1.5 as "Contribution to Provident and Other Funds	1.46	1.22
Total Contribution to Provident and Other Funds	**68.64**	**63.91**

Note: Contribution to Provident and Other Funds of Discontinued operations were ₹ 4.02 Crore for 31st March,2022 and ₹ 5.46 Crore for 31st March, 2021.

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4.8 ADDITIONAL INFORMATION

4.8.1 Information relating to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in Crore

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a)	the principal amount overdue and the interest thereon ₹ 0.95 Crore {Previous Year ₹ 0.55 Crore}) remaining unpaid to any supplier at the end of each accounting year;	5.34	16.54
(b)	the amount of interest paid by the buyer 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 during each accounting year;	0.01	-
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006;	5.22	4.91
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.48	1.61
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.26

4.8.2 Government Grant (Ind AS 20)

The Company has received interest-free loans in Previous Year of ₹ 15.87 Crore from a State Government, repayable in full after six years. Using prevailing market interest rate 7.45% p.a. for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 10.07 Crore. The difference of ₹ 5.80 Crore between gross proceeds and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the period of loan.

4.8.3 Corporate Social Responsibility

The Company has spent ₹ 42.47 Crore on Corporate Social Responsibility Projects/initiatives during the year (Previous Year ₹ 84.66 Crore) which are included in different heads of expenses in the Statement of Profit and Loss.

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March 2022 is ₹ 35.97 Crore (Previous Year ₹ 45.06 Crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount required to be spent by the company during the year,	35.97	45.06
Amount of expenditure incurred *	42.47	84.66
Amount spent on construction/ acquisition of asset	-	-
Balance carried forward	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	**-**	**-**

*Amount excludes CSR of ₹ 4.75 Crore which remains unspent and it has been transferred to separate bank account in April 2022.

Reason for shortfall: Not applicable

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Nature of CSR activities:

Education, Health Care, Sustainable Livelihoods, Infrastructure Development, Social Empowerment, Rural Development & COVID related CSR.

Details of related party transactions: Aditya Birla Education Trust of ₹ 8 Crore and Aditya Birla Health Service Private Limited ₹ 0.98 Crore.

4.8.4 Distribution made and proposed (Ind AS 1):

₹ in Crore

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash dividend declared and paid on equity shares:		
Final dividend for the year ended on 31st March, 2021: ₹ 5 per share and Special Dividend ₹ 4 per share of face value of ₹ 2 each (31st March, 2020: Final dividend ₹ 4 per share of face value of ₹ 2 each)	592.26	263.19
Proposed dividend on Equity shares:		
Final dividend for the Year ended on 31st March, 2022: ₹ 5 per share and Special Dividend ₹ 5 per share of face value of ₹ 2 each (31st March, 2021: Final dividend ₹ 5 per share and Special Dividend ₹ 4 per share of face value of ₹ 2 each)	658.32	592.26

4.8.5	Revenue expenditure incurred by approved in-house R&D centres on Research and Development included in different heads of expenses in the Statement of Profit and Loss	69.76	58.89
4.8.6	Miscellaneous Expenses include contribution to AB General Electoral Trust. The Trust uses such funds for contribution for Political purposes.	-	10.00

4.9 SHARE BASED PAYMENTS

4.9.1 1,696,470 Equity Shares of Face Value of ₹ 2 each (Previous Year 1,712,882 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006)

Employee Stock Option Scheme, 2013 (ESOS-2013) and Employee Stock Option Scheme, 2018 (ESOS-2018).

a. Under the ESOS-2006, the Company has granted 56,005 Options to its eligible employees, the details of which are given hereunder:

Particulars	Options Tranche V
No. of Options Granted	56,005
Grant Date	18-Oct-2013
Grant Price (₹ Per Share)#	532
Market Price on the Date of Grant (₹)	543
Fair Value on the Date of Grant of Option (₹ Per Share)	197
Method of Settlement	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015
Graded Vesting Plan	25% every year, commencing after one year from the date of grant
Normal Exercise Period	5 years from the date of vesting

The Grant Price in respect of Tranche V has been revised in the earlier Financial Year post-demerger of Financial Service business of Grasim to ABCL, resulted in reduction of ₹ 14 per share from the earlier Exercise Price, i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

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b. Under the ESOS-2013, the Company has granted 964,960 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

Particulars	Options			RSU's				
	Tranche I	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options / RSU Granted	627,015	121,750	30,440	93,495	40,420	31,010	16,665	4,165
Grant Date	18-Oct-2013	15-Jan-2016	02-Apr-2016	18-Oct-2013	21-Nov-2013	29-Jan-2014	15-Jan-2016	02-Apr-2016
Grant Price (₹ Per Share)#	529	686	757	2	2	2	2	2
Market Price on the Date of Grant (₹)#	529	686	757	529	522	686	757	757
Fair value on the date of Grant of option (₹ per share)	199	274	291	520	498	495	687	750
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015 and Fair value for options vested after 1st April 2015			Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of three years from the date of grant				
Normal Exercise Period	5 years from the date of vesting			5 years from the date of vesting				

\# The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the previous Financial Year post- demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

c. Under the ESOS-2018, the Company has granted 2,328,707 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, the details of which are given hereunder:

Particulars	Options							
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
No. of Options / RSU Granted	1,077,312	26,456	53,480	254,141	68,784	296,220	41,361	65,025
Grant Date	17-Dec-2018	24-Dec-2019	13-Mar-2020	12-Feb-2021	12-Feb-2021	13-Aug-2021	01-Sep-2021	12-Nov-2021
Grant Price (₹ Per Share)	847.20	742.35	559.85	1,235.45	1,235.45	1,492.30	1,500.40	1,844.35
Market Price on the Date of Grant (₹)#	847.20	742.35	559.85	1,235.45	1,235.45	1,492.30	1,500.40	1,844.35
Fair value on the date of Grant of option (₹ per share)	422.53	347.48	266.70	524.74	347.48	618.78	624.41	763.33
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of one years from the date of grant	25% every year, commencing after one year from the date of grant	3 years from the date of vesting		
Normal Exercise Period	5 years from the date of vesting							

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Particulars	RSUs				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options / RSU Granted	206,320	66,179	5,066	28,393	13,172
Grant Date	17-Dec-2018	27-Mar-2019	24-Dec-2019	13-Mar-2020	12-Feb-2021
Grant Price (₹ Per Share)	2	2	2	2	2
Market Price on the Date of Grant (₹)#	847.20	836.70	742.35	559.85	1,235.45
Fair value on the date of Grant of option (₹ per share)	832.64	822.29	726.19	547.29	1,210.08
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant				
Normal Exercise Period	5 years from the date of vesting				

Particulars	RSUs					
	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI
No. of Options / RSU Granted	36,243	54,674	5,007	8,344	9,500	13,030
Grant Date	13-Aug-2021	13-Aug-2021	01-Sep-2021	01-Sep-2021	12-Nov-2021	12-Nov-2021
Grant Price (₹ Per Share)	2	2	2	2	2	2
Market Price on the Date of Grant (₹)#	1,492.30	1,492.30	1,500.40	1,500.40	1,844.35	1,844.35
Fair value on the date of Grant of option (₹ per share)	1,451.10	1,457.59	1,458.98	1,478.63	1,793.79	1,817.99
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant					
Normal Exercise Period	5 years from the date of vesting					

4.9.2

a. Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 140,517 Options to the eligible employees of erstwhile ABNL as per the composite scheme of arrangement between the Company and ABNL. The details are as under:

Particulars	Options			RSUs	
	Tranche IA	Tranche IIIA	Tranche IVA	Tranche IA	Tranche IVA
No. of Options / RSU Granted	39,887	6,144	51,219	18,483	24,784
Grant Date	07-Dec-2013	12-Nov-2014	24-May-2016	07-Dec-2013	24-May-2016
Grant/Exercise Price (₹ Per Share)	449	631	648	2	2
Market Price on the Date of Grant (₹)	1,240	1,727	992	1,240	992
Fair value on the date of merger (1st Jul 2017)	806	693	716	1,200	1,195
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of three years from the date of grant	
Normal Exercise Period	5 years from the date of vesting			5 years from the date of vesting	

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b. Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 204,066 SAR to the eligible employees of erstwhile ABNL as per the composite scheme of arrangement between the Company and ABNL. The details are as under:

Particulars	SAR's (Linked with the Company's market price)	SAR's (Linked with Aditya Birla Capital Limited's market price)	
	Tranche - IV A	Tranche - IV A	Tranche - IV B
Number of SAR's	79,382	111,137	13,547
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Bullet Vesting-end of 3 year from grant date
Exercise Period	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	
Grant Date	24-May-2016	24-May-2016	24-May-2016
Grant Price (₹ Per Share)	648	10	10
Market Price on the date of Grant of SAR's (₹ Per Share)	992.4	NA	NA

c. Under the Employee Stock Options Scheme - 2018 (ESOS-2018), the Company has granted 144,313 SAR.

The details are as under:

Particulars	SAR's (Linked with the Company's market price)				SAR's (Linked with Aditya Birla Capital Limited's market price)			
	Tranche - I Options	Tranche - III Options	Tranche - V Options	Tranche - I RSU	Tranche - II RSU	Tranche - IV RSU	Tranche - V RSU	Tranche - IV Options
Number of SAR's	82,144	23,815	4,206	18,964	609	504	1,006	13,065
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting - 25% every year	Bullet Vesting -1 Year from the date of Grant	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting -1 Year from the date of Grant
Exercise Period	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting
Grant Date	17-Dec-2018	12-Feb-2021	17-Dec-2018	17-Dec-2018	27-Mar-2019	27-Mar-2019	27-Mar-2019	12-Feb-2021
Grant Price (₹ Per Share)	847.2	1235.45	2	2	2	2	2	10
Market Price on the date of Grant of SAR's (₹ Per Share)	847.2	1235.45	847.2	847.2	836.7	836.7	836.7	88.55

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4.9.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

4.9.3.1 For options referred to in 4.9.1(a) (b) & (c)

Particulars	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	1,712,882	684	1,965,695	601
Granted during the year	529,404	1,179	336,097	1,187
Exercised during the year	391,232	435	273,371	578
Lapsed during the year	154,584	940	315,539	795
Outstanding at the end of the year	1,696,470	872	1,712,882	684
Options: Unvested at the end of the year	831,569	1,011	1,111,501	734
Exercisable at the end of the year	864,901	739	601,381	591

The weighted average share price at the date of exercise for options was ₹ 1,598.94 per share (31st March, 2021 ₹ 964.25 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2022 was 2.35 years (31st March 2021: 3.54 years).

4.9.3.2 For options referred to in 4.9.2(a)&(b)

Particulars	Number of Options and RSUs				Number of SAR's			
	Current Year		Previous Year		Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	65,787	369	88,017	365	49,411	288	110,371	270
Granted during the year	-	-	-		-	-	-	-
Exercised during the year	65,787	369	11,566	86	49,411	288	34,263	274
Lapsed during the year			10,664	648	-	-	26,697	233
Outstanding at the end of the year	-	-	65,787	369	-	-	49,411	288
Options: Unvested at the end of the year	-	-	-	-	-	-	-	
Exercisable at the end of the year	-	-	65,787	369	-	-	49,411	288

The weighted average share price at the date of exercise for options was ₹ 1,589.50 per share (previous year ₹ 666.43 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March, 2022 is Nil years (31st March 2021: 1.72 years).

The weighted average share price at the date of exercise for SARs was ₹ 1,451.02 per share (31st March, 2021 ₹ 522.27 per share) and weighted average remaining contractual life for the SAR's outstanding as at 31st March, 2022 is Nil years (31st March 2021 0.70 years).

4.9.3.2 For options referred to in 4.9.2(c)

Particulars	Number of SAR's			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	138,327	717	115,931	706
Granted during the year	16,078	858	36,880	802
Lapsed during the year	7,004	521	14,484	847
Outstanding at the end of the year	147,401	742	138,327	717
Options: Unvested at the end of the year	32,684	891	104,993	676
Exercisable at the end of the year	114,717	699	33,334	847

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4.9.4 Fair Valuation

The fair value of options has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial Model for calculating fair value as on the date of grant are:

4.9.4.1 For options referred to in 4.9.1(a), (b) & (c)

ESOS-2006	Options Tranche V
Method used	Black - Scholes Model
Risk-Free Rate	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period
Expected Volatility *	24.01%
Dividend Yield	1.03%

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option.

ESOS-2013	Options			RSUs				
	Tranche I	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Method used	Black - Scholes Model			Black - Scholes Model				
Risk-Free Rate	8.58%	7.87%	7.60%	8.66%	8.90%	9.00%	7.96%	7.78%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period			5.50	5.50	5.50	5.50	5.50
Expected Volatility *	24.01%	28.26%	27.96%	24.01%	23.76%	23.47%	28.52%	28.41%
Dividend Yield	1.03%	0.36%	0.52%	1.34%	1.40%	1.43%	0.34%	0.51%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU.

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

ESOS-2018	Options							
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.60%	6.74%	6.85%	5.59%	5.82%	6.06%	6.23%	6.31%
Option Life (Years)	Vesting Period (1 year) + Average of Exercise Period							
Expected Volatility *	32.06%	32.35%	32.78%	36.68%	36.68%	29.81%	28.79%	28.62%
Dividend Yield	0.52%	0.66%	0.66%	0.65%	0.65%	0.89%	0.89%	0.89%

ESOS-2018	RSUs				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.65%	7.48%	6.74%	6.85%	5.93%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period				
Expected Volatility *	32.06%	31.48%	32.35%	32.78%	36.68%
Dividend Yield	0.52%	0.52%	0.66%	0.66%	0.65%

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ESOS-2018	RSUs					
	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	6.33%	6.06%	6.22%	6.23%	6.31%	6.06%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period					
Expected Volatility *	28.84%	29.81%	28.65%	28.79%	28.62%	30.05%
Dividend Yield	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 475.19 per stock option, ₹ 1,018.15 per RSU.

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

4.9.4.2 For options referred to in 4.9.2(a), (b) & (c)

ESOS-2013	Options			RSUs	
	Tranche IA	Tranche IIIA	Tranche IVA	Tranche IA	Tranche IVA
Risk-Free Rate	6.60%	6.60%	6.70%	6.50%	6.70%
Option Life (Years)	1.19 years	1.28 years	2.65 years	0.69 years	3.15 years
Expected Volatility *	27.20%	27.80%	27.20%	27.70%	27.40%
Dividend Yield	0.31%	0.31%	0.31%	0.31%	0.31%
Weighted average fair value of the option/ RSU on the date of grant	₹ 583 per stock option.			₹ 1,004 per stock option.	

ESOS-2013	SARs (Linked to the Company's market price)	SARs (Linked with Aditya Birla Capital Limited's market price)	
	Tranche IVA	Tranche IVA	Tranche IVB
Method used	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.89%	5.89%	5.89%
Option Life (Years)	0.82 years	0.82 years	1.15 years
Expected Volatility *	32.78%	35.00%	35.92%
Dividend Yield	0.66%	-	-
Weighted average fair value of SARs on 31st Mar 2022	₹ 346.40 per SAR.	₹ 85.76 per SAR.	

ESOS-2018	SAR's (Linked with the Company's market price)			SAR's (Linked with Aditya Birla Capital Limited's market price)
	Tranche - I Options	Tranche - III Options	Tranche - V Options	Tranche - IV Options
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.84%	5.61%	5.77%	5.61%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			Vesting Period (3 years) + Average of Exercise Period
Expected Volatility *	31.56%	31.81%	31.09%	43.05%
Dividend Yield	0.58%	0.58%	0.58%	0.58%
Weighted average fair value of SARs on 31st Mar 2022	₹ 791.14	₹ 520.18	₹ 495.84	₹ 86.44

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ESOS-2018	SAR's (Linked with the Company's market price)			
	Tranche - I RSU	Tranche - II RSU	Tranche - IV RSU	Tranche - V RSU
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.50%	5.70%	6.22%	5.62%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			
Expected Volatility *	31.80%	31.62%	31.39%	31.09%
Dividend Yield	0.58%	0.58%	0.58%	0.58%
Weighted average fair value of SARs on 31st Mar 2022	₹ 1,605.39	₹ 1,516.37	₹ 1,481.89	₹ 1,652.43

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

4.9.5 Details of Laibilities arising form company's cash settled share based payment transactions

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other non current financial liability	0.18	-
Other current financial liability	11.97	9.88
	12.15	**9.88**

4.9.6 Employee Stock Option expenses (including SAR) recognised in the statement of Standalone Profit and Loss ₹ 34.68 Crore (Previous Year ₹ 11.96 Crore) and recognised in pre-operative expense ₹ 0.32 Crore (Previous Year ₹ 0.23 Crore) Apart from above Employee Stock Option expenses (including SAR) towards discontinued operations were ₹ 0.19 Crore (Previous year ₹ 0.55 Crore).

4.10 FINANCIAL INSTRUMENTS-DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

A. Disclosure of Financial Instruments:

i. Investments in Equity Instruments (Other than Subsidiaries, Joint Ventures and Associates) designated at FVTOCI

These investments have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale.

ii. Investment in Debentures and Bonds measured at FVTOCI

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109- Financial Instruments. However, the business Model of the Company is such that it does not hold these investments till maturity as the Company intends to sell these investments as and when need arises. Hence, the same have been measured at FVTOCI.

iii. Investment in Mutual Fund Units and Preference Shares measured at FVTPL

Preference Shares and Mutual Funds have been measured on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109- Financial Instruments, for being measured at amortised cost or FVTOCI, hence, classified at FVTPL.

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B. Classification of Financial Assets and Liabilities:

₹ in Crore

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	1,690.42	1,690.42	1,312.03	1,312.02
Loans	35.58	35.58	75.94	75.94
Cash and Bank Balances	225.33	225.33	132.69	132.69
Other Financial Assets	406.99	406.99	369.81	369.81
Financial Assets at Fair value through Other Comprehensive Income				
Investments (Current and Non-Current)	12,324.34	12,324.34	8,926.99	8,926.99
Financial Assets at Fair value through Profit or Loss				
Investments (Current and Non-Current)	4,510.87	4,510.87	2,955.90	2,955.90
Hedging Instruments measured at Fair value				
Derivative Assets	0.01	0.01	-	-
Total	**19,193.54**	**19,193.54**	**13,773.36**	**13,773.35**
Financial Liabilities at Amortised Cost				
Rupee Term Loans from Banks	-	-	10.08	9.83
Subsidised Government Loan	115.45	114.06	172.08	171.32
Deferred Sales Tax Loans	41.40	41.40	39.50	39.50
Non-Convertible Debentures	3,944.70	3,959.87	2,947.05	2,971.68
External Commercial Borrowing	-	-	73.08	73.08
Rupee Loans (Current)	19.22	19.22	76.20	76.20
Commercial Papers (Current)	-	-	845.45	845.45
Lease Obligation (Current and Non-Current)	79.76	79.76	59.79	59.79
Supplier's Credit	183.40	183.40	-	-
Trade Payables	4,650.73	4,650.73	2,652.10	2,652.10
Other Financial Liabilities	1,194.72	1,194.72	1,258.30	1,258.30
Hedging Instruments measured at fair value				
Derivative Liabilities	12.37	12.37	4.87	4.87
Total	**10,241.75**	**10,255.53**	**8,138.50**	**8,162.12**

C. Fair Value Measurements (Ind AS 113):

The fair values of the Financial Assets and Liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA).

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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For assets and Liabilities which are measured at fair value as at Balance sheet date, the classification of fair value calculation by category is summarised below:

₹ in Crore

Quantitative disclosures fair value measurement hierarchy for assets and liabilities	Level 1	Level 2	Level 3	Total
As at 31st March, 2022				
Financial Assets				
1. Measured at Fair Value through Other Comprehensive Income				
Investments in Debentures or Bonds	-	87.49	-	87.49
Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)	11,584.06	-	652.79	12,236.85
2. Measured at fair value through Profit or Loss				
Investments in Mutual Funds and deposits	-	4,399.13	-	4,399.13
Investments in Preference Shares	-	-	85.14	85.14
Investments in Partnership Firm - LLP	-	-	26.60	26.60
Financial Liabilities				
1. Measured at Amortised cost for which fair values are disclosed				
Borrowings	-	3,959.87	155.46	4,115.33
2. Measured at Fair value through Profit or Loss				
Derivative Liabilities	-	12.37	-	12.37
As at 31st March, 2021				
Financial Assets				
1. Measured at Fair Value through Other Comprehensive Income				
Investments in Debentures or Bonds	-	133.73	-	133.73
Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)	8,193.85	-	599.41	8,793.26
2. Measured at Fair value through Profit or Loss				
Investments in Mutual Funds and deposits	-	2,857.17	-	2,857.17
Investments in Preference Shares	-	-	82.82	82.82
Investments in Partnership Firm LLP	-	-	15.91	15.91
Financial Liabilities				
1. Measured at Amortised cost for which Fair values are disclosed				
Borrowings	-	2,971.68	293.73	3,265.41
2. Measured at Fair value through Profit or Loss				
Derivative Liabilities	-	4.87	-	4.87

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting year ending 31st March, 2022 and 31st March, 2021, there was no transfer between level 1 and level 2 fair value measurement.

4.10.1 Key Inputs for Level 1& 2 Fair valuation Technique:

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on market yield for instruments with similar risk profile/maturity etc. (Level 2)
3. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)

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4. Derivative Liabilities (Level 2)

   (a) The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves and an appropriate discount factor.

   (b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies.

   (c) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.

4.10.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments:

Investments in Preference Shares	Discounted cash flow method using risk adjusted discount rate
Equity Investments - Unquoted (Other than Subsidiaries, Joint Ventures and Associates)	Discounted cash flow method using risk adjusted discount rate/Net worth of Investee Co.
Other Financial Assets (Non-current)	Discounted cash flow method using risk adjusted discount rate
Other Financial Liabilities (Non-current)	Discounted cash flow method using risk adjusted discount rate
Long-Term Borrowings - Deferred Sales Tax Loans and Non-convertible Debentures	Discounted cash flow method using risk adjusted discount rate

4.10.3 The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

	₹ in Crore
Balance as at 1st April, 2020	**526.14**
Add: Fair value Profit recognised in the Statement of Profit and Loss	10.26
Less: Sale/Redemption of Investments	-
Add: Purchase of Investments	15.91
Add/(Less): Fair value gain recognised in OCI	145.83
Balance as at 31st March, 2021	**698.14**
Add: Fair value Profit recognised in the Statement of Profit and Loss	2.32
Less: Sale/Redemption of Investments	-
Add: Purchase of Investments	10.69
Add/(Less): Fair value gain recognised in OCI	53.38
Balance as at 31st March, 2022	**764.53**

4.10.4 Relationship of Unobservable Inputs to Level 3 fair values (Recurring):

A. Equity Investments - Unquoted (for Equity Shares where Discounted Cash Flow Method is used):

A 100 bps increase/decrease in the Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 7.49 Crore or increase by ₹ 7.82 Crore (as at 31st March, 2021: decrease by ₹ 44.43 Crore or increase by ₹ 99.23 Crore).

B. Preference Shares:

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 3.97 Crore or increase by ₹ 3.74 Crore (as at 31st March, 2021:decrease by ₹ 3.74 Crore or increase by ₹ 4.01 Crore).

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4.11 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk and foreign exchange.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Company is exposed to and their management are given below:

Risks	Exposure Arising From	Measurement	Management
Market Risk:			
- Foreign Exchange Rate Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts & currency swaps
- Interest Rate Risk	Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate swaps Portfolio Diversification and Duration Management for Mutual Fund Schemes
- Equity Price Risk	Investments (other than Subsidiaries, Joint Ventures and Associates which are carried at cost)	Financial Performance of the Investee Company and its price in equity market	Investments are long term in nature and in Companies with sound management with leadership positions in their respective businesses
Credit Risk	Trade Receivables, Investments, Derivative Financial Instruments, ICDs	Ageing analysis, Credit Rating, Counter party credit evaluation	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts, Long range business forecast	Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities

The Management updates the Audit Committee / Risk Management Committee/ Board of Directors on a quarterly basis about the implementation of the above policies. It also updates on periodical basis about various risk to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

A. Foreign Exchange Rate Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipment, exports, foreign currency borrowings and net investment in foreign subsidiaries /Joint ventures.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures. It uses derivative instruments like forward covers to hedge exposure to foreign currency risk.

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When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

(i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31st March 2022 that are not denominated in Indian Rupees. The sensitivities do not take into account the Company's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

₹ in Crore

	USD	EUR	GBP	JPY	CAD	CNY/ CNH	SEK	AUD	CHF	Total
Effect as 31st March, 2022										
Effect of 5% strengthening of INR										
On Profit	97.66	20.68	(1.91)	35.23	(2.04)	0.17	0.00	33.01	0.02	182.81
On Equity	(4.15)	(0.47)	(1.22)	-	-	-	-	1.24	(0.10)	(4.70)
Effect of 5% Diminishing of INR										
On Profit	(97.66)	(20.68)	1.91	(35.23)	2.04	(0.17)	(0.00)	(33.01)	(0.02)	(182.81)
On Equity	4.15	0.47	1.22	-	-	-	-	(1.24)	0.10	4.70
Effect as 31st March, 2021										
Effect of 5% strengthening of INR										
On Profit	50.89	2.77	(1.61)	39.09	(2.22)	(5.65)	0.04	8.16	0.04	91.51
On Equity	(2.11)	(0.36)	(1.09)	-	-	-	-	1.23	(0.10)	(2.43)
Effect of 5% Diminishing of INR										
On Profit	(50.89)	(2.77)	1.61	(39.09)	2.22	5.65	(0.04)	(8.16)	(0.04)	(91.51)
On Equity	2.11	0.36	1.09	-	-	-	-	(1.23)	0.10	2.43

(ii) Hedging Activities and Derivatives:

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Company reports periodically to its risk management committee, the foreign exchange risk and compliance of the policies to manage its foreign exchange risk.

The Company has taken foreign currency floating rate borrowings, which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Company has entered into currency interest rate swap (CIRS). Under the terms of the CIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency.

The Company assesses hedge effectiveness based on the following criteria:

(i) an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk; and

(iii) assessment of the hedge ratio

The Company designates the forward exchange contracts to hedge its currency risk and generally applies a hedge ratio of 1:1. The Company's policy is to match the tenor of the forward exchange contracts with the hedged item.

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(a) Cash Flow Hedge

Sr. No.	Type of Hedges and Risks	Foreign currency Amount (in Crore)		Weighted average Foreign Exchange Rate (in ₹)		Nominal Value (₹ in Crore)		Carrying amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range	Change in Fair Value of hedging instrument (₹ in Crore)
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
Foreign Exchange Risk											
1)	**Foreign exchange forward contracts Outstanding as on 31st March, 2022**										
a	USD	0.14	1.07	76.50	76.99	10.71	82.38	(0.08)	(0.14)	05-04-2022 To 21-02-2023	(0.17)
b	EUR	0.16	0.27	87.88	87.44	14.06	23.61	(0.53)	(0.53)	11-04-2022 To 19-12-2022	1.02
c	GBP	-	0.24	-	105.92	-	25.42	-	(0.62)	25-04-2022 To 29-12-2022	0.84
d	AUD	0.44	-	58.34	-	25.67	-	0.12	-	08-04-2022 to 24-03-2023	0.21
2)	**Cross Currency Interest Rate Swaps:**										
a	USD*	-	-	-	-	-	-	-	-	-	1.24

* It has been repaid on 31st August, 2021.

Sr. No.	Type of Hedges and Risks	Foreign currency Amount (in Crore)		Weighted average Foreign Exchange Rate (in ₹)		Nominal Value (₹ in Crore)		Carrying amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range	Change in Fair Value of hedging instrument (₹ in Crore)
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
Foreign Exchange Risk											
1)	**Foreign exchange forward contracts Outstanding as on 31st March, 2021**										
a	USD	0.45	0.67	74.38	74.51	33.68	49.62	0.03	(0.23)	05-04-2021 to 04-01-2022	(3.40)
b	EUR	0.33	0.09	92.53	89.77	30.11	8.22	(1.19)	(0.29)	12-04-2021 to 30-03-2022	2.27
c	GBP	-	0.22	-	102.59	-	22.22	-	0.22	21-06-2021 to 15-03-2022	0.34
d	CHF	-	0.04	-	81.06	-	3.32	-	0.04	31-12-2021	-
e	AUD	0.44	-	58.57	-	25.90	-	(0.09)	-	10-01-2022 to 25-03-2022	0.41
f	CNH /CNY	0.59	0.00	11.40	1.00	6.74	0.00	(0.11)	0.00	31-12-2021	0.48
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March, 2021:**										
a	USD	1.00	-	65.25	-	65.25	-	7.40	-	20-08-2020 to 20-08-2021	(2.25)

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(b) Fair Value Hedge

Sr. No.	Type of Hedges and Risks	Foreign currency Amount (in Crore)		Weighted average Foreign Exchange Rate (in ₹)		Nominal Value (₹ in Crore)		Carrying amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Foreign Exchange Risk										
1)	**Foreign exchange forward contracts Outstanding as on 31st March, 2022**									
a	USD	30.41	0.40	76.71	75.96	2,332.72	30.36	(4.59)	12.56	05-04-2022 to 30-09-2022
b	JPY	0.50	-	0.66	-	0.33	-	-	0.02	31-05-2022
c	CNY/RMB/CNH	0.48	0.07	11.95	11.95	5.73	0.84	(0.00)	(0.01)	29-04-2022
d	EUR	2.79	1.34	89.79	86.98	250.32	116.94	0.42	1.02	25-04-2022 to 27-09-2022
e	GBP	-	0.19	-	104.50	-	20.24	0.81	-	25-04-2022 to 27-09-2022
f	CHF	-	0.03	-	83.26	-	2.86	-	-	30-06-2022
g	AUD	5.03	-	57.08	-	287.09	(0.00)	0.00	(3.79)	08-04-22 to 24-03-2023

Sr. No.	Type of Hedges and Risks	Foreign currency Amount (in Crore)		Weighted average Foreign Exchange Rate (in ₹)		Nominal Value (₹ in Crore)		Carrying amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Foreign Exchange Risk										
1)	**Foreign exchange forward contracts Outstanding as on 31st March, 2021**									
a	USD	13.51	0.42	74.75	73.76	1,009.89	30.86	(3.77)	5.24	12-04-2021 to 30-09-2021
b	JPY	11.82	-	0.70	-	8.28	-	-	0.40	30-6-2021
c	CNY/RMB/CNH	0.66	-	11.02	-	7.25	-	0.11	0.01	30-6-2021
d	EUR	0.94	0.50	91.16	76.76	85.94	38.74	0.74	2.45	12-04-2021 to 18-02-2022
e	GBP	-	0.15	-	100.41	-	15.29	(0.22)	-	20-04-2021 to 22-11-2021
f	AUD	1.26	-	57.12	-	71.88	-	-	(0.05)	15-04-2021 to 10-02-2022

B. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. For all long-term borrowings in foreign currency with floating interest rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate Exposure:

₹ in Crore

Particulars	Total Borrowings	Floating Rate	at Fixed Rate	Non-Interest Bearing
INR Borrowings	4,120.77	-	4,079.37	41.40
Total as at 31st March, 2022	**4,120.77**	**-**	**4,079.37**	**41.40**
INR Borrowings	4,090.36	10.08	4,040.78	39.50
USD Borrowings	73.08	-	73.08	-
Total as at 31st March, 2021	**4,163.44**	**10.08**	**4,113.86**	**39.50**

Note: Long term borrowing in foreign currency with floating interest rate is hedged with interest rate swap and shown as fixed rate borrowing above.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

Interest rate sensitivities for floating rate borrowings (impact of increase/(decrease) in 1%):

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Increase/decrease in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income and increase/decrease in case of net loss) for the respective year(s) is as below.

Effect on Profit Before Tax	Basis Point	31st March, 2022	31st March, 2021
INR - Increase	100	-	(0.10)
INR - Decrease	100	-	0.10

The Company's manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, which is monitored on continuous basis. For foreign currency long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. These swaps are designated to hedge underlying debt obligations. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

C. Equity Price Risk:

The Company is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive income for the year ended 31st March 2022 would increase/decrease by ₹ 579.2 Crore (for the year ended 31st March 2021 by ₹ 399.08 Crore).

D. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(i) Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

Total Trade receivables as on 31st March 2022 is ₹ 1,690.42 Crore (31st March 2021 is ₹ 1,312.03 Crore)

The Company does not have higher concentration of credit risks to a single customer.

Single largest customers of the Company have exposure of 1.17% of total sales (31st March 2021: 2.44%) and in receivables 4.22% (31st March 2021: 5.66%).

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due, refer note 2.11.2.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. However, total write off against receivables are ₹ 0.22 Crore of the outstanding receivables for the current year (Previous Year ₹ 0.36 Crore).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

Movement of Allowance for Doubtful Debts:

₹ in Crore

Particulars	Current Year	Previous Year
Opening provision	63.78	95.33
Add: Provided during the year	8.02	1.89
Less: Utilised during the year	1.15	0.41
Less: Written back during the year	26.22	0.03
Less: transferred to liabilities classified as held for Sale	-	33.00
Closing Provision	**44.43**	**63.78**

(ii) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates etc. These Mutual Funds and Counterparties have low credit risk.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments as on 31st March 2022 is ₹ 38,691 Crore (31st March 2021 ₹ 33,639.73 Crore).

E. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and Financial assets at the reporting date

₹ in Crore

As at 31st March, 2022	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including current maturities) *	1,075.77	2,069.69	1,000.00	4,145.46
Supplier's Credit	183.40	-	-	183.40
Trade Payables	4,650.73	-	-	4,650.73
Interest Accrued but not Due on Borrowings	232.82	-	-	232.82
Other Financial Liabilities (excluding Derivative Liability)	958.80	3.10	-	961.90
Derivative Liability	12.37	-	-	12.37
Lease liability *	25.22	84.62	6.31	116.15
Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates, ICDs and Larsen & Toubro shares etc.	4,854.98	2.08	-	4,857.06

* Contractual amount

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

₹ in Crore

As at 31st March, 2021	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including current maturities) *	1,052.58	3,091.57	25.50	4,169.65
Trade Payables	2,652.10	-	-	2,652.10
Interest Accrued but not Due on Borrowings	164.74	-	-	164.74
Other Financial Liabilities (excluding Derivative Liability)	1,090.63	2.93	-	1,093.56
Derivative Liability	4.87	-	-	4.87
Lease liability *	18.38	46.69	6.72	71.79
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates, ICDs and Larsen & Toubro shares etc.	3,057.90	191.15	-	3,249.05

* Contractual amount

F. Capital Management:

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Debt (Bank and other borrowings inlcuding Supplier's credit)	4,304.17	4,163.44
Less: Liquid Investments (Bonds, Mutual Funds, Fixed Deposits with Corporates, ICDs and Investment in Larsen & Toubro)	4,857.06	3,249.05
Net Debt/(Surplus)	(552.89)	914.39
Equity	48,615.79	42,947.86
Net Debt to Equity	**(0.01)**	**0.02**

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth etc. which is maintained by the Company.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

4.12 KEY STANDALONE RATIOS

Particulars	Numerator	Denominator	Unit	As at 31st March, 2022	As at 31st March, 2021	% of Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities excluding current borrowings	Times	1.46	1.38	6%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	0.08	0.10	-13%	
Debt Service Coverage Ratio	Profit After Tax + Depreciation + Finance Cost + ESOP Expenses (-) Unrealised Gain on Investment+ Loss on sale of PPE+ Deffered Tax	Finance Cost + Interest Capitalised + Principal Repayment of Long Term Borrowing + Principal Lease Payment	Times	8.47	3.86	119%	Ratio has improved due to increase in business profits, exceptional gain on discontinued operations and reversal of earlier year tax provision.
Return on Equity Ratio	Profit After Tax	Shareholder's Equity Average	%	6.66%	2.24%	197%	Ratio has improved due to increase in business profits, exceptional gain on discontinued operations and reversal of earlier year tax provision.
Inventory Turnover Ratio	Cost of Good Sold	Inventories Average	Times	4.62	3.47	33%	Its due to increase in sales and better inventory management
Trade Receivables Turnover Ratio	Sale of Products and services	Trade Receivables (Average)	Times	13.74	5.76	139%	Its due to increase collection efficiency.
Trade Payables Turnover Ratio	Cost of sales	Trade Payables (Average)	Times	3.87	3.14	23%	
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	Times	5.74	6.17	-7%	
Net Profit Ratio	Profit After Tax (-) Profit from Discontinued operations	Revenue from Operations	%	12.92%	6.54%	98%	Ratio has improved due to increase in business profits, exceptional gain on discontinued operations and reversal of earlier year tax provision.
Return on Capital employed	Earning Before Interest and Taxes (EBIT)	Tangible Net Worth + Total Debt + Deferred Tax Liability	%	7.08%	3.77%	88%	Its due to higher revenue which lead to higher EBIT compared to last year.
Return on Investment	Treasury Income	Average Treasury Investment	%	4.92%	8.13%	-39%	Return on Treasury shares has reduced due to increase in G Sec yield.

4.13 OTHER STATUTORY INFORMATION

(i) The Company does not have any transaction with struck off Companies.

(ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) As on 31st March, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2022

(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vii) The Scheme of Arrangements has been approved by the Hon'ble National Company Law Tribunal (NCLT) in terms of sections 230 to 232 of the Companies Act, 2013. Effect of such Scheme of Arrangements has been accounted for in the books of account of the Company 'in accordance with the aforesaid Schemes' and 'in accordance with accounting standards'.

(viii) The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

4.14 Previous years' figures have been regrouped/rearranged wherever necessary to conform to the current year classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1st April, 2021.

4.15 AUTHORISATION OF FINANCIAL STATEMENTS:

The financial statements for the year ended 31st March, 2022 were approved by the Board of Directors on 24th May, 2022.

Signatures to Notes '1' to '4'

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Independent Auditor's Report

To the Members of
Grasim Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Grasim Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at 31st March 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

i. The statutory auditors of UltraTech Cement Limited ("UltraTech"), a subsidiary company, without modifying their opinion on the audited consolidated financial statements of UltraTech have drawn attention to the following (refer note 4.1.2(a) of the consolidated financial statements):

   a. In terms of the Orders dated 31st August 2016 (Penalty of ₹ 1,449.51 Crores) and 19 January 2017 (Penalty of ₹ 68.30 Crores) of the Competition Commission of India ('CCI') against which UltraTech had filed appeal. Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31st August 2016, UltraTech has filed an appeal before the Hon'ble Supreme Court of India, which has by its order dated 5th October 2018, granted a stay against the NCLAT order. Consequently, UltraTech has deposited an amount of ₹ 144.95 Crores equivalent to 10% of the penalty of ₹ 1,449.51 Crores recorded as asset. UltraTech, backed by legal opinions, believes that it has a good case in both the matters basis which no provision has been recognized in the books of account.

   b. Statutory auditors of UltraTech Nathdwara Cement Limited ("UNCL"), a wholly owned subsidiary of UltraTech, one of the joint auditors of UltraTech has audited the financial statements and without modifying their opinion on the audited consolidated financial statements of UNCL for the year ended 31st March 2022 reported that the Order dated 31st August 2016 (penalty of ₹ 167.32 Crores) was passed by the Competition Commission of India ('CCI') against which UNCL had filed appeal. Upon the NCLAT disallowing its appeal against the CCI order dated 31st August 2016, UNCL filed an appeal before the Hon'ble Supreme Court of India, which has by its order dated 5th October 2018, granted a stay against the NCLAT order. Consequently, UNCL has deposited an amount of ₹ 16.73 Crores equivalent to 10% of the penalty of ₹ 167.32 Crores recorded as asset in the consolidated annual financial statements. Based on the legal opinion obtained by UltraTech on a similar matter, UNCL believes that it has a good case in this matter basis which, no provision has been recognised in the books of accounts of UNCL.

ii. The statutory auditors of Aditya Birla Capital Limited ("ABCL"), a subsidiary company, without modifying their opinion on the audited consolidated financial statements of ABCL, have stated that the extent to which the COVID-19 pandemic will impact the estimation of the carrying value of certain assets and liabilities and the financial performance of the Group, joint venture and associate companies, is dependent on future developments, which are highly uncertain (refer note 4.12.3 of the consolidated financial statements). Further, the statutory auditors of ABCL have stated that the statutory joint auditors of Aditya Birla Finance Limited have also drawn attention to a note in the financial statements on the same matter, vide their report dated 11th May 2022.

Further, the statutory auditors of ABCL, without modifying their opinion on the audited consolidated financial statements of ABCL have stated that:

a. The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited ("ABSLICL"), have drawn attention to the following note in the financial statements, without modifying their opinion, which describes the uncertainties arising from the COVID 19 pandemic:

   'For the year ended 31st March, 2022, ABSLICL has assessed the impact of COVID-19 Pandemic (COVID-19) on its operations as well its financial statements, including but not limited to the areas of valuation of investment assets, valuation of policy liabilities and solvency. Based on the assessment, ABSLICL is carrying a provision (net of reinsurance) of ₹ 60 Crores for COVID-19 related non reported claims & IBNR as at 31st March 2022, which is included in the policyholder liabilities. Further, there have been no material changes in the controls or processes followed in the financial statement closing process of ABSLICL. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these financial results and ABSLICL will continue to closely monitor any material changes to future economic condition.'

b. The statutory joint auditors of Aditya Birla Health Insurance Company Limited ('ABHICL') have drawn attention to the following note in the financial statements, without modifying their opinion, which describes the uncertainties arising from the COVID 19 pandemic:

   'ABHICL has considered the possible effects that may arise out of still unfolding COVID-19 including but not limited to its assessment of various elements of the Financial Statement. ABHICL is well-positioned to manage the COVID-19 impact given its focus on digital, customer experience, and health-first model. ABHICL has launched various COVID-19 related products and benefits and enabled digital journeys to enable revenue. On customer and wellness management, various initiatives such as healthcare at home, fitness at home, tele-medicines, digital servicing, etc to improve overall customer experience and health outcomes. ABHICL will continue to closely monitor any impact on revenue due to regional or local lockdown as well as COVID-19 related claims. Institute of Chartered Accountants of India (ICAI) has issued an advisory on "Impact of Corona Virus on Financial Reporting" to be considered for Financial Reporting. The impact of COVID-19 has been assessed on different components of Financial Statements specifically those required under the Guidance.

   - Pursuant to such assessment, there are no indicators of impairment to Non-Financial Assets and Financial Assets as at Reporting Date
   - An assessment was also carried out of the Investment portfolio considering the impact on the economic and credit environment of the economy and there is no additional impairment required specific due to COVID-19 event.
   - There is no change in the discount rate emanating from the impact of COVID-19 on our lease/defined benefit plan other than what has already been factored in.

   ABHICL remains comfortable on Solvency and there is no indication or reason to believe that there is any uncertainty in continuing as a Going Concern in light of COVID-19's impact on business.'

Our opinion is not modified in respect of the matters stated in paragraphs (i) an (ii) above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of Goodwill and Other Intangibles	
As disclosed in note 2.2 and 2.3 of consolidated financial statements, the Group has goodwill of ₹ 20,058.50 Crores and other intangible assets of ₹ 8,895.41 Crores as at 31st March 2022 which represents goodwill/ intangibles assets acquired through various business combinations and allocated to cash generating units ("CGU"). A cash generating unit to which goodwill has been allocated and to which intangible assets belong to is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. As disclosed in note 2.2.1, impairment of goodwill and intangible assets is determined by assessing the recoverable amount of each CGU to which these assets relate. We have identified the annual impairment assessment as key audit matter because of the amounts involved, complexity in assessment, judgmental by nature, significant changes in business environment specifically due to outbreak of Covid-19 and further, is based following key assumptions: • projected future cash inflows • expected growth rate, discount rate, terminal growth rate • benchmarking of price and market multiples	Our audit procedures included the following: • Tested the design and the operating effectiveness of internal controls over the impairment assessment process including assessment of valuation models used in assessment of impairment in the value of Goodwill and Other Intangibles. • Obtained an understanding of the process followed by the management in determining the CGU to which goodwill/intangible assets are allocated and determination of recoverable amounts of CGU. • Evaluated the competence, capabilities and independence of the specialist engaged by the Company and reviewed the valuation reports issued by such specialist. • Evaluated the model used in determining the value in use of each CGU. • Engaged valuation expert to assist in evaluating the key assumptions of the valuations. • Tested the arithmetical accuracy of the computation of recoverable amounts of each CGU. • Assessed the disclosures provided by the Group in relation to its annual impairment test in note 2.2.1 to consolidated financial statements.

KAM reported in standalone financial statements of the Holding Company

Key audit matters	How our audit addressed the key audit matter
Regulations – Litigation pertaining to matters related to direct tax and Competition Commission of India (CCI)	
As disclosed in note 4.1 of the consolidated financial statements, the Company has pending litigations with regards to direct tax matter relating to demerger of financial services business amounting to ₹ 8,044.82 Crore (including interest of ₹ 3,151.38 Crore upto 31st March 2022) and on the same matter, DCIT has issued the draft order dated 30th September 2021 under section 143(3) read with section 144(C)(1) of the Act for the assessment year 2018-19 and imposed capital gain tax on the value of shares, without considering that the shares were issued to the shareholders pursuant to the scheme of arrangement and no consideration was received by the Company, which could be subjected to tax. Based on the draft Order, demand is estimated at ₹ 8,831.90 Crore (including interest and excluding any penalty proceedings) and order issued by the Competition Commission of India ("CCI") on the Viscose Staple Fiber ("VSF") business of the Company amounting to ₹ 301.61 Crore detailed as under: • The Company's tax positions has been challenged by the tax authorities for Demand of dividend distribution tax and the capital gain on the value of shares transferred alleging that the demerger of the Financial Services Business is not qualifying demerger as per Income Tax Act, 1961 and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed / share transferred by the Company to its shareholders. • CCI has issued an order against the Company alleging abuse of dominant position in VSF business and consequent violations of Competition Act, 2002. We considered the above as key audit matter as the Company applies significant judgment in estimating the likelihood of the future outcome based on its own past assessments, judicial precedents and opinions of experts/legal counsels. when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of these matters. This is due to highly complex nature and magnitude of amounts involved along with the fact that resolution of income-tax and CCI proceedings may span over multiple years and may involve protracted litigation and these estimates could change substantially over time as based on regulatory positions as these matters progress.	Our audit procedures included the following: • Tested the design and operating effectiveness of internal controls related to the assessment of the likely outcome of regulatory and tax matters and provision made, if any. • Obtained and read the details of legal and tax disputed matters. Further, read the latest correspondence between the Company and various regulatory authorities (including filling made to these authorities). • Considered evaluation made by the management and assessed management's position through discussions on both the probability of success and the magnitude of any potential loss. • Read external opinions/confirmation, as applicable has been obtained by the management for direct tax and CCI matters and other evidence to evaluated management's assessment of the risk profile in respect of them. • Involved tax expert in assessing the nature and amount of the tax exposure. Assessed management's conclusions on whether exposures are probable, contingent or remote. Assessed the disclosures in note 4.1 made in relation to these direct tax and CCI matter for compliance with disclosure requirements.

Key audit matters	How our audit addressed the key audit matter
Discontinued operation of Fertilizer Business:	
As disclosed in note 4.4 of the consolidated financial statements, The Fertilizer business of the Company has been transferred to Indo Rama India Private Limited on a slump sale basis under a Scheme of Arrangement under sections 230-232 of the Companies Act, 2013. Accordingly, the Company's Fertilizer business was classified as discontinued operation since the quarter ended 31 December 2020. As the requisite approvals from the Shareholders and Creditors of the Company, National Company Law Tribunal ("NCLT") and the Ministry of Petroleum and Natural Gas ("MoPNG"), GAIL and UPSIDA has been received, 1st January 2022 is considered as the completion date for transfer. Purchase consideration of the transaction is ₹ 1,866.94 Crores. As this is a significant transaction during the current financial year, it is evaluated as a key audit matter, considering its magnitude, the compliances required with relevant statutes, specific disclosure requirements under the reporting framework, all of which require significant auditor attention.	Our audit procedures included, among others, the following: • Tested the design, implementation and operating effectiveness of the Company's controls over computation of profit on disposal and the relevant disclosures of discontinuing operations in the Company's financial statements. • Obtained and tested Company's computation of profit after tax and the other tax impacts relating to the transaction. • Obtained and tested Company's evaluation applied in determining the accounting treatment and agreed with underlying supporting documents. • Examined the agreement executed to transfer of Fertiliser business and verified the minutes of the respective meetings of the Board of Directors and shareholders of the Company and relevant approvals from regulatory authorities relating to this transaction. Tested the completeness and accuracy of disclosures made by the management in the financial statements as required by Ind AS 105 pertaining to the aforesaid transaction.

KAM as reported by the auditors of UltraTech

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Discounts, incentives and rebates	
Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the UltraTech's sales. UltraTech's presence across different marketing regions within the country and the competitive business environment makes the assessment of various types of discounts, incentives and rebates as complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and rebates. Given the complexity and judgement required to assess the provision for discounts, incentives and rebates, this is a key audit matter.	The procedures performed by the auditors, as reported by them, included the following: • Assessed the UltraTech's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable accounting standards. • Assessed the design and implementation and tested the operating effectiveness of UltraTech's internal controls over the provisions, approvals and disbursements of discounts, incentives and rebates. • Assessed the UltraTech's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents. • Verified, on a sample basis, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year. • Compared the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to assess the current year accruals. • Examined the manual journals posted to discounts, rebates and incentives to identify unusual or irregular items.

Key audit matters	How our audit addressed the key audit matter
Regulations - Litigations and claims	
UltraTech operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. Due to a complex regulatory environment, there is an inherent risk of litigations and claims. Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. UltraTech applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter. Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation. These estimates could change significantly over time as new facts emerge and each legal case progresses. Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	The procedures performed by the auditors, as reported by them, included the following: • Understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the UltraTech's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivable) and contingent liabilities. • Gained an understanding of outstanding litigations against the UltraTech from the UltraTech's inhouse legal counsel and other key managerial personnel who have knowledge of these matters. • Read the correspondence between the UltraTech and the various indirect tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters. • Tested the completeness of the litigations and claims by examining, on a sample basis, the UltraTech's legal expenses and minutes of the board meetings. • Challenged the UltraTech's estimate of the possible outcome of the disputed cases based on applicable indirect tax laws and legal precedence by involving our tax specialists. • Assessed the adequacy of the UltraTech's disclosures in respect of contingent liabilities for indirect tax and legal matters.
Recognition and measurement of Income Taxes	
UltraTech operates in a complex tax jurisdiction and is subject to periodic challenges by tax authorities on various matters relating to claims for tax exemptions /deductions. The determination of provision for income tax (including Minimum Alternate Tax) and deferred taxes including write backs of provisions involves significant judgements and estimates and interpreting the prevailing tax laws and rules. These also involve significant judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Considering the complexity and significant level of estimation and judgement, this is a key audit matter.	The procedures performed by the auditors, as reported by them, included the following: • Audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the UltraTech's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Read and analysed select key correspondences, external legal opinions/ consultations obtained by the UltraTech for key tax matters. • Critically challenged the key assumptions made by the UltraTech in estimating current and deferred taxes by involving our tax specialists. • Challenged the UltraTech's estimate of the possible outcome of the disputed tax cases by considering legal precedence and other judicial rulings by involving our tax specialists. • Assessed the adequacy of the UltraTech's disclosures for income taxes in the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of testing of goodwill ABCL Group has goodwill of ₹ 570.03 Crore as of 31 March 2022 which represents goodwill acquired through various business combinations and allocated to Cash Generating Units ("CGU"). As per ABCL's Group policy, a CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication of the unit may be impaired. Impairment of goodwill is determined by assessing the recoverable amount of each CGU to which these assets relate. The statutory auditors of ABCL have identified the annual impairment assessment as a key audit matter because of its complexity, being an area of estimate and judgment, exposed to significant changes in external business environment and is based on following key assumptions like: • projected future cash inflows; • expected growth rate, discount rate, terminal growth rate; and • price and market multiples.	The procedures performed by the auditors, as reported by them, included the following: **Design and Controls** • Tested the design and the operating effectiveness of internal controls over the impairment assessment process including valuation methodology used in impairment assessment on the carrying value of goodwill; and • Obtained an understanding of the process followed by the Grasim Industries Limited in determining the CGU to which goodwill is allocated and determination of recoverable amount of each CGU. **Substantive procedures** • Compared Grasim Industries Limited's assumptions to externally sourced/available data in relation to key inputs such as long-term growth rates and discount rates; • Assessed the forecasted cash flows based on our understanding of the business; • Assessed historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved; • Involved valuation specialists to test and evaluated Grasim Industries Limited's key assumptions used in the valuation methodology; • Performed sensitivity analysis in relation to the key assumptions; and • Tested the arithmetical accuracy of computation of recoverable amounts of each CGU. • Assessed the completeness and accuracy of the financial statements disclosures as per applicable Ind AS.
First year audit transition A first year audit engagement involves zero basing of key audit considerations like understanding Group specific risks, controls, policies and processes in order to develop an audit strategy and audit plan. We identified the following matters, being directly impacted by first year audit considerations, which has an encompassing and pervasive impact on timing and extent of our audit work- 1. Understanding of the Group's business and in particular those of key subsidiaries, associates and joint ventures; 2. Scoping of companies to enable us to obtain sufficient coverage and understanding on the Group's consolidated significant account balances; 3. Evaluation of the accounting policies; 4. Understand the application of internal controls by the Group; and 5. Understand and evaluate the financial reporting process for preparation of consolidated financial statements.	The procedures performed by the auditors, as reported by them, included the following: • Engaged with those charged with governance in the Group; • Obtained an understanding of the businesses, its processes and internal controls, including financial reporting; • Evaluated internal control design and IT systems; • Evaluated the selection and consistent application of accounting policies; • Held inquiries with previous statutory auditor of the Company and auditors of key subsidiaries, associates and joint ventures (component auditors) on significant accounting and auditing matters; and • Performed procedures as per the requirements of SA 600 – Using the work of another auditor, issued by ICAI. Based upon the knowledge gained through these procedures, we planned our risk assessment and determined the scope and coverage for the audit.

Key audit matters	How our audit addressed the key audit matter
The statutory joint auditors of Aditya Birla Health Insurance Company Limited ('ABHICL'), a subsidiary of the ABCL, have reported a key audit matter on IT systems and Controls:	
ABHICL operates and is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems, some of which are integrated. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein. The major IT systems concerning the financial reporting process include: • Core Policy administration system • Distribution Management system • SAP Investment Module • SAP Core Accounting system • Interface/interplay of one or more of above systems and/or workflows in building up or generating required reports IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Management of the ABHICL continuously works on the process of implementing several remediation activities, including 'Mission Transformation'(which aims at integrating all the possible business functions for seamless transition/recording of data, less manual intervention and automation based reporting framework) that are expected to contribute to reducing the risk over IT applications in the financial reporting process, which includes implementation of preventive and detective controls across critical applications and infrastructure, as also integration of the systems to the best possible extent. Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence identified as Key Audit Matter.	The procedures performed by the auditors, as reported by them, included the following: In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS testing pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Obtaining suitable representations from the management about satisfactory operations of controls built in the systems. • Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. Our audit tests were designed to cover the following: • understanding the Company's IT control environment and key changes in the course of our audit that were considered relevant to the financial reporting; • reviewed the workflow of core transactions as captured by or integrated with the IT systems; • selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting; • selectively recomputing workings of several data processing results critical to be used in the financial reporting; • Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) • Selectively re-evaluating masters updating interface with resultant reports; • Selective testing of the interface of policy admin system with other allied IT systems.

Key audit matters	How our audit addressed the key audit matter
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL') have reported the following key audit matters:	
(a) Allowances for Expected Credit Losses ("ECL")	
As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 5,360,746.02 lakh (net of allowance of expected credit loss ₹ 107,482.53 lakh) constituting approximately 94% of the ABFL's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends	The procedures performed by the auditors, as reported by them, included the following: We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL (" ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: • Testing the design and operating effectiveness of the following: – completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. – Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and - accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro- economic overlays and adjustments to the output of the ECL Model. • Test of details on a sample in respect of the following: – we tested accuracy and completeness of the input data such as ratings and period of default and other related information used in estimating the PD; – completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. – we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and – we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. • We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

Key audit matters	How our audit addressed the key audit matter
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL') have reported the following key audit matters:	
(b) Information Technology and General Controls	
ABFL is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the key IT systems used in financial reporting was considered to be a Key Audit Matter.	The procedures performed by the auditors, as reported by them, included the following: With the assistance of our IT specialists, we obtained an understanding of the ABFL's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • we tested the design, implementation and operating effectiveness of the Company's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Key audit matters	How our audit addressed the key audit matter
The auditors of Aditya Birla Housing Finance Limited ('ABHFL') have reported the following key audit matters:	
(a) Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of ABHFL	
Subjective estimates: Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the ABHFL's estimation of ECLs are as under • Data inputs -The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations -Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios -Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole.	The procedures performed by the auditors, as reported by them, included the following: Our key audit procedures included: Review of Policy/procedures & design/controls • Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. • Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. • Testing of review controls over measurement of provisions and disclosures in the Standalone Ind AS Financial Statements. • Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. • Understanding of models and general economic indicator criteria used for regression testing over data of the loan book. Substantive verification • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through selective re-performance, wherever possible. • Assessing disclosures-Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.

Key audit matters	How our audit addressed the key audit matter
The auditors of Aditya Birla Housing Finance Limited ('ABHFL') have reported the following key audit matters:	
(b) Information Technology IT systems and controls	
ABHFL's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the ABHFL is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	The procedures performed by the auditors, as reported by them, included the following: In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Deployed our internal experts to carry out IT general and specific application Controls testing and identifying gaps, if any. • Our other processes include: – selectively recomputing interest calculations and maturity date – Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report, etc.; – Selective testing of the interface of SAP FA module with other IT systems like Loan Management System and other workflows. – Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) – Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. – Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases
The auditors of Aditya Birla Money Limited ('ABML') have reported a key audit matter on Information Technology and General Controls	
The financial accounting and reporting systems of the ABML are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Due to the complexity, large volume of transactions processed daily and reliance on automated and IT dependent manual controls, matter pertaining to adequacy and effectiveness of IT control environment is considered as a Key Audit Matter. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring, IT dependent and application-based controls are operating effectively.	The procedures performed by the auditors, as reported by them, included the following: We understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes. Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. Tested ABML's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited (‘ABSLICL’) have reported a key audit matter on Information Technology Systems</td></tr>
<tr><td>The Company is dependent on its Information Technology (“IT”) systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.</td><td>The procedures performed by the auditors, as reported by them, included the following:
• With the assistance of our IT specialists, we obtained an understanding of the Company’s IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:
– We tested the design, implementation, and operating effectiveness of the Company’s general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company’s controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.
– We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.</td></tr>
<tr><td colspan="2">The auditors of Aditya Birla Sun Life AMC Limited (‘ABSLAMCL’) have reported a key audit matter on Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services</td></tr>
<tr><td>Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:
• Asset Management and Advisory Fees amounting to ₹ 1,249.66 Crore.
• Management Fees from Portfolio Management and Other Service amounting to ₹ 43.31 Crore.
The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guideline prescribed under SEBI (Mutual Fund Regulations, 1996 as amended from time to time. There are inherent risks in computing such revenue streams including computation of applicable AUM and manual input of key contractual terms, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness.
Accordingly, we have considered revenue from asset management and advisory fees and management fees from portfolio management and other services as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.</td><td>The procedures performed by the auditors, as reported by them, included the following:
Our audit procedures included the following:
• Obtained and read the accounting policy for revenue recognition.
• Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement.
• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.
• Obtained and assessed independent assurance reports for the relevant controls at the third- party administrators.
• Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amounts with the accounting records of the Company.
• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.
• On sample basis, verified the input of contractual terms with rates approved by the management.
• On a sample basis, checked the receipts of such income in bank statements.
• Re-calculated Management Fees from Portfolio Management and Other Services in respect of certain sample contracts and compared with the actual fees charged ABSLAMCL for such contracts.
• Evaluated the disclosure relating to management fee income earned by ABSLAMCL.</td></tr>
</table>

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venturesin accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31st March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements and other financial information, in respect of six subsidiaries whose consolidated or standalone financial statements as applicable, include total assets of ₹ 248,962.11 Crores as at 31st March 2022 and total revenues of ₹ 22,458.45 Crores and net cash outflows of ₹ 731.37 Crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss after tax of ₹ 55.17 Crores for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of 2 associates and 6 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

   Certain of these joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of Seventeen step down subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 70.69 Crores as at 31st March 2022, total revenues of ₹ Nil and net cash outflows of ₹ 0.14 Crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 41.49 Crores for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of two joint ventures, , one associate and an associate of one of the subsidiaries, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters covered in paragraph (a) and (b) above with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

c. The statutory auditors of ABCL, a subsidiary company, without modifying their opinion on the audited consolidated financial statements have reported in Other Matter section the following:

1. 'The auditors of Aditya Birla Health Insurance Company Limited ('ABHICL'), a subsidiary, have reported that the actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) as at 31 March 2022 have been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India. We have relied upon such certifications of the said Appointed Actuary.'

2. 'The auditors of Aditya Birla Sun Life Insurance Company Limited ('ABSLICL'), a subsidiary, have reported that determination of the following as at/for the year ended 31st March 2022, 31st March 2021 is the responsibility of the ABSLICL's Appointed Actuary (the "Appointed Actuary")

   We have relied upon Appointed Actuary's certificate for forming our opinion on the below mentioned item:

   (i) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI;

   We have relied on approach note duly certified and the representations by the Appointed Actuary for forming our opinion on the below mentioned items:

   (ii) Adjustments and disclosures made in accordance with the Indian Accounting Standard 104 on Insurance Contracts:

      a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;

      b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;

      c. Grossing up and Classification of the Reinsurance Assets;

      d. Liability Adequacy test as at the reporting dates'

Based on the conclusion drawn by the statutory auditors of ABCL, our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group companies, its associates and joint ventures, incorporated in India, is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended 31st March 2022 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 4.1 to the consolidated financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended 31st March 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company and its subsidiaries incorporated in India during the year in respect of dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 4.15 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiaries incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQJV5041

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN: 22037924AJMJA03638

Mumbai
Date: 24 May 2022

Annexure A

to the Independent Auditors' report of even date on the Consolidated Financial Statements of Grasim Industries Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualifications or adverse remarks as reported by the auditors of ABCL as required under clause (xxi) of CARO are as under:

Sr. No.	Name of the entities	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Aditya Birla Insurance Brokers Limited	U99999GJ2001PLC062239	Subsidiary	Clause iii (e)
2	Aditya Birla Sun Life Pension Management Limited	U66000MH2015PLC260801	Subsidiary	Clause xvii
3	Aditya Birla ARC Limited	U65999MH2017PLC292331	Subsidiary	Clause iii (c) and xvii
4	Aditya Birla Finance Limited	U61190GJ1997PLC062406	Subsidiary	Clause ii(b), iii(c) and iii (d)
5	Aditya Birla PE Advisors Private Limited	U74140MH2008PTC179360	Subsidiary	Clause xvii
6	Aditya Birla Housing Finance Limited	U65922GJ2009PLC083779	Subsidiary	Clause iii (c) and (d)
7	Aditya Birla Money Limited	L65993GJ1995PLC064810	Subsidiary	Clause vii (a)

As reported by auditors of UltraTech, the above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of UltraTech auditor's report:

Name of the entities	CIN	Subsidiary/ JV/ Associate
Dakshin Cements Ltd. (struck off w.e.f. 9 April 2021)	U26940TG1993PLC016002	Subsidiary
Swiss Merchandise Infrastructure Limited	U45400WB2010PLC154432	Subsidiary
Merit Plaza Limited	U70109WB2010PLC155943	Subsidiary
Bahar Ready Mix Concrete Limited (struck off w.e.f. 2 November 2021)	U45400WB2010PLC155265	Subsidiary
Smooth Energy Private Limited (struck off w.e.f. 26 October 2021)	U72200WB1996PTC171627	Subsidiary
Madanpur (North) Coal Company Private Limited	U10101CT2007PTC020161	Associate

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQJV5041

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN: 22037924AJMJA03638

Mumbai
Date: 24 May 2022

Annexure B

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Grasim Industries Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of Grasim Industries Limited as of and for the year ended 31st March 2022, we have audited the internal financial controls with reference to financial statements of Grasim Industries Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company, in so far as it relates to these 6 subsidiary companies, 1 associate company and 2 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint venture incorporated in India.

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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AJMQJV5041

Mumbai
Date: 24 May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm's Registration No: 324982E/E300003

Jayesh Gandhi
Partner
Membership No: 037924
UDIN: 22037924AJMJA03638

Mumbai
Date: 24 May 2022

Consolidated Balance Sheet

as at 31st March 2022

₹ in Crore

	Note No.		As at 31st March 2022	As at 31st March 2021
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2.1	58,148.57		53,767.33
Capital Work-in-Progress	2.1	6,572.18		5,719.43
Investment Property	2.1	14.81		15.24
Goodwill	2.2	20,058.50		20,013.86
Other Intangible Assets	2.3	8,895.41		9,254.48
Intangible Assets Under Development	2.3	42.94		49.26
Right of Use Assets	2.4	1,878.83		1,971.89
Equity Accounted Investees	2.5	7,050.17		6,837.66
Financial Assets				
Investments				
- Investments of Insurance Business	2.6	30,952.64		25,046.58
- Other Investments	2.7	13,881.17		10,592.62
Asset Held to Cover Linked Liabilities of Life Insurance Business	2.8	26,137.33		23,251.20
Loans	2.9	51,954.12		45,278.32
Other Financial Assets	2.10	2,458.00		1,734.80
Deferred Tax Assets (Net)	2.11	246.04		205.44
Non-Current Tax Assets (Net)		989.16		683.73
Other Non-Current Assets	2.12	3,347.27		2,857.13
Total - Non-Current Assets			**232,627.14**	**207,278.97**
Current Assets				
Inventories	2.13	9,536.42		6,196.96
Financial Assets				
Investments				
- Investments of Insurance Business	2.14	2,339.22		2,088.62
- Other Investments	2.15	12,382.87		15,482.11
Asset Held to Cover Linked Liabilities of Life Insurance Business	2.16	4,022.72		4,717.99
Trade Receivables	2.17	5,429.36		4,341.78
Cash and Cash Equivalents	2.18	2,240.70		2,988.74
Bank Balances other than Cash and Cash Equivalents	2.19	1,011.85		2,348.63
Loans	2.20	14,247.01		14,652.05
Other Financial Assets	2.21	2,773.76		2,735.40
Current Tax Assets (Net)		0.11		0.12
Other Current Assets	2.22	2,774.14		2,404.03
Total - Current Assets			**56,758.16**	**57,956.43**
Non-Current Assets/ Disposal Group Held for Sale	4.4		9.53	2,318.81
TOTAL ASSETS			**289,394.83**	**267,554.21**

Consolidated Balance Sheet (Contd.)

as at 31st March 2022

₹ in Crore

	Note No.		As at 31st March 2022	As at 31st March 2021
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.23	131.67		131.62
Other Equity	2.24	75,566.56		65,362.44
Equity Attributable to Owners of the Company			**75,698.23**	**65,494.06**
Non-Controlling Interest			40,476.48	37,067.54
Total Equity			**116,174.71**	**102,561.60**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	2.25	46,545.96		52,488.25
Lease Liabilities	2.4	1,319.38		1,447.48
Policyholder's Liabilities	2.26	57,705.64		48,991.25
Other Financial Liabilities	2.27	428.74		544.41
Provisions	2.28	732.94		465.02
Deferred Tax Liabilities (Net)	2.29	8,526.67		8,456.65
Other Non-Current Liabilities	2.30	76.32		91.75
Total - Non-Current Liabilities			**115,335.65**	**112,484.81**
Current Liabilities				
Financial Liabilities				
Borrowings	2.31	26,457.29		24,920.96
Lease Liabilities	2.4	238.16		221.13
Supplier's Credit	2.32	183.40		-
Policyholder's Liabilities	2.33	3,167.74		3,485.22
Trade Payables	2.34			
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		244.28		165.25
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		11,149.16		7,751.59
Other Financial Liabilities	2.35	8,166.09		7,360.04
Other Current Liabilities	2.36	6,445.02		5,691.58
Provisions	2.37	815.74		1,082.86
Current Tax Liabilities (Net)		1,017.59		1,243.21
Total - Current Liabilities			**57,884.47**	**51,921.84**
Liabilities directly associated with Non-Current Assets Held for Sale	4.4		-	585.96
TOTAL EQUITY AND LIABILITIES			**289,394.83**	**267,554.21**

Significant Accounting Policies and Key Accounting Estimates and Judgements 1

The accompanying Notes are an integral part of the Consolidated Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Consolidated Statement of Profit and Loss
for the year ended 31st March 2022

₹ in Crore

	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
Continuing Operations			
INCOME			
Revenue from Contract with Customers	3.1	95,701.13	76,404.29
Other Income	3.2	821.34	1,045.48
Total Income (I)		**96,522.47**	**77,449.77**
EXPENSES			
Cost of Materials Consumed	3.3	16,889.60	11,006.75
Purchases of Stock-in-Trade	3.4	1,404.56	898.44
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(921.74)	724.03
Employee Benefits Expense	3.6	6,327.71	5,534.74
Power and Fuel		15,520.70	10,363.78
Freight and Handling Expenses		12,584.10	10,381.83
Change in Valuation of Liability in respect of Insurance Policies		4,240.83	4,374.84
Benefits Paid - Insurance Business		6,702.55	4,456.77
Finance Cost relating to NBFC/HFC's Business	3.7	3,480.30	3,914.60
Other Finance Costs	3.8	1,295.70	1,808.88
Depreciation and Amortisation Expenses	3.9	4,161.07	4,033.40
Other Expenses	3.10	12,521.45	10,027.77
Total Expenses (II)		**84,206.83**	**67,525.83**
Profit from Continuing Operations Before Share in Profit of Equity Accounted Investees, Exceptional Items and Tax		12,315.64	9,923.94
Share in Profit of Equity Accounted Investees	2.39	380.33	189.22
Profit from Continuing Operations Before Tax and Exceptional Items		**12,695.97**	**10,113.16**
Exceptional Items	3.11	(69.11)	(341.73)
Profit from Continuing Operations Before Tax		**12,626.86**	**9,771.43**
Tax Expense of Continuing Operations (Net)	3.12		
Current Tax		1,954.40	1,959.40
Deferred Tax		(18.09)	1,062.79
Total Tax Expense		**1,936.31**	**3,022.19**
Profit for the Year from Continuing Operations (III)		**10,690.55**	**6,749.24**
Discontinued Operations			
Profit Before Tax from Discontinued Operations	4.4	352.52	162.79
Exceptional Items	3.11	670.71	166.50
Tax Expenses of Discontinued Operations		(440.07)	(66.10)
Less: Reversal / (Provision) of Impairment of Assets Classified as Held for Sale		(67.42)	(25.73)
Profit for the Year from Discontinued Operations (IV)		**515.74**	**237.46**
Profit for the Year (V = III + IV)		**11,206.29**	**6,986.70**
Other Comprehensive Income	3.13		
A (i) Items that will not be reclassified to Profit or Loss		3,442.16	5,083.21
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(221.77)	(387.07)
B (i) Items that will be reclassified to Profit or Loss		63.88	163.53
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(3.47)	(18.75)
Other Comprehensive Income for the Year (VI)		**3,280.80**	**4,840.92**
Total Comprehensive Income for the Year (V + VI)		**14,487.09**	**11,827.62**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2022

₹ in Crore

	Note No.	Year Ended 31st March 2022	Year Ended 31st March 2021
Profit from Continuing Operations Attributable to:			
Owners of the Company		7,102.37	4,128.41
Non-Controlling Interest		3,588.18	2,620.83
		10,690.55	**6,749.24**
Profit Attributable to:			
Owners of the Company		7,549.78	4,304.82
Non-Controlling Interest		3,656.51	2,681.88
		11,206.29	**6,986.70**
Other Comprehensive Income Attributable to:			
Owners of the Company		3,281.85	4,780.54
Non-Controlling Interest		(1.05)	60.38
		3,280.80	**4,840.92**
Total Comprehensive Income Attributable to:			
Owners of the Company		10,831.63	9,085.36
Non-Controlling Interest		3,655.46	2,742.26
		14,487.09	**11,827.62**
Earnings Per Equity Share (Face Value ₹ 2 each) - Continuing Operations	3.14		
Basic (₹)		108.16	62.88
Diluted (₹)		108.00	62.82
Earnings Per Equity Share (Face Value ₹ 2 each) - Discontinued Operations	3.14		
Basic (₹)		6.82	2.69
Diluted (₹)		6.80	2.68
Earnings Per Equity Share (Face Value ₹ 2 each) - Continuing & Discontinued Operations	3.14		
Basic (₹)		114.98	65.57
Diluted (₹)		114.80	65.50

Significant Accounting Policies and Key Accounting Estimates and Judgements 1

The accompanying Notes are an integral part of the Consolidated Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

Mumbai
Dated: 24th May 2022

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

A. EQUITY SHARE CAPITAL

Year Ended 31st March, 2022

₹ in Crore

Balance as at 1st April, 2021	Changes in Equity Share Capital during the year (Note 2.23.4)	Balance as at 31st March, 2022
131.62	0.05	131.67

Year Ended 31st March, 2021

₹ in Crore

Balance as at 1st April, 2020	Changes in Equity Share Capital during the year (Note 2.23.4)	Balance as at 31st March, 2021
131.57	0.05	131.62

B. OTHER EQUITY

For the year ended 31st March, 2022

₹ in Crore

	Attributable to Owners of the Company																
		Reserves and Surplus									Other Comprehensive Income (OCI)						
	Equity Component of Other Financial Instruments	Capital Reserve	Legal Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares Held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total
Opening Balance as at 1st April, 2021	3.00	146.31	0.54	27,201.51	32,663.01	145.92	393.45	(152.93)	6,021.21	274.49	15.84	(1,628.09)	(16.84)	295.02	65,362.44	37,067.54	102,429.98
Profit for the Year	-	-	-	-	-	-	-	-	7,549.78	-	-	-	-	-	7,549.78	3,656.51	11,206.29
Other Comprehensive Income for the Year (Note 3.13)	-	-	-	-	-	-	-	-	@23.18	-	(15.39)	3,195.61	23.65	54.80	3,281.85	(1.05)	3,280.80
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,572.96**	**-**	**(15.39)**	**3,195.61**	**23.65**	**54.80**	**10,831.63**	**3,655.46**	**14,487.09**
Purchase of Treasury Shares	-	-	-	-	-	-	-	(114.17)	-	-	-	-	-	-	(114.17)	(38.97)	(153.14)
Issue of Treasury Shares	-	-	-	-	-	-	-	27.80	-	-	-	-	-	-	27.80	6.15	33.95
Transfer from Retained Earnings to General Reserve	-	-	-	-	2,752.48	-	-	-	(2,752.48)	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Special Reserve Fund	-	-	-	-	-	-	190.75	-	(190.75)	-	-	-	-	-	-	-	-
Transfer from Debenture Redemption Reserve to Retained Earnings	-	-	-	-	-	(110.60)	-	-	110.60	-	-	-	-	-	-	-	-
Employee Stock Options Excercised	-		-	28.08	-	-	-	-	-	(35.97)	-	-	-	-	(7.89)	8.02	0.13
Employee Stock Options Granted (Net of Lapses)	-	-	-	-	-	-	-	-	-	70.91	-	-	-	-	70.91	11.07	81.98
Transfer to General Reserve on account of Lapse of Vested Options	-	-	-	-	4.12	-	-	-	-	(7.60)	-	-	-	-	(3.48)	3.48	-
Dividend Paid	-	-	-	-	-	-	-	-	(592.26)	-	-	-	-	-	(592.26)	-	(592.26)

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2022

₹ in Crore

	Attributable to Owners of the Company															Non-Controlling Interest	Total
	Equity Component of Other Financial Instruments	Reserves and Surplus									Other Comprehensive Income (OCI)				Total		
		Capital Reserve	Legal Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares Held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve			
Dividend Paid to Non-Controlling Interest by a Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(473.29)	(473.29)
Issue of Equity Shares to Non-Controlling Interest by a Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	222.61	222.61
Stake Dilution in Subsidiary Companies	-	-	-	-	-	-	-	-	(14.82)	-	-	-	-	-	(14.82)	14.82	-
Realised Gain / (Loss) on Sale of Equity Instrument at FVTOCI Transferred to Retained Earnings	-	-	-	-	-	-	-	-	(1.37)	-	-	1.37	-	-	-	-	-
Other movements during the Year	-	-	(0.23)	-	-	-	-	-	6.63	-	-	-	-	-	6.40	(0.41)	5.99
Closing Balance as at 31st March, 2022	**3.00**	**146.31**	**0.31**	**27,229.59**	**35,419.61**	**35.32**	**584.20**	**(239.30)**	**10,159.72**	**301.83**	**0.45**	**1,568.89**	**6.81**	**349.82**	**75,566.56**	**40,476.48**	**116,043.04**

@ Represents remeasurement of Defined Benefit Plan

For the year ended 31st March, 2021

₹ in Crore

	Attributable to Owners of the Company															Non-Controlling Interest	Total
	Equity Component of Other Financial Instruments	Reserves and Surplus									Other Comprehensive Income (OCI)				Total		
		Capital Reserve	Legal Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares Held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve			
Opening Balance as at 1st April, 2020	3.00	146.55	0.69	27,170.25	30,075.73	141.79	286.46	(160.03)	4,605.56	263.39	6.91	(6,180.97)	(83.21)	224.60	56,500.72	34,304.79	90,805.51
Profit for the Year	-	-	-	-	-	-	-	-	4,304.82	-	-	-	-	-	4,304.82	2,681.88	6,986.70
Other Comprehensive Income for the Year (Note 3.13)	-	-	-	-	-	-	-	-	@81.96		8.93	4,552.87	66.36	70.42	4,780.54	60.38	4,840.92
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,386.78**	**-**	**8.93**	**4,552.87**	**66.36**	**70.42**	**9,085.36**	**2,742.26**	**11,827.62**
Issue of Treasury Shares Held by ESOP Trust	-	-	-	-	-	-	-	7.10	-	-	-	-	-	-	7.10	2.90	10.00
Transfer from Retained Earnings to General Reserve	-	-	-	-	2,581.87	-	-	-	(2,581.87)	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Special Reserve Fund	-	-	-	-	-	-	107.14	-	(107.14)	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Debenture Redemption Reserve	-	-	-	-	-	4.15	-	-	(11.50)	-	-	-	-	-	(7.35)	7.35	-

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2022

₹ in Crore

	Attributable to Owners of the Company																
	Equity Component of Other Financial Instruments	Reserves and Surplus									Other Comprehensive Income (OCI)				Total	Non-Controlling Interest	Total
		Capital Reserve	Legal Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares Held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve			
Employee Stock Options Excercised	-	-	-	33.08	-	-	-	-	-	(26.09)	-	-	-	-	6.99	12.45	19.44
Employee Stock Options Granted (Net of Lapses)	-	-	-	-	-	-	-	-	-	39.34	-	-	-	-	39.34	-	39.34
Transfer to General Reserve on account of Lapse of Vested Options	-	-	-	-	1.25	-	-	-	-	(2.15)	-	-	-	-	(0.90)	0.90	-
Dividend Paid	-	-	-	-	-	-	-	-	(262.65)	-	-	-	-	-	(262.65)	-	(262.65)
Dividend Paid to Non-Controlling Interest by a Subsidiary Company	-	-	-	-	-	-	-	-	-		-	-	-	-	-	(171.53)	(171.53)
Issue of Equity Shares to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158.24	158.24
Stake Dilution in Subsidiary Companies	-	(0.24)	-	(1.82)	-	(0.02)	(0.15)	-	(7.97)	-	-	0.01	0.01	-	(10.18)	10.18	-
Other Movement during the Year	-	-	(0.15)	-	4.16	-	-	-	-	-	-	-	-	-	4.01	-	4.01
Closing Balance as at 31st March, 2021	**3.00**	**146.31**	**0.54**	**27,201.51**	**32,663.01**	**145.92**	**393.45**	**(152.93)**	**6,021.21**	**274.49**	**15.84**	**(1,628.09)**	**(16.84)**	**295.02**	**65,362.44**	**37,067.54**	**102,429.98**

@ Represents remeasurement of Defined Benefits Plan.

Significant Accounting Policies and Key Accounting Estimates and Judgements- Refer Note 1

The accompanying Notes are an integral part of the Consolidated Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Consolidated Statement of Cash Flows

for the year ended 31st March 2022

₹ in Crore

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
A. Cash Flow from Operating Activities		
Profit Before Tax after Exceptional Items and before Share in Profit/(Loss) of Equity Accounted Investees	12,246.53	9,582.21
Adjustments for Continuing Operations:		
Exceptional Items	69.11	314.31
Depreciation and Amortisation	4,161.07	4,033.40
Finance Costs	1,295.70	1,808.88
Interest Income	(219.62)	(150.57)
Dividend Income	(31.28)	(13.89)
Employee Stock Options and Stock Appreciation Rights Expenses	66.65	39.22
Allowance for Credit Losses on Advances/Debts (Net)	(15.97)	7.34
Changes in Valuation of Liabilities in respect of Insurance Policies in force	4,240.83	4,374.83
Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	731.33	772.36
Excess Provision Written Back (Net)	(145.51)	(92.62)
Loss on Sale of Property, Plant and Equipment (Net)	7.71	8.20
Profit on Sale of Investments (Net)	(220.44)	(205.91)
Unrealised Gain and Fair Value Adjustments on Investments measured at Fair Value through Profit and Loss (Net)	(640.06)	(1,117.38)
Unrealised Exchange (Gain)/Loss	(55.77)	(12.85)
Gain on control establishment on Associate	(7.88)	-
Fair Value Adjustments to Borrowings	(74.44)	(48.83)
Other Non-Cash Items	-	0.84
Operating Profit Before Working Capital Changes	**21,407.96**	**19,299.54**
Adjustments for:		
Trade Receivables	(1,074.49)	(4.20)
Loans of Financing Business	(7,100.48)	(2,237.61)
Financial and Other Assets	(1,322.62)	(809.68)
Inventories	(3,340.81)	555.42
Trade Payables and Other Liabilities	4,830.48	4,385.21
Investments of Life Insurance Policyholders	(3,396.75)	(4,269.65)
Cash Generated from Operations	**10,003.29**	**16,919.03**
Direct Taxes Paid (Net of Refund)	(2,965.64)	(1,843.95)
Net Cash from Operating Activities	**7,037.65**	**15,075.08**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and other Intangible Assets	(8,587.68)	(3,648.56)
Proceeds from Disposal of Property, Plant and Equipment	82.56	98.34
Acquisition of Equity Shares in Subsidiaries	(41.60)	-
Investments in Joint Ventures and Associates	(35.16)	(17.55)
Sale of Mutual Fund Units, Shares and Bonds (Non-Current)	14,386.13	5,617.01
Purchase of Mutual Fund Units, Shares and Bonds (Non-Current)	(6,613.64)	(12,808.56)
Proceeds from (Purchase)/Sale of Investments and Shareholders' Investment of Life Insurance Business (Current) {Net}	(4,176.52)	3,374.29
Purchase of Other Non-Current Investments	(64.77)	(121.25)
Redemption/(Investment) in Other Bank Deposits	1,264.97	(1,711.90)
Expenditure for Cost of Assets Transferred	(94.57)	(209.51)

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2022

₹ in Crore

	Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
	Loans and Advances given to Other companies	(16.75)	-
	Receipt against Loans and Advances given to Other Companies	12.55	-
	Loans and Advances Given to Joint Ventures and Associates	(5.00)	(4.20)
	Receipt Against Loans and Advances Given to Associates	7.20	6.40
	Interest Received	191.18	110.71
	Dividend Received	147.92	85.29
	Net Cash Used in Investing Activities	**(3,543.18)**	**(9,229.49)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital under ESOP Scheme	8.95	12.60
	Treasury Shares Acquired by ESOP Trust	(153.14)	-
	Proceeds from Issue of Treasury Shares	19.15	10.09
	Equity Infusion by Minority Shareholders in Subsidiary Companies	229.78	166.82
	Transaction Cost on Cancellation of Equity Shares of a Subsidiary Company and Share Issue Expenses	-	(0.34)
	Proceeds from Non-Current Borrowings	15,178.98	15,895.19
	Repayment of Non-Current Borrowings	(21,014.15)	(20,737.89)
	Proceeds/(Repayments) of Current Borrowings (Net)	1,544.38	(785.05)
	Proceeds of Supplier's Credit	183.40	-
	Proceeds from Inter-Corporate Loans	60.93	71.42
	Repayment of Inter-Corporate Loans	(50.43)	(70.32)
	Repayment of Lease Liabilities (including Interest)	(352.93)	(300.90)
	Interest and Finance Charges Paid	(1,322.55)	(1,831.46)
	Dividend Paid	(1,065.50)	(433.61)
	Net Cash Used in Financing Activities	**(6,733.13)**	**(8,003.45)**
D.	**Net Increase/(Decrease) in Cash and Cash Equivalents from Continuing Operations**	(3,238.67)	(2,157.86)
E.	**Net Cash Flow Transferred from Discontinued Operations to Continuing Operations**	2,491.02	2,082.92
F.	**Cash and Cash Equivalents as at the beginning of the Year from Continuing Operations**	2,988.74	3,063.35
G.	**Add: Cash and Cash Equivalents Received on acquisition of controlling Stake in Waacox**	0.08	-
H.	**Add: Effect of Exchange Rate on Consolidation of Foreign Subsidiaries**	(0.47)	0.33
	Cash and Cash Equivalents at the end of the Year from Continuing Operations	**2,240.70**	**2,988.74**
I.	**Cash Flow from Discontinued Operations**		
	Opening Cash and Cash Equivalents	-	31.12
	Cash Flows from Operating Activities	(217.33)	1,398.26
	Cash Flows from/(Used in) Investing Activities	(48.93)	686.46
	Cash Flows Used in Financing Activities	901.48	(32.27)
	Proceeds from Divestment of Fertiliser Business	1,855.80	-
	Net Increase in Cash and Cash Equivalents from Discontinuing Operations	**2,491.02**	**2,083.57**
	Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	(2,491.02)	(2,082.92)
	Cash and Cash Equivalents from Discontinued Operations	**-**	**0.65**
	Less: Reclassified to Assets Held for Sale	-	(0.65)
	Cash and Cash Equivalents at the end of the Year from Discontinued Operations	**-**	**-**
J.	**Cash and Cash Equivalents at the end of the Year**	**2,240.70**	**2,988.74**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2022

Notes:

(i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 of the Companies Act, 2013.

(ii) Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Creditors for Capital Expenditure.

(iii) Changes in Liabilities arising from Financing Activities:

₹ in Crore

Particulars	As at 1st April, 2021	Cash Flows	Non-Cash Changes		As at 31st March, 2022
			Debt Issuance Cost	Fair Value Adjustments (including Foreign Exchange Rate Movements)	
Total Borrowing	77,409.21	(4,280.29)	(8.13)	(117.54)	73,003.25

₹ in Crore

Particulars	As at 1st April, 2020	Cash Flows	Non-Cash Changes		As at 31st March, 2021
			Debt Issuance Cost	Fair Value Adjustments (including Foreign Exchange Rate Movements)	
Total Borrowing (Including Book Over Draft)	83,265.35	(5,626.65)	(4.37)	(225.12)	77,409.21

(iv) Refer Note 2.4.I.B for cash outflows for lease laibilities.

Significant Accounting Policies and Key Accounting Estimates and Judgements- Refer Note 1

The accompanying Notes are an integral part of the Consolidated Financial Statements

In terms of our report on even date attached

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

CORPORATE INFORMATION

Grasim Industries Limited ("the Group" or "the Company") is a limited company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. The Company is a public limited company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The Group along with Subsidiaries, Joint Ventures and Associates is engaged primarily in Viscose (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Epoxy and allied Chemicals), Cement, Financial Services and Others (Insulators, Textiles and Solar Power).

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance:

These consolidated financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

i. Derivative Financial Instruments measured at fair value (covered under para 1.24);

ii. Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.25);

iii. Assets held for disposal - measured at the lower of its carrying amount and fair value less costs to sell;

iv. Employee's Defined Benefit Plan as per actuarial valuation;

v. Assets and liabilities acquired under Business Combination measured at fair value; and

vi. Employee share based payments measured at fair value

On account of the regulatory restrictions on transfer of surplus / funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund".

Further all income and expenses pertaining to the life insurance fund have been clubbed with respective income and expenses. Assets and Liabilities of Life Insurance fund have been clubbed with respective assets and liabilities.

1.3 PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements (CFS) comprises the Financial Statements of Grasim Industries Limited ("the Company") and its Subsidiaries (herein after referred together as "the Group"), Joint Ventures and Associates. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act 2013.

(i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

(ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling shareholders at the date on which the investments in the subsidiary companies were made.

b) The non-controlling share of movements in equity since the date the Parent-Subsidiary relationship comes into existence.

The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having deficit balance.

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(iii) Loss of Control:

When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

(iv) Equity Accounted Investees:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the Associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(v) Transaction Eliminated on Consolidation

The financial statements of the Company, its Subsidiaries, Joint Ventures and Associates used in the consolidation procedure are drawn upto the same reporting date, i.e., 31st March, 2022.

1.4 The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intra-group transactions. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest Crore, utpo 2 decimal places except otherwise indicated.

1.6 Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company

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is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when, there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro - rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.7 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Group’s normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Group as its normal operating cycle.

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1.8 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April, 2015 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

1.9 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during the construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

1.10 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life, and is provided on a straight-line basis, except for Viscose Staple Fibre Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

The Group has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major assets class where useful life considered as provided in Schedule II:

S. No.	Nature of Assets	Estimated Useful Life of the Assets
1.	Plant and Machinery - Continuous Process Plant	25 years
2.	Reactors	3 years
3.	Vessel/Storage Tanks	20 years
4.	Factory Buildings	30 years
5.	Buildings (other than Factory Buildings) RCC Frame Structures	60 years
6.	Electric Installations and Equipment (at Factory)	10 years
7.	Computer and other Hardwares	3 years
8.	General Laboratory Equipment	10 years
9.	Railway Sidings	15 years
10.	Carpeted Roads- Reinforced Cement Concrete (RCC)	10 years
	Carpeted Roads- other than RCC	5 years
	Non - Carpeted Roads	3 years
11.	Fences, Wells, Tube Wells	5 years

In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed

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based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

B. Assets where useful life differs from Schedule II:

S.No	Nature of the Assets	Useful Life as Prescribed by Schedule II of Companies Act, 2013	Estimated Useful Life of the Assets
1.	Plant and Machinery:		
1.1	Other than Continuous Process Plant (Single Shift)	15 years	15 - 20 years
1.2	Other than Continuous Process Plant (Double Shift)	Additional 50% depreciation over single shift (10 years)	20 years
1.3	Other than Continuous Process Plant (Triple Shift)	Additional 100% depreciation over single shift (7.5 years)	7.5 - 15 years
2.	Motor Vehicles	6-10 years	4 - 5 years
3.	Electrically Operated Vehicles	8 years	5 years
4.	Electronic Office Equipment	5 years	3 - 7 years
5.	Furniture, Fixtures and Electrical Fittings	10 years	2 - 12 years
6.	Buildings (other than Factory Buildings) other than RCC Frame Structures	30 years	3 - 60 years
7.	Power Plants	40 years	25 years
8.	Servers and Networks	6 years	3 - 5 years
9.	Spares in the nature of PPE		10 - 30 years
10.	Assets individually costing less than or equal to ₹ 10,000/-		Fully depreciated in the year of purchase
11.	Separately identified Component of Plant and Machinery		2 - 30 years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plants, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and, in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

1.11 Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets and their Useful Lives are as under:

S.No	Nature of the Assets	Estimated Useful Life of the Assets
1.	Computer Software	2 - 6 years
2.	Trademarks, Technical Know-how	5 - 10 years
3.	Value of License/Right to use infrastructure	10 years
4.	Mining Rights	Over the period of the respective mining agreement
5.	Mining Reserve	On the basis of material extraction (proportion of material extracted per annum to total mining reserve)
6.	Jetty Rights	Over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Group.
7.	Customer Relationship	15-25 years
8.	Brands	10 years
9.	Production Formula	10 years
10.	Distribution Network (inclusive of Branch/Franchise/Agency network and Relationship)	5 - 25 years
11.	Right to Manage and operate Manufacturing Facility	15 years
12.	Value- in- Force	15 years
13.	Group Management Rights	Indefinite
14.	Investment Management Rights	Over the period of 10 years
15.	Order Backlog	3 months - 1 year
16.	Non- Compete fees	3 Years

1.12 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalised as an asset, if the following conditions can be demonstrated:

a) The technical feasibility of completing the asset so that it can be made available for use or sell.

b) The Group has intention to complete the asset and use or sell it.

c) In case of intention to sale, the Group has the ability to sell the asset.

d) The future economic benefits are probable.

e) The Group has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

1.13 Discontinued Operations and Non-Current Assets (or Disposal Groups) Classified as Held for Sale:

A discontinued operation is a component of the group's business, the operations and cashflows of which can be clearly distinguished from those of the rest of the group and which represent a separate major line of business or geographical area of operations and

- Is a part of single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

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Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.14 Impairment of Non-Financial Assets:

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but, so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in the prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.15 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventory to the present location and condition.

Cost of finished goods and work-in-progress includes cost of raw material, cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

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Proceeds, in respect of sale of raw materials/stores, are credited to the respective heads.

1.16 Product Classification of Insurance Business

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit- linked products, or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

1.17 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.18 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

1.19 Employee Benefits:

Short-term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined Contribution Plan:

Contribution payable to the recognised Provident Fund and approved Superannuation Scheme, which are substantially defined contribution plans, is recognised as expense in the statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The Provident Fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

Defined Benefit Plan:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year, using project unit credit method. Gratuity is funded with an approved trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Group. 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 Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size, maintained by the Trust set-up by the Group, is additionally provided for.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in OCI in the period in which they occur.

Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be re-classified to profit or loss in the statement of profit and loss except with respect to life insurance business which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet and the same will not be reclassified to revenue account of insurance business. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement.

The Group presents the first two components of defined benefit costs in the statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

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The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by a qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Remeasurement gains / losses are recognised in the Statement of Profit and Loss in the period in which they arise.

1.20 Employee Share based Payments:

Equity-settled transactions:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black - Scholes Model and Binomial Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to statement of profit and loss on a systematic basis over the vesting period of the option, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

Cash-settled Transactions:

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date upto and, including the settlement date, with changes in fair value recognised in employee benefits expense.

1.21 Treasury Shares:

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee stock option scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Share options whenever exercised, would be settled from such treasury shares.

1.22 Foreign Currency Transactions:

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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- exchange differences relating to qualifying effective cash flow hedges and
- Exchange difference arising on re-statement of long-term monetary items that in substance forms part of Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

1.23 Foreign Operations:

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is re-classified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is re-classified to Statement of Profit and Loss.

1.24 Derivative Financial Instruments and Hedge Accounting:

The Group enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Group does not hold derivative financial instruments for speculative purposes.

Hedge Accounting:

The Group designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods, for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging

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strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in other equity at that time remains in other equity, and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Statement of Profit and Loss.

1.25 Fair Value Measurement:

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

1.26 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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Subsequent measurement:

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at Fair Value through Profit or Loss (FVTPL)
- Equity instruments measured at FVTOCI

Debt Instruments at Amortised Cost:

A 'debt instrument' is measured at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

Equity Investments

Investment in Associates and Joint ventures are out of scope of Ind AS 109 and it is accounted as per Ind AS 28.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts of profit or loss from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes

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with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

Impairment of Financial Assets:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced

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significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in Statement of Profit and Loss. A favorable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Low Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant increase in credit risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do

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not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI
- change in currency or change of counterparty
- the extent of change in interest rates, maturity, covenants
- If these do not clearly indicate a substantial modification, then;

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value.

where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities:

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the Group, are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per the impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

De-recognition of Financial Liabilities:

The Group de-recognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Embedded Derivatives:

An embedded derivative is a component of a hybrid (combined) instrument, that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows, that would otherwise be required or a re-classification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate the embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.27 Revenue Recognition:

(a) Revenue from Contracts with Customers

- Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the

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goods sold are transferred to the customer which is generally on dispatch of goods.

- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(b) Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax or Goods and Service Tax (GST).

(c) If only one service is identified, the Group recognises revenue when the service is performed. If an ongoing service is identified, as a part of the agreement the period over which revenue is recognised for that service generally determined by the terms of agreement with the customer. For practical purposes, where services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight line basis over the specified period unless there is evidence that some other method better represents the stage of completion. When a specific act in much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

(d) Dividend income is accounted for when the right to receive the income is established.

(e) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(f) Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

For Life Insurance Business, revenue is recognised as follows:

Premium Income of Insurance Business:

Premium income on Insurance contracts and Investment Contracts with Discretionary Participative Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top - up premium paid by policyholders are considered as single premium and are unitized as prescribed by the regulations. This premium is recognised when the associated units are created.

Fees and Commission Income of Insurance Business:

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Re-insurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the re-insurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance contracts are applicable

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

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Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

1.28 Leases:

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Company has the right to direct the use of the asset.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Covid-19 related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116 if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor:

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub - lease. The Company accounted for its sub leases in accordance with Ind AS 116 from the date of initial application.

Leasehold Assets Depreciation

Leasehold Land and Buildings	Over the period of Lease

1.29 Benefits Paid (Including Claims):

Claims and Benefits Paid

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked - policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on Management prudence considering the facts and evidences available, in respect of such claims.

Reinsurance Claims:

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

1.30 Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Claw-back of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

1.31 Policy Liabilities:

Insurance Contracts:

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by the Insurance Regulatory and Development Authority of India, and Practice Standards prescribed by the Institute of Actuaries of India.

Investment Contracts:

Liability in respect on Investment Contracts is recognised in accordance with IND AS 104 Insurance Contracts, taking into account accepted actuarial practices.

1.32 Deferred Acquisition Cost (DAC)/Deferment Origination Fees (DOF):

The Group has identified commission, rewards and recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The origination fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year have been deferred over the period of the policy contract.

Acquisition cost and Origination fees is deferred only for Investment Contracts.

1.33 Re-insurance Assets:

Reinsurance Asset, being net contractual rights receivable under re-insurance contract, has been recognised on the basis of Actuarial valuation.

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1.34 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge - related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

1.35 Government Grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss when they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is being recognised in the Statement of Profit and Loss.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

1.36 Exceptional Items:

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

1.37 Provision for Current and Deferred Tax:

Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax, relating to items recognised outside of statement of profit and loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the

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temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

1.38 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented with Deferred Tax Asset.

1.39 Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and is recognised.

Warranty Provisions:

Provisions for warranty-related costs are recognised as an expense in the statement of profit and loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

1.40 Mines Restoration Provisions:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs, arising from restoration at closure of the mines and other site preparation work, are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments, which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

1.41 Segment Reporting:

Identification of Segments:

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

1.42 Goodwill on Consolidation:

Goodwill represents the difference between the Group's share in the net worth of Subsidiaries and Joint Ventures and the cost of acquisition at each point of time of making the investment in the Subsidiaries and Joint Ventures. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognised if the recoverable amount of the CGU is higher of its value in use and fair value less cost to sell. Impairment losses are immediately recognized in the Statement of Profit and Loss.

1.43 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders 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 issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

1.44 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires the judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Judgements:

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of Aditya Birla Sun Life AMC Limited, Aditya Birla Sun Life Trustee Company Private Limited, Aditya Birla Wellness Limited and Aditya Birla Power Composites Limited as Joint Ventures.

1. Aditya Birla Capital Limited, a subsidiary of the Company, holds either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement, the Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, these entities have been consolidated as per equity method of accounting:

    a) Aditya Birla Sun Life AMC Limited

    b) Aditya Birla Sun Life Trustee Company Private Limited

    c) Aditya Birla Wellness Limited

2. The Company holds more than half of the equity shareholding in the Aditya Birla Power Composites Limited. However, as per the shareholders' agreement, the Company needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, these entities have been consolidated as per equity method of accounting: Aditya Birla Power Composites Limited.

Classification of Madanpur (North) Coal Company Limited as Investment in an Associate:

A Joint Venture Company (JV), "Madanpur (North) Coal Company Limited", was formed by allocatees of Madanpur North Coal Block. As per Ind AS 111, when all the parties or a group of parties considered collectively are able to direct the activities that significantly affect the returns of the arrangement (i.e. the relevant activities), the parties control the arrangement collectively. Also, joint control exists only when decisions about the relevant activities require the unanimous consent of all the parties. In terms of the JV agreement between the parties, each JV partner has the right to nominate one director on the Board of the Joint Venture Company and major decisions shall be taken by a majority of 75% of the directors' present. Since there is no unanimous consent required from the parties, in the judgement of the Management the Company does not have joint control over the JV. However, considering the Company's representation in the Board and the extent of its ability to exercise the influence over the decision over the relevant activities, the JV has been considered as an associate and accounted under the equity method.

(b) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters

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available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Estimation of uncertainties relating to global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

ii. Classification of Lease Ind AS 116:

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

iii. Useful Lives of Property, Plant and Equipment & Intangible Assets:

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

iv. Mines Restoration Obligation:

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

v. Measurement of Defined Benefit Obligation:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi. Deferred Tax Assets/Deferred Tax Liability:

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the Company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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vii. Recognition and Measurement of Provisions and Contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources.

viii. Fair Value Measurement of Financial Instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ix. Share-based Payments:

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.5.

x. Disposal Groups:

The Company has used comparable market multiple approach to assess the fair value of the disposal group of assets / liability.

Under the market multiple approach value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies for which the Company has considered Enterprise Value/ Revenue and Enterprise value / EBITDA multiples based on their market price and latest published financials.

xi. Litigation and Contingencies:

The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

xii. Assessment of Impairment of investments in Equity Accounted Investees:

The Company reviews its carrying value of investments in Equity Accounted Investees annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments in equity accounted investees is impaired requires an estimate in the value in use of investments. The Management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each company based on audited financials, comparable market price and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

xiii. Impairment of Non-Current Assets (non-financial):

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash- generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

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assessments of the time value of money and the risk specific to the assets for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined has no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

xiv. Impairment of Financial Assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a. The Company's internal credit grading model, which assigns PDs to the individual grades

b. The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

c. The segmentation of financial assets when their ECL is assessed on a collective basis

d. Development of ECL models, including the various formulas and the choice of inputs

e. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

f. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

xv. Business Combination:

For the purpose of accounting of business combination, following key judgements are made:

(a) Fair Valuation of Intangible Assets:

The Company has used income approach (example relief from royalty, multi - period excess earnings method and incremental cash flows, etc.) for value analysis of intangible assets. The method estimates the value of future cash flows over the life of the Intangible assets accruing to the Company, by virtue of the transaction. The resulting post tax cashflows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') adjusted for risk of achieving the intangible assets projected savings.

(b) Fair Valuation of Tangible Assets:

Freehold land: Freehold land is fair valued using the sales comparison method using prevailing rates of similar plots of land, circle rates provided by relevant regulatory authorities and other acceptable valuation techniques.

Leasehold Land: Leasehold land is valued basis the leasehold interest for the remaining duration of the lease.

Other Assets: The cost approach has been adopted for fair valuing all the assets. The cost approach includes calculation of replacement cost using price trends applied to historical cost and capitalisation of all the indirect cost, these trends are on the basis of price indices obtained from recognised sources.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

(c) Fair Valuation of Loans:

The fair value of loans given/borrowed has been estimated by considering the cash flows, future credit losses and the rate of prepayments for each loan. Projected annual cash flows were then discounted to the present value based on a market rate for similar loans.

The allowance for loan losses, associated with the acquired loans, were evaluated by the management and recorded.

(d) Fair Valuation of Current Assets and Liabilities:

The Current Assets and Liabilities are taken at fair value on the date of acquisition.

1.45 Cash Dividend to Equity Holders of the Group:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.1 (A) PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore

	Gross Block						Accumulated Depreciation						Net Block
	As at 1st April 2021	Additions	(Transfer) from Discontinued Operations	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 1st April 2021	For the Year	(Transfer) from Discontinued Operations	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 31st March 2022
TANGIBLE ASSETS*@													
Freehold Land	7,421.34	660.82	-	0.17	9.01	8,073.32	-	-	-	-	-	-	8,073.32
Leasehold Land	1,126.65	53.64	-	0.01	1.66	1,178.64	179.58	59.42	-	-	0.32	238.68	939.96
Leasehold Improvements	35.09	18.87	-	-	10.32	43.64	18.76	6.99	-	-	9.93	15.82	27.82
Buildings	7,528.48	918.40	(3.02)	6.48	20.18	8,436.20	1,476.07	325.05	(0.36)	0.54	8.07	1,793.95	6,642.25
Plant and Equipment													
- Own	50,227.82	5,701.82	(0.31)	43.97	132.88	55,841.04	12,118.93	2,668.14	(0.11)	6.09	79.59	14,713.68	41,127.36
- Given on Lease	174.64	24.41	-	-	-	199.05	70.26	10.91	-	-	-	81.17	117.88
Furniture and Fixtures	213.23	30.65	-	0.33	13.74	230.47	140.57	26.92	-	0.21	12.16	155.54	74.93
Vehicles	304.26	93.46	-	0.03	50.92	346.83	172.87	47.63	-	0.05	36.52	184.03	162.80
Office Equipment	490.25	183.51	(0.04)	(0.33)	22.44	651.03	287.55	84.06	(0.03)	(0.32)	20.01	351.31	299.72
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	7.41	7.04	-	-	-	-	7.04	0.37
Railway Sidings	979.30	34.86	-	(0.01)	3.34	1,010.81	269.51	59.74	-	-	0.60	328.65	682.16
Total Tangible Assets	**68,508.47**	**7,720.44**	**(3.37)**	**50.65**	**264.49**	**76,018.44**	**14,741.14**	**3,288.86**	**(0.50)**	**6.57**	**167.20**	**17,869.87**	**58,148.57**
Capital Work-in-Progress (including Pre-Operative Expenses)													6,572.18
Total PPE													**64,720.75**

₹ in Crore

	Gross Block						Accumulated Depreciation						Net Block
	As at 1st April 2020	Additions	Classified as Discontinued Operation (Note 4.4)	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2021	As at 1st April 2020	For the Year^	Classified as Discontinued Operation (Note 4.4)	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2021	As at 31st March 2021
TANGIBLE ASSETS*@													
Freehold Land	7,419.14	120.20	7.84	(0.15)	110.01	7,421.34	-	-	-	-	-	-	7,421.34
Leasehold Land	992.93	134.63	-	-	0.91	1,126.65	125.17	54.41	-	-	-	179.58	947.07
Leasehold Improvements	29.67	9.24	-	-	3.82	35.09	14.82	7.31	-	-	3.37	18.76	16.34
Buildings	7,419.44	171.86	48.58	(9.24)	5.00	7,528.48	1,180.58	307.84	6.35	(2.76)	3.24	1,476.07	6,052.41
Plant and Equipment													
- Own	49,873.87	1,151.00	547.27	(59.38)	190.40	50,227.82	9,787.20	2,619.28	124.52	(23.41)	139.61	12,118.93	38,108.89
- Given on Lease	174.64	-	-	-	-	174.64	59.23	11.03	-	-	-	70.26	104.38
Furniture and Fixtures	211.39	9.70	1.39	(0.45)	6.02	213.23	119.75	26.39	0.80	(0.31)	4.46	140.57	72.66
Vehicles	299.80	36.03	1.49	(0.38)	29.70	304.26	148.52	46.28	0.80	(0.33)	20.80	172.87	131.39
Office Equipment	447.92	57.93	2.53	(0.11)	12.96	490.25	223.29	76.88	1.51	(0.09)	11.02	287.55	202.70
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	7.41	7.04	-	-	-	-	7.04	0.37
Railway Sidings	926.37	53.22	0.29	-	-	979.30	213.17	56.34	-	-	-	269.51	709.79
Total Tangible Assets	**67,802.58**	**1,743.81**	**609.39**	**(69.71)**	**358.82**	**68,508.47**	**11,878.76**	**3,205.76**	**133.98**	**(26.90)**	**182.50**	**14,741.14**	**53,767.33**
Capital Work-in-Progress (including Pre-Operative Expenses)													5,719.43
Total PPE													**59,486.76**

* Net Block of Tangible Assets amounting to ₹ 7,605.69 Crore (Previous Year ₹ 23,636.35 Crore) is pledged as security against the secured borrowings. (Note 2.25)

@ Gross Block of Tangible Assets includes Land which the Group is in the process of getting registered in its name, which is currently under dispute, but the Management expects a favourable outcome in this matter.

^ includes depreciation of ₹ 25.55 Crore of Fertiliser business for the period before classified as discontinued operations.

Additions for the year ended 31st March 2022 includes addition on account of business combination. (Refer note 4.3)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Notes:

₹ in Crore

		As at 31st March, 2022	As at 31st March, 2021
2.1.1	The title of immovable assets are in the process of being transferred in the name of the Company/ Subsidiaries (Gross Block):	3,025.56	4,353.61
2.1.2	Property, Plant and Equipment includes assets not owned by the Group (Gross Block)	528.28	543.54
2.1.3	Property, Plant and Equipment includes assets held on Co-ownership with other Companies (the Group's share)		
	Buildings	78.47	78.47
	Plant and Equipment	0.40	0.40
	Furniture and Fixtures	2.17	2.17
	Vehicles	0.07	0.07
	Office Equipment	2.21	2.21
		83.32	**83.32**
2.1.4	Buildings include (Gross Block):		
	- Cost of Debentures and Shares in a Company entitling the right of exclusive occupancy and use of certain premises	50.64	50.64
	- Workers' quarters mortgaged with state governments against subsidies received	0.18	0.18
2.1.5	Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:		
	Expenditure incurred during the Year:		
	Raw Materials Consumed	21.08	-
	Salaries, Wages and Bonus	127.48	48.57
	Contribution to Provident and Other Funds	2.48	1.65
	Contribution to Gratuity Fund	0.41	0.56
	Expenses on Employee Stock Options Scheme	0.33	0.23
	Rent and Hire Charges	1.39	0.68
	Power and Fuel	7.23	0.56
	Insurance	2.39	3.44
	Depreciation on PPE	8.19	0.83
	Depreciation on RoU	3.79	5.88
	Borrowing Costs	158.24	82.59
	Consumption of Stores, Spare Parts and Components, Packing Materials, etc.	1.60	1.60
	Repairs and Maintenance	6.01	1.76
	Other Expenses	113.13	59.67
		453.75	**208.02**
	Add: Pre-Operative Expenditure incurred upto Previous Year	432.81	231.94
	Less: Trial-Run Production Transferred to Inventory	2.18	-
	Less: Sale of Trial Run Production	24.99	-
	Less: Capitalised/Charged during the Year	409.88	7.15
	Total Pre-Operative Expenses Pending Allocation	**449.51**	**432.81**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.1.6 Capital-Work-in Progress (CWIP)

CWIP ageing schedule

As at 31st March, 2022

₹ in Crore

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,507.14	505.31	322.92	184.14	6,519.51
Projects temporarily suspended	-	-	-	52.67	52.67
Total	**5,507.14**	**505.31**	**322.92**	**236.81**	**6,572.18**

As at 31st March, 2021

₹ in Crore

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,476.75	2,104.19	985.69	81.92	5,648.55
Projects temporarily suspended	0.30	2.22	14.26	54.10	70.88
Total	**2,477.05**	**2,106.41**	**999.95**	**136.02**	**5,719.43**

2.1 (B) INVESTMENT PROPERTY

Year ended 31st March, 2022

₹ in Crore

	Gross Block			Accumulated Depreciation				Net Block
	As at 1st April 2021	Deductions	As at 31st March 2022	As at 1st April 2021	For the Year	Deductions	As at 31st March 2022	As at 31st March 2022
Building	16.87	-	16.87	1.63	0.43	-	2.06	14.81

Year ended 31st March, 2021

₹ in Crore

	Gross Block			Accumulated Depreciation				Net Block
	As at 1st April 2020	Deductions	As at 31st March 2021	As at 1st April 2020	For the Year	Deductions	As at 31st March 2021	As at 31st March 2021
Building	16.87	-	16.87	1.20	0.43	-	1.63	15.24

Information regarding Income & Expenditure of Investment property

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rental Income Derived from Investment Property	0.50	0.46
Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	(0.06)	(0.06)
Profit Arising from Investment Property before Depreciation and Indirect Expenses	**0.44**	**0.40**
Depreciation for the Year	(0.43)	(0.43)
Profit/(Loss) arising from Investment Property before Indirect Expenses	**0.01**	**(0.03)**

The Group has carried out the valuation through the Independent Valuer to assess fair value of its Investment Property. As per report provided by Independent Valuer, the fair value is ₹ 19.02 Crore as on 31st March, 2022 (Previous Year ₹ 16.65 Crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made in observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Group has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.2 GOODWILL

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the Year	20,013.86	20,046.50
Goodwill arising on account of Business Combination (Note 4.3)	14.28	-
Effects of Foreign Currency Exchange Differences	30.36	(32.64)
Balance at the end of the Year	**20,058.50**	**20,013.86**

2.2.1 Impairment Testing of Goodwill

Goodwill acquired in business combinations has been allocated to the following Segments/Cash Generating Units (CGUs):

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cement	8,159.49	8,129.13
Financial Services	11,871.63	11,871.63
Others (Textile, Solar Power and other Subsidiaries)	27.38	13.10
	20,058.50	**20,013.86**

Goodwill is not amortised, instead it is tested for impairment annually or more frequently if indicators of impairment exist. Potential impairment is identified by comparing the recoverable value of a cash-generating units to its carrying value. The Company estimates the recoverable value based on fair value less cost to sell approach following income approach and market approach. The determination of recoverable value using the income and market approaches requires the use of estimates and assumptions related to selection of multiples and control premium for the market approach and sales volumes and prices, costs to produce, capital spending and discount rate for the income approach. Under income approach, the recoverable amount is determined based on value-in-use calculation which require the use of certain assumptions. The calculation use cash flow projections based on financial budgets approved by the Management covering three to five years period depending upon segments/CGUs' financial budgeting process. Cash flow beyond these financial budget period is extrapolated using the estimated growth rates. Under market approach, recoverable amount is determined based on average of comparable companies multiple suitable for the industry to which business relates.

During the current year, the Company has carried out the Impairment testing of Goodwill allocated to its business segments.

A. Cement and Others (Textile, Investment and Solar Power Subsidiaries)

The goodwill allocated to Cement Segment and others segments are evaluated based on their actual performance against the budget approved by the Management covering three to five years period. Based on evaluation their recoverable amount exceeds their carrying amounts, hence, no goodwill impairment was identified.

B. Financial Services

The key assumption used in the estimation of the recoverable amount of various CGUs is set out below. The values assigned to the key assumptions represents the Management 's assessment of future trends in the relevant sector and have been based on historical and external data from both external and internal sources.

Notes

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Financial Services Business	Key Assumptions	As at 31st March, 2022	As at 31st March, 2021
Aditya Birla Money Limited (ABML), Aditya Birla Insurance Brokers Limited (ABIB) and Aditya Birla Capital Technology Services Limited (ABCTSL) (i)	Discount Rate	12.25% - 13.5%	13.5% - 14.0%
	Terminal Growth Rate	5%	5%
Aditya Birla Housing Finance Limited (ABHFL) and Aditya Birla Finance Limited (ABFL) (ii)	Market Price to Adjusted Book Value	1.4- 1.7 times (Based on average of comparable companies multiple)	1.3- 2.0 times (Based on average of comparable companies multiple)
Aditya Birla Sun Life Insurance Limited (ABSLI) (iii)	Market Capitalisation / Embedded Value	3.2 times (Based on average of comparable companies multiple)	2.5 times (Based on average of comparable companies multiple)

(i) For ABML, ABIB and ABCTSL the recoverable amount is determined based on fair value less cost to sell and the projected cash flows are discounted to the present value using a post tax weighted-average cost of capital (Discount Rate). The discount rate commensurate to with the risk inherent in the projected cash flows and reflect the rate of return required by an investor in the current economic conditions. The Group uses specific growth assumptions for each CGU based on historical and economic condition (Terminal Growth Rate).

As a result of impairment test for the year ended 31st March, 2022, no goodwill impairment was identified as the recoverable amount of the CGUs to which goodwill was allocated was higher than their carrying amount. (Previous Year ₹ Nil).

(ii) For ABHFL and ABFL, based on our result of value analysis on the basis of price to adjusted book value multiple of comparable companies, the fair value of the CGUs, to whom goodwill was allocated, is higher than the respective carrying amount.

As a result of impairment test for the year ended 31st March, 2022, no goodwill impairment was identified as the fair value of the CGUs to whom goodwill was allocated exceeded their respective carrying amount. (Previous Year ₹ Nil).

(iii) ABSLI, based on our result of value analysis on the basis of key assumptions as stated above, the fair value of CGU exceeds the carrying amount of assets of the CGU.

As a result of impairment test for the year ended 31st March, 2022, no goodwill impairment was identified as the fair value of the CGUs to whom goodwill was allocated exceeded their respective carrying amount.

An analysis of the sensitivity of the changes in key parameters (Operating Margins, Discount Rate and Long-Term Average Growth Rate), based on reasonable probable assumptions, does not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.3 OTHER INTANGIBLE ASSETS

Year ended 31st March 2022

₹ in Crore

	Gross Block					Accumulated Amortisation					Net Block
	As at 1st April 2021	Additions	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 1st April 2021	For the Year	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 31st March 2022
INTANGIBLE ASSETS (other than internally generated)											
Computer Software	610.88	152.59	-	4.92	758.55	331.30	130.12	-	4.22	457.20	301.35
Value of License/Right to use Infrastructure	62.99	34.03	-	-	97.02	37.51	5.91	-	-	43.42	53.60
Power Purchase Agreements	42.10	1.79	-	-	43.89	4.85	1.73	-	-	6.58	37.31
Power Line Rights	57.27	-	2.08	-	59.35	22.00	3.73	0.87	-	26.60	32.75
Rights to Manage and Operate Manufacturing Facilities	666.50	-			666.50	140.06	44.46	-	-	184.52	481.98
Group Management Rights	197.70	-		-	197.70	-	-	-	-	-	197.70
Customer Relationship	369.90	-		-	369.90	60.17	16.84	-	-	77.01	292.89
Distribution Network	1,533.03	-	-	-	1,533.03	479.49	133.70	-	-	613.19	919.84
Value in Force	1,649.00	-		-	1,649.00	412.24	109.94	-	-	522.18	1,126.82
Order Back Log	16.70	-		-	16.70	16.70	-	-	-	16.70	-
Technical Know-how	27.24	-	-	-	27.24	7.27	2.55	-	-	9.82	17.42
Trade Mark and Brands	223.14	0.03	-	-	223.17	181.02	7.88	-	-	188.90	34.27
Mining Rights	233.69	32.68	-	-	266.37	60.60	30.52	-	-	91.12	175.25
Non-Compete fees	21.50	-			21.50	21.50	-	-	-	21.50	-
Mining Reserve	5,486.86	-	-	-	5,486.86	352.98	105.84	-	-	458.82	5,028.04
Jetty Rights	224.42	22.38	-	-	246.80	40.75	9.85	-	-	50.60	196.20
Total Intangible Assets	**11,422.92**	**243.50**	**2.08**	**4.92**	**11,663.58**	**2,168.44**	**603.07**	**0.87**	**4.22**	**2,768.17**	**8,895.41**
Intangible Assets Under Development											42.94
Total Intangible Assets											**8,938.35**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.3 OTHER INTANGIBLE ASSETS (CONTD.)

Year ended 31st March 2021

₹ in Crore

	Gross Block						Accumulated Amortisation						Net Block
	As at 1st April 2020	Classified as Discontinued Operation (Note 4.4)	Additions	Translation Difference Add/(Less)	Deductions/ Adjustments /Held for Disposal	As at 31st March 2021	As at 1st April 2020	For the Year *	Translation Difference Add/(Less)	Classified as Discontinued Operation (Note 4.4)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2021	As at 31st March 2021
INTANGIBLE ASSETS (other than internally generated)													
Computer Software	432.94	0.19	188.55	-	10.42	610.88	236.40	104.61	-	0.17	9.54	331.30	279.58
Value of License/Right to use Infrastructure	62.99	-	-	-	-	62.99	31.49	6.02	-	-	-	37.51	25.48
Power Purchase Agreements	42.10	-	-	-	-	42.10	3.17	1.68	-	-	-	4.85	37.25
Power Line Rights	59.27	-	-	(2.00)	-	57.27	18.98	3.71	(0.69)	-	-	22.00	35.27
Rights to Manage and Operate Manufacturing Facilities	666.50	-	-	-	-	666.50	95.57	44.49	-	-	-	140.06	526.44
Group Management Rights	197.70	-	-	-	-	197.70	-	-	-	-	-	-	197.70
Customer Relationship	369.90	-	-	-	-	369.90	43.33	16.84	-	-	-	60.17	309.73
Production Formula	19.00	19.00	-	-	-	-	5.23	1.17	-	6.40	-	-	-
Distribution Network	1,582.93	49.90	-	-	-	1,533.03	354.90	131.29	-	6.70	-	479.49	1,053.54
Value in Force	1,649.00	-	-	-	-	1,649.00	302.30	109.94	-	-	-	412.24	1,236.76
Order Back Log	16.70	-	-	-	-	16.70	16.70	-	-	-	-	16.70	-
Technical Know-how	27.24	-	-	-	-	27.24	4.75	2.52	-	-	-	7.27	19.97
Trade Mark and Brands	306.44	83.50	0.20	-	-	223.14	196.11	13.01	-	28.10	-	181.02	42.12
Mining Rights	183.01	-	50.93	-	0.25	233.69	54.47	6.13	-	-	-	60.60	173.09
Non-Compete fees	21.50	-	-	-	-	21.50	15.54	5.96	-	-	-	21.50	-
Mining Reserves	5,483.35	-	3.51	-	-	5,486.86	232.44	120.54	-	-	-	352.98	5,133.88
Jetty Rights	212.67	-	11.75	-	-	224.42	37.57	3.18	-	-	-	40.75	183.67
Total Intangible Assets	**11,333.24**	**152.59**	**254.94**	**(2.00)**	**10.67**	**11,422.92**	**1,648.95**	**571.09**	**(0.69)**	**41.37**	**9.54**	**2,168.44**	**9,254.48**
Intangible Assets Under Development													49.26
Total Intangible Assets													**9,303.74**

* Includes Amortisation of ₹ 7.52 Crore of Fertiliser Business classified as discontinued operations.

Note 2.3.1 Based on written down value, the balance amortisation period of Material Intangible Assets:

₹ in Crore

Intangible Assets	**As at 31st March, 2022**	**As at 31st March, 2021**
Distribution Network	1.25 - 20.25 Years	2.25 - 21.25 Years
Mining Reserve	Over the period of the respective mining agreement	Over the period of the respective mining agreement
Value in Force	10.25 Years	11.25 Years

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.3.2 Intangible Assets Under Development

Intangible Assets Under Development Ageing Schedule:

As at 31st March 2022

₹ in Crore

CWIP	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34.15	8.61	-	0.18	42.94
Projects temporarily suspended	-	-	-	-	-
Total	**34.15**	**8.61**	**-**	**0.18**	**42.94**

As at 31st March 2021

₹ in Crore

CWIP	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.64	6.61	0.38	0.63	49.26
Projects temporarily suspended	-	-	-	-	-
Total	**41.64**	**6.61**	**0.38**	**0.63**	**49.26**

2.4 LEASES

I. As a Lessee

A. Right of Use Assets

Year ended 31st March 2022

₹ in Crore

Particulars	Gross Block						Accumulated Depreciation						Net Block
	As at 1st April, 2021	(Transfer) from Discontinued Operations	Additions	Other Adjustments	Deductions	As at 31st March, 2022	As at 1st April, 2021	(Transfer) from Discontinued Operations	For the Year	Other Adjustments	Deductions	As at 31st March, 2022	As at 31st March, 2022
Land #	741.73	-	36.91	1.88	1.46	779.06	65.54	-	23.77	0.26	0.79	88.78	690.28
Buildings	716.90	(47.34)	199.81	-	96.40	867.65	247.95	(3.48)	125.23	-	37.93	338.73	528.92
Plant and Machinery	208.03	-	30.07	5.88	32.22	211.76	66.17	-	20.52	4.16	12.21	78.64	133.12
Ships	830.11	-	0.71	(27.04)	85.25	718.53	145.22	-	74.23	(15.59)	11.84	192.02	526.51
Total	**2,496.77**	**(47.34)**	**267.50**	**(19.28)**	**215.33**	**2,577.00**	**524.88**	**(3.48)**	**243.75**	**(11.17)**	**62.77**	**698.17**	**1,878.83**
Less: Depreciation Transferred to CWIP									(3.79)				
Net Depreciation Charged to the Statement of Profit and Loss									**239.96**				

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Year ended 31st March 2021

₹ in Crore

Particulars	Gross Block						Accumulated Depreciation						Net Block
	As at 1st April, 2020	Reclassified as Discontinued Operations (Note 4.4)	Additions	Other Adjustments	Deductions	As at 31st March, 2021	As at 1st April, 2020	Reclassified as Discontinued Operations (Note 4.4)	For the Year^	Other Adjustments	Deductions	As at 31st March, 2021	As at 31st March, 2021
Land #	929.02	203.61	18.69	(2.32)	0.06	741.73	53.83	11.58	23.86	(0.56)	0.01	65.54	676.19
Buildings	601.17	1.97	197.21	-	79.51	716.90	151.50	1.97	126.00	-	27.58	247.95	468.95
Plant and Machinery	149.58	-	64.44	(5.99)	-	208.03	47.99	-	21.82	(3.64)	-	66.17	141.86
Ships	716.74	-	136.44	(11.21)	11.86	830.11	77.38	-	72.15	(4.31)	-	145.22	684.89
Total	**2,396.51**	**205.58**	**416.79**	**(19.52)**	**91.43**	**2,496.77**	**330.70**	**13.55**	**243.83**	**(8.51)**	**27.59**	**524.88**	**1,971.89**
Less: Depreciation Transferred to CWIP									(5.88)				
Net Depreciation Charged to the Statement of Profit and Loss									**237.95**				

Includes Leasehold land of ₹ 142.11 Crore (Previous Year ₹ 142.90 Crore) having co-ownership with other companies.

^ Includes Depreciation of ₹ 2.55 Crore towards Fertiliser Business classified as discontinued operations.

(B) Analysis of Lease Liabilities

(B1) The following is the movement in lease liabilities during the year ended:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Lease Liabilities as on 1st April	1,668.61	1,563.83
Finance Cost Accrued during the Year (including revaluation of Lease Liabilities)	144.12	72.37
Additions during the Year (Net)	97.74	335.61
Liabilities Classified as Held for Sale	-	(2.30)
Payment of Lease Liabilities	(352.93)	(300.90)
Closing Lease Liabilities	**1,557.54**	**1,668.61**

(B2) Maturity Analysis of Lease Liabilities

₹ in Crore

Maturity Analysis – Contractual Undiscounted Cash Flows	As at 31st March, 2022	As at 31st March, 2021
Less than one year	293.07	286.11
One to five years	997.68	1,052.31
More than five years	932.53	1,000.61
Total Undiscounted Lease Liabilities	**2,223.28**	**2,339.03**
Lease Liabilities included in the Statement of Financial Position	1,557.54	1,668.61
Current	238.16	221.13
Non-Current	1,319.38	1,447.48

Notes

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(B3) Amount recognised in the Statement of Profit and Loss, not included in the Measurement of Lease Liabilities:

₹ in Crore

	Year ended 31st March, 2022	Year ended 31st March, 2021
Variable Lease Payments not included in the Measurement of Lease liabilities	73.59	56.54
Expenses relating to Short-Term Leases	157.58	121.36
Expenses relating to Leases of Low-Value Assets, excluding Short-Term Leases of Low Value Assets	43.37	42.49
(Gains) or Losses arising from Modification of Lease Agreements and Others	2.19	2.43

(C) Income from sub-leasing of Right to Use Assets is ₹ 5.46 Crore (Previous Year ₹ 4.93 Crore).

(D) The total cash outflow for leases for the year is ₹ 352.93 Crore (Previous Year ₹ 300.90 Crore).

(E) Future expected cash outflows, to which the lessee is potentially exposed, and are not reflected in the measurement of lease liabilities: Leases not yet commenced to which the lessee is committed as on 31st March, 2022 is ₹ Nil (Previous Year ₹ Nil).

(F) During the year, the Group has recognised rent concession of ₹ Nil (Previous Year ₹ 9.50 Crore) as it had applied for Practical Expedient to eligible leased contracts.

(G) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities, as and when they fall due.

2.5 NON-CURRENT ASSETS - EQUITY ACCOUNTED INVESTEES

Investments in Equity Accounted Investees

₹ in Crore

Particulars	As at 31st March, 2022		As at 31st March, 2021
Joint Ventures (Note 4.14 and Note 2.39(A))			
Share in Net Assets	978.00		3,708.21
Goodwill	5.15		1,934.33
Equity Investments in Joint Ventures - At Cost	**983.15**		**5,642.54**
Impairment in Value of Investments	(1.65)		(1.65)
Share in Profit/Reserves of Joint Ventures (after Acquisition)	428.67		1,140.09
		1,410.17	**6,780.98**
Associates (Note 4.14 and Note 2.39(A))			
Share in Net Assets	2,814.49		43.13
Goodwill	1,891.74		-
Equity Investments in Associates - At Cost	**4,706.23**		**43.13**
Impairment in Value of Investments	(0.22)		(0.22)
Share in Profit/Reserves of Joint Ventures (after Acquisition)	933.99		13.77
		5,640.00	**56.68**
		7,050.17	**6,837.66**

2.5.1 The investments in the Company's Joint Ventures, namely AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited and Aditya Group AB are subject to maintenance of specified holding by the Company, until the credit facility provided by certain lenders to the respective companies is outstanding. Without guaranteeing the repayments to the lenders, the Company has also agreed that the affairs of the Joint Ventures will be managed through its nominee directors on the Boards of respective borrowing companies, in a manner that they are able to meet their respective financial obligations.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.6 INVESTMENTS OF INSURANCE BUSINESS - NON-CURRENT

₹ in Crore

Particulars		As at 31st March, 2022	As at 31st March, 2021
Investments in various Mutual Funds			
Carried at Fair Value through Profit or Loss (FVTPL) #	-		1.51
		-	**1.51**
Investments in Equity Instruments			
Carried at FVTPL #	1,739.89		931.33
Carried at FVTPL	196.99		119.29
Carried at Fair Value through Other Comprehensive Income (FVTOCI) #	91.99		105.24
Carried at Fair Value through Other Comprehensive Income (FVTOCI)	0.83		0.79
		2,029.70	**1,156.65**
Investments in Government or Trust Securities			
Carried at Amortised Cost #	12,357.47		9,159.97
Carried at FVTOCI #	5,469.53		4,420.47
		17,827.00	**13,580.44**
Investments in Debentures			
Carried at Amortised Cost #	5,853.74		5,576.41
Carried at FVTOCI #	5,216.34		4,702.49
Carried at FVTPL #	25.86		25.97
Less: Impairment	-		(1.88)
		11,095.94	**10,302.99**
Other Non-Current Investments			
Carried at FVTOCI	-		4.99
		-	**4.99**
		30,952.64	**25,046.58**
# Quoted Investments			
2.6.1 Aggregate Book Value of:			
Quoted Investments		30,754.82	24,921.51
Unquoted Investments		197.82	125.07
		30,952.64	**25,046.58**
Aggregate Market Value of Quoted Investments		31,004.04	25,662.55
Aggregate Impairment in Value of Investments		-	1.88

2.7 OTHER INVESTMENTS - NON-CURRENT

(Fully Paid-up)

₹ in Crore

Particulars	Face Value	Units	As at 31st March, 2022	As at 31st March, 2021
Investments in Equity Instruments				
Carried at FVTOCI {Note 4.9 (A)}				
Thai Rayon Public Company Limited, Thailand #	Thai Baht 1	13,988,570	155.48	103.93
P. T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	644.78	591.40
Vodafone Idea Limited #	₹ 10	3,317,566,167	3,201.45	3,068.75
Hindalco Industries Limited #	₹ 1	88,048,812	5,014.38	2,877.88
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	2.73	2.73
Birla International Limited - British Virgin Islands	USD 100	2,500	5.18	5.18
Aditya Birla Fashion and Retail Limited - (Partly Paid-up of ₹ 7.5)#	₹ 10	10,221,331	-	172.63

Notes

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₹ in Crore

Particulars	Face Value	Units	As at 31st March, 2022		As at 31st March, 2021
Aditya Birla Fashion and Retail Limited (Previous Year 87,449,940 shares) #	₹ 10	97,671,271	2,950.65		1,759.92
Birla Management Centre Services Limited	₹ 10	9,000	10.58		9.50
Bhadreshwar Vidyut Private Limited	₹ 10	5,069,000	0.10		0.10
				11,985.33	**8,592.02**
Carried at FVTPL {Note 4.9 (A)}					
MOIL Limited#	₹ 10	24,490	0.45		0.37
Amplus Sunshine Private Limited	₹ 10	3,867,848	4.80		4.80
Amplus Coastal Power Private Limited	₹ 10	1,712,279	1.76		1.76
Amplus Dakshin Private Limited (Previous Year 459,000 Shares)	₹ 10	11,690,777	11.69		0.46
Lalganj Power Private Limited (Previous Year 12,121,212 Shares)	₹ 10	13,032,882	17.20		16.00
Raj Mahal Coal Mining Limited	₹ 10	1,000,000	1.00		1.00
Green Infra Wind Power Generation Limited	₹ 10	192,000	0.19		0.19
NU Power Wind Farm Limited (Previous Year 39,548 Shares)	₹ 10	2,000	-		0.04
Watsun Infrabuild Private Limited (Previous Year 296,000 Shares)	₹ 10	642,600	0.64		0.30
VSN Onsite Private Limited (Previous Year 2,125,387 Shares)	₹ 10	7,852,649	10.15		2.75
Solbridge Energy Private Limited	₹ 10	1,738,490	2.21		-
Sunroot Energy Private Limited	₹ 10	510,000	0.51		-
VSV Offsite Private Limited	₹ 10	388,890	0.53		-
Amplus Alpha Solar Private Limited	₹ 10	2,598,864	2.60		-
ES SBE Renewables Twenty Two C1 Private Limited (@ aggregating to ₹ 260)	₹ 10	26	@		@
ES SBE Renewables Twenty Two C2 Private Limited (^ aggregating to ₹ 260)	₹ 10	26	^		^
ES SBE Renewables Twenty Two C3 Private Limited ($ aggregating to ₹ 130)	₹ 10	13	$		$
SBG Cleantech Energy Eight Private Limited (! Previous Year: 20 Share, aggregating to ₹ 200)	₹ 10	-	-		!
				53.73	**27.67**
Investments in Preference Shares					
Carried at FVTPL {Note 4.9 (A)}					
Joint Ventures					
6% Cumulative Redeemable Retractable, Non-Voting Preferred Shares of AV Group NB Inc., Canada, of aggregate value of Canadian Dollar 6.75 Million	WPV	6,750,000	34.28		31.02
1% Redeemable Preference Shares of Aditya Group AB, Sweden, of aggregate value of USD 8 Million	WPV	160,000	49.88		50.86
Others					
7% Non-Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	5,600,000	57.80		57.69
8% Redeemable and Cumulative Preference Shares of Aditya Birla Fashion and Retail Limited	₹ 10	500,000	0.98		0.94
8.10% Preference Share of Kotak Mahindra Bank	₹ 5	70,000,000	35.00		-
8% Preference Shares of Birla Management Centre Services Limited (Previous Year 200 Shares)	₹ 10	-	-		!
! Represents amount of ₹ 2,000 (redeemed during the Year)					
				177.94	**140.51**

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₹ in Crore

Particulars	Face Value	Units		As at 31st March, 2022	As at 31st March, 2021
Investments in Debentures or Bonds and Other Investments (Note 4.9 (A)) #					
Carried at FVTPL					
Tax-Free Bonds			282.75		290.44
Taxable Corporate Bonds			290.83		857.43
				573.58	**1,147.87**
Investments in Bonds/Debentures					
Carried at Amortised Cost #	257	1,000,000		55.34	-
Carried at Amortised Cost	75	10,000,000		80.31	51.19
Other Investments					
Carried at FVTPL					
Investments in Security Receipts			178.78		307.30
Investments in Alternate Funds			81.89		67.15
Investments in LLP			26.60		15.91
Others			-		0.02
				287.27	**390.38**
Carried at FVTPL					
Investments in Mutual Funds {Note 4.9 (A)}				667.67	242.98
				13,881.17	**10,592.62**

WPV - Without Par Value

Quoted Investments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2.7.1 Aggregate Book Value of:		
Quoted Investments	11,951.33	9,131.35
Unquoted Investments	1,929.84	1,461.27
	13,881.17	**10,592.62**
Aggregate Market Value of Quoted Investments	11,951.33	9,131.35

2.7.2 Category wise Other Non-Current Investments:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Quoted		
Financial Investments Measured at FVTOCI		
Equity Shares	11,321.96	7,983.11
Sub-Total (a)	**11,321.96**	**7,983.11**
Financial Investments Measured at FVTPL		
Mutual Funds	-	-
Debentures or Bonds	573.58	1,147.87
Equity Shares	0.45	0.37
Sub-Total (b)	**574.03**	**1,148.24**
Financial Investments Measured at Amortised Cost		
Debentures or Bonds	55.34	-
Sub-Total (c)	**55.34**	**-**
Total (d) = [a + b + c]	**11,951.33**	**9,131.35**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unquoted		
Financial Investments Measured at FVTOCI		
Equity Shares	663.37	608.91
Sub-Total (e)	**663.37**	**608.91**
Financial Investments Measured at FVTPL		
Equity Shares	53.28	27.30
Mutual Funds	667.67	242.98
Preference Shares	177.94	140.51
Private Equity Investment Funds	287.27	390.38
Sub-Total (f)	**1,186.16**	**801.17**
Financial Investments Measured at Amortised Cost		
Debentures or Bonds	80.31	51.19
Sub-Total (g)	**80.31**	**51.19**
Total (h) = [e + f + g]	**1,929.84**	**1,461.27**
Total (d + h)	**13,881.17**	**10,592.62**

2.8 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS - NON-CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carried at Fair Value through Profit or Loss		
Quoted Investments		
Mutual Funds	583.30	447.13
Equity Instruments	13,028.13	10,715.88
Government or Trust Securities	5,926.28	5,747.96
Debentures	6,574.62	6,325.21
Unquoted Investments		
Other Non-Current Investments	25.00	15.02
	26,137.33	**23,251.20**
2.8.1 Aggregate Book Value of Quoted Investments	26,112.33	23,236.18
2.8.2 Aggregate Market Value of Quoted Investments	26,112.33	23,236.18
2.8.3 Aggregate Value of Unquoted Investments	25.00	15.02

2.9 LOANS - NON-CURRENT

(Unsecured, Considered Good, except otherwise stated)
(Carried at Amortised Cost)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans and Advances of Financial Services		
Secured, Considered Good	43,671.62	39,291.20
Unsecured, Considered Good	6,981.74	5,182.99
Secured, Considered Doubtful	1,956.03	1,045.32
Unsecured, Considered Doubtful	258.29	607.66
Less: Expected Credit Loss Allowance	(1,223.85)	(1,075.70)
Loans against Insurance Policies	291.55	214.33
Loans to Employees	18.74	12.52
	51,954.12	**45,278.32**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.10 OTHER NON-CURRENT FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	447.46	403.46
Less: Provision on deposits	(0.44)	(0.44)
Deposits to Related Party (Note 4.7.2)	35.93	60.04
Derivative Assets - Carried at Fair Value	371.33	384.55
Government Grant Receivables	578.05	188.73
Less: Provision towards Government Incentive	(3.76)	-
Fixed Deposits with Banks with maturity more than 12 months*#@	90.47	46.30
Receivables towards Divested Business$	46.26	35.12
Less: Provision towards Divested Businesses	(11.14)	-
Reinsurance Assets	892.05	610.12
Other Receivables	11.79	6.92
	2,458.00	**1,734.80**

* Includes Interest Accrued		
# Lodged as security with Government Departments	2.17	1.87
@ Lien Marked in favour of Insurance Regulatory Development Authority of India (IRDA)	1.31	1.31

$ The Company has to receive from purchaser ₹ 35.12 Crore (Previous Year ₹ 35.12 Crore) towards Tax Refund.

2.11 DEFERRED TAX ASSETS (NET)

₹ in Crore

Current Year	As at 1st April 2021	Recognised in		As at 31st March 2022
		Profit or Loss	OCI	
Deferred Tax Assets:				
Provision allowed under Tax on Payment Basis	40.35	(2.62)	(8.06)	29.67
Unabsorbed Losses	97.57	44.65	-	142.22
Unrealised Profits arising on Intragroup Stock Transfers	9.00	6.09	-	15.09
Expected Credit Loss Allowance	260.62	23.18	-	283.80
Others	32.34	(0.87)	(0.57)	30.90
	439.88	**70.43**	**(8.63)**	**501.68**
Deferred Tax Liabilities:				
Impact of difference between Tax Depreciation and Depreciation/ Amortisation charged for financial reporting	215.67	29.31	-	244.98
Others (Fair Value of Borrowings and Contingent Liabilities)	18.77	(8.61)	0.50	10.66
	234.44	**20.70**	**0.50**	**255.64**
Deferred Tax Assets (Net)	**205.44**	**49.73**	**(9.13)**	**246.04**

Notes

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₹ in Crore

Previous Year	As at 1st April 2020	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2021
Deferred Tax Assets:				
Provision allowed under Tax on Payment Basis	123.06	(85.78)	3.07	40.35
Unabsorbed Losses	39.39	58.18	-	97.57
Unrealised Profits arising on Intragroup Stock Transfers	1.47	7.53	-	9.00
Expected Credit Loss Allowance	110.47	150.15	-	260.62
Others	32.63	(1.45)	1.16	32.34
	307.02	**128.63**	**4.23**	**439.88**
Deferred Tax Liabilities:				
Impact of difference between Tax Depreciation and Depreciation/ Amortisation charged for financial reporting	154.95	60.72	-	215.67
Others (Fair Value of Borrowings and Contingent Liabilities)	14.50	4.27	-	18.77
	169.45	**64.99**	**-**	**234.44**
Deferred Tax Assets (Net)	**137.57**	**63.64**	**4.23**	**205.44**

2.12 OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances		
Unsecured, Considered Good	2,585.78	2,270.50
Unsecured, Considered Doubtful	12.36	18.56
Less: Allowance for Doubtful	(12.36)	(18.56)
Balances with Government Authorities		
Unsecured, Considered Good	650.40	545.31
Prepaid Expenses	20.06	22.62
Deferred Acquisition Costs	1.64	2.85
Other Advances	89.39	15.85
	3,347.27	**2,857.13**

2.13 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,862.58	1,096.59	2,959.17	1,019.59	646.77	1,666.36
Work-in-Progress	1,177.01	-	1,177.01	819.24	-	819.24
Finished Goods	1,204.28	257.78	1,462.06	740.62	157.76	898.38
Stock-in-Trade	39.77	2.85	42.62	20.37	14.85	35.22
Stores and Spare Parts	3,232.23	644.33	3,876.56	2,384.55	371.71	2,756.26
Waste/Scrap (valued at Net Realisable Value)	19.00	-	19.00	21.50	-	21.50
	7,534.87	**2,001.55**	**9,536.42**	**5,005.87**	**1,191.09**	**6,196.96**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

The Company follows the policy for writing down the Value of Inventories towards slow moving, non-moving and surplus inventories.

Write down of inventories (net of reversals) for the year is ₹ 68.85 Crore (Previous Year ₹ 92.20 Crore). Inventory values shown above are net of write down.

2.13.1 Working Capital Borrowings are secured by hypothecation of inventories of the respective companies.

2.14 INVESTMENTS OF INSURANCE BUSINESS - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments in Mutual Funds		
Carried at Fair Value through Profit or Loss (FVTPL) #	126.82	101.27
Investments in Government or Trust Securities		
Carried at Amortised Cost #	7.60	40.54
Carried at FVTOCI #	168.00	144.72
Investments in Debentures/Bonds		
Carried at Amortised Cost #	112.37	95.18
Carried at FVTOCI #	450.55	235.56
Less: impairment	(1.66)	(9.33)
Investments in Equity Instruments		
Carried at FVTPL #	-	142.36
Other Current Investments		
Carried at Amortised Cost #	979.81	759.85
Carried at FVTOCI #	490.42	577.16
Carried at FVTOCI	5.31	1.31
	2,339.22	**2,088.62**

Quoted Investments

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
2.14.1 Aggregate Book Value of:		
Quoted Investments	2,333.91	2,087.31
Unquoted Investments	5.31	1.31
	2,339.22	**2,088.62**
Aggregate Market Value of Quoted Investments	2,280.18	2,105.63
Aggregate Impairment in Value of Investments	1.66	9.33

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.15 OTHER INVESTMENTS - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments in Equity Shares: Carried at FVTOCI		
Larsen & Toubro Limited# (1,495,993 Shares of Face Value ₹ 2 each fully paid-up) (Previous Year 1,495,993 Shares)	264.44	212.27
Investments in Mutual Funds:		
Carried at FVTPL	9,283.16	13,618.50
Investments in Government Securities		
Carried at FVTPL #	119.80	81.86
Investments in Bonds		
Carried at FVTPL #	90.97	56.12
Carried at FVTPL	436.02	256.49
Carried at FVTOCI #	87.50	133.73
Investments in Debentures		
Carried at FVTPL	1,573.94	723.14
Other Investments		
Carried at FVTPL (Certificate of Deposits)	190.00	100.00
Carried at Amortised Cost (Fixed Deposit with Financial Institutions with maturity less than twelve months)	337.04	300.00
	12,382.87	**15,482.11**

Quoted Investments

₹ in Crore

Particulars		As at 31st March, 2022	As at 31st March, 2021
2.15.1	Aggregate Book Value of:		
	Quoted Investments	562.71	483.98
	Unquoted Investments	11,820.16	14,998.13
		12,382.87	**15,482.11**
2.15.2	Aggregate Market Value of Quoted Investments	562.71	483.98
2.15.3	With respect to the disputed dividend distribution tax demand for the assessment year 2018-19, the Company has furnished a non-disposal undertaking to the Income Tax Department undertaking, that the Company shall not dispose off certain mutual fund investments having value of ₹ 816.54 Crore (31st March, 2021 ₹ 777.52 Crore).		

2.16 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS - CURRENT

Carried at Fair Value through Profit or Loss

₹ in Crore

Particulars		As at 31st March, 2022	As at 31st March, 2021
Quoted Investments			
Mutual Funds		15.10	50.73
Equity Instuments		-	0.64
Government or Trust Securities		1,085.84	1,474.15
Debentures		1,215.29	1,265.40
Other Current Investments		1,855.99	1,801.30
Other Current Assets		(165.49)	120.60
Unquoted Investments			
Other Current Investments		15.99	5.17
		4,022.72	**4,717.99**
2.16.1	Aggregate Book Value of Quoted Investments	4,006.73	4,712.82
2.16.2	Aggregate Market Value of Quoted Investments	4,006.73	4,712.82
2.16.3	Aggregate Value of Unquoted Investments	15.99	5.17

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.17 TRADE RECEIVABLES

₹ in Crore

Particulars	As at 31st March, 2022		As at 31st March, 2021
Secured, Considered Good*@	758.35		791.17
Unsecured*@			
Considered Good	4,671.39		3,551.22
Trade Receivables which have significant increase in Credit Risk	19.00		24.46
Credit Impaired	182.43		197.51
		5,631.17	**4,564.36**
Less: Loss Allowance		201.81	222.58
		5,429.36	**4,341.78**

Trade receivables are interest and non-interest bearing, and are generally upto 180 days terms.		
* Includes amount in respect of which the Company holds Letters of Credit/Guarantees from Banks.	260.51	209.25
@ Includes amount due from Related Parties (Note 4.7.2).	10.15	82.58

2.17.1 Working Capital Borrowings are secured by hypothecation of book debts of the Company.

2.17.2 Trade Receivables include pass through amounts representing dues from client and exchange forward transactions not fully settled as at the reporting date of stock and security broking business.

2.17.3 Trade Receivable includes amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

2.17.4 No trade or other receivables are due from Directors or other Officers of the Company, either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies, respectively in which any Director is a partner, a Director or a Member.

2.17.5 Trade Receivables ageing schedule

As at 31st March, 2022

₹ in Crore

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Good	1,653.18	35.45	7.30	3.55	2.97	1,702.45
Undisputed Trade Receivables - which have significant increase in Credit Risk	1.12	10.67	8.52	0.22	0.19	20.72
Undisputed Trade Receivables - Credit Impaired	0.39	2.92	3.09	33.10	30.89	70.39
Disputed Trade Receivables - Considered Good	1.69	2.11	0.57	0.48	2.03	6.88
Disputed Trade Receivables - which have significant increase in Credit Risk	-	0.05	2.07	-	-	2.12
Disputed Trade Receivables - Credit Impaired	-	0.18	0.25	55.44	52.71	108.58
Total (A)						**1,911.14**
Not Due (B)						**3,699.91**
Less: Loss Allowance (C)						**201.81**
Net Total (A+B-C)						**5,409.24**
Add: Unbilled Revenue						**20.12**
Grand Total						**5,429.36**

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forming part of the Consolidated Financial Statements for the year ended 31st March 2022

As at 31st March, 2021

₹ in Crore

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Good	1,059.16	16.55	68.75	13.84	4.11	1,162.41
Undisputed Trade Receivables - which have significant increase in Credit Risk	0.38	7.30	14.95	1.15	0.43	24.21
Undisputed Trade Receivables - Credit Impaired	0.13	0.02	10.84	16.62	34.31	61.92
Disputed Trade Receivables - Considered Good	0.74	2.17	2.05	0.07	0.83	5.86
Disputed Trade Receivables - which have significant increase in Credit Risk	-	0.27	4.26	0.04	0.33	4.90
Disputed Trade Receivables - Credit Impaired	-	0.17	50.78	53.17	27.44	131.56
Total (A)						**1,390.86**
Not Due (B)						**3,110.72**
Less: Loss Allowance (C)						**222.58**
Net Total (A+B-C)						**4,279.00**
Add: Unbilled Revenue						**62.78**
Grand Total						**4,341.78**

2.18 CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
In Current Account	1,629.64	2,499.85
In Deposit Account - Original Maturity of 3 months or less	504.43	396.85
In EEFC Account	0.03	0.05
Cheques in Hand	99.06	86.95
Cash on Hand	7.54	5.04
	2,240.70	**2,988.74**

2.18.1 There is no restriction with regard to cash and cash equivalents as at the end of each reporting period and prior periods.

2.19 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Balances		
Earmarked Balance with Banks		
In Government Treasury Savings Account	0.03	0.03
Unclaimed Dividend	30.28	27.51
Other Bank Balances ^	-	1.70
Bank Deposits (with maturity more than 3 months but less than 12 months) $*@!&^^	981.54	2,319.39
	1,011.85	**2,348.63**
Bank Deposits include:		
$ Earmarked for specific purpose	161.68	163.59
* Lodged as Security with Government Departments	32.50	52.46
@ Unclaimed Fractional Warrants	0.88	0.88
! Margin Money with Exchange	292.78	311.65
& Towards Issue of Bank Guarantee	111.15	60.34
^^ The Company is in the process of transferring Fixed Deposits in its own name	4.24	3.31
^ Bank accounts freezed by Government Authorities, the balance of which is not currently available to the Company	-	1.70

2.19.1 There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at 31st March, 2022 and 31st March, 2021.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.20 LOANS - CURRENT

(Unsecured, Considered Good, except otherwise stated)
(Carried at Amortised Cost)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans against House Property (Secured by way of Title Deeds)	0.05	0.01
Loans and Advances of Financial Services		
Secured	7,995.30	9,041.42
Unsecured	6,288.10	5,609.46
Less: Expected Credit Loss Allowance	(84.39)	(132.86)
Loans against Insurance Policies	2.51	0.61
Inter-Corporates Deposits	18.00	49.88
Loans to Related Parties (Note 4.7.2)	16.13	18.34
Others (include Loans to Employees, etc.)	11.31	65.19
	14,247.01	**14,652.05**

2.21 OTHERS - CURRENT FINANCIAL ASSET

(Unsecured, Considered Good, except otherwise stated)
(Carried at Amortised Cost)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Derivative Assets - Carried at Fair Value	52.47	108.71
Interest Accrued on Investments	49.02	68.00
Unclaimed Amount of Policyholders*	256.69	294.43
Government Grants Receivable	1,045.24	1,175.66
Reinsurance Assets	364.73	204.43
Other Receivables from Related Parties (Note 4.7.2)	21.24	0.14
Security Deposits	218.81	156.16
Others (Insurance Claims, Railways Claims and other Receivables)	765.56	727.87
	2,773.76	**2,735.40**

* As per the IRDAI circular, a separate fund is to be formed for unclaimed amount of Policyholders.

2.22 OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Government Authorities	1,049.04	1,031.82
Less: Loss Allowance	(59.59)	(48.26)
Advances to Suppliers	1,147.11	776.03
Less: Loss Allowance	(4.62)	(15.21)
Deferred Acquisition Costs	0.94	1.05
Other Receivables from Related Parties (Note 4.7.2)	15.54	39.08
Others (include Prepayments, etc.)	625.72	619.52
	2,774.14	**2,404.03**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.23 EQUITY SHARE CAPITAL

₹ in Crore

	Particulars	As at 31st March, 2022	As at 31st March, 2021
2.23.1	**Authorised ***		
	2,062,500,000 Equity Shares of ₹ 2/- each (Previous Year 1,472,500,000 Shares of ₹ 2/- each)	412.50	294.50
	1,100,000 Redeemable Cumulative Preference Shares of ₹ 100 each (Previous Year 1,100,000 Shares of ₹ 100 each)	11.00	11.00
		423.50	**305.50**

* Pursuant to clause 8 of the Scheme of Arrangement between Grasim Premium Fabrics Private Limited and the Company (Scheme), authorized equity Share Capital of the Company increased to 2,062,500,000 Equity Shares of ₹ 2 each. Effective Date of the Scheme was 21st June 2021.

₹ in Crore

	Particulars	As at 31st March, 2022	As at 31st March, 2021
2.23.2	**Issued, Subscribed and Fully Paid-up**		
	658,295,426 Equity Shares of ₹ 2/- each (Previous Year 658,044,844 Shares of ₹ 2/- each) fully paid-up	131.66	131.61
	Share Capital Suspense		
	28,295 Equity Shares of ₹ 2/- each (Previous Year 28,295 of ₹ 2/- each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	0.01	0.01
		131.67	**131.62**

2.23.3 Shares Kept in Abeyance

Pursuant to provision of Section 126 of the Companies Act, 2013, the issue of 61,985 Equity Shares (Previous Year 61,985 Equity Shares) are kept in abeyance.

2.23.4 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

Particulars	Number of Shares		₹ in Crore	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Outstanding as at the beginning of the year	658,073,139	657,827,233	131.62	131.57
Issued during the year under Employee Stock Options Scheme	250,582	245,906	0.05	0.05
Outstanding as at the end of the year	**658,323,721**	**658,073,139**	**131.67**	**131.62**

2.23.5 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- per Share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

2.23.6 The Company does not have any Holding Company.

		As at 31st March 2022		As at 31st March 2021	
		No. of Shares	% Holding	No. of Shares	% Holding
2.23.7	Equity Shares of ₹ 2/- each (Previous Year ₹ 2/- each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement)	56,752,955	8.62%	41,636,682	6.33%

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.23.8 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Birla Group Holdings Private Limited	125,004,398	18.99%	125,004,398	19.00%
Life Insurance Corporation of India	60,011,298	9.12%	67,562,753	10.27%
IGH Holdings Private Limited	42,436,393	6.45%	37,973,393	5.77%

2.23.9 Shareholding of Promoters and Promoters group:

Sr. No.	Name of the Promoter	As at 31st March 2022			As at 31st March 2021		
		No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding	% Change during the year
1	Birla Group Holdings Private Limited	125,004,398	18.99%	-0.01%	125,004,398	19.00%	0.00%
2	IGH Holdings Private Limited	42,436,393	6.45%	0.68%	37,973,393	5.77%	0.66%
3	Hindalco Industries Limited	28,222,468	4.29%	0.00%	28,222,468	4.29%	0.00%
4	Umang Commercial Company Private Limited	26,746,262	4.06%	0.00%	26,746,262	4.06%	-0.01%
5	Pilani Investment and Industries Corporation Ltd.	24,714,527	3.75%	-0.01%	24,714,527	3.76%	0.00%
6	P. T. Indo Bharat Rayon*	20,004,020	3.04%	0.00%	20,004,020	3.04%	0.00%
7	Thai Rayon Public Company Limited*	4,774,666	0.73%	0.00%	4,774,666	0.73%	0.44%
8	Anatole Investments Pte Ltd*	4,459,323	0.68%	0.27%	2,713,850	0.41%	0.41%
9	P T Sunrise Bumi Textiles*	1,268,750	0.19%	0.00%	1,268,750	0.19%	0.00%
10	Kumar Mangalam Birla	1,086,993	0.17%	0.00%	1,086,993	0.17%	0.08%
11	P T Elegant Textile Industry*	808,750	0.12%	0.00%	808,750	0.12%	0.00%
12	Birla Institute of Technology and Science	661,205	0.10%	0.00%	661,205	0.10%	0.00%
13	Rajashree Birla	552,850	0.08%	0.00%	552,850	0.08%	0.00%
14	Renuka Investments & Finance Limited	242,185	0.04%	0.00%	242,185	0.04%	0.00%
15	Vasavadatta Bajaj	118,537	0.02%	0.00%	118,537	0.02%	0.00%
16	Aditya Vikram KumarMangalam Birla HUF (Karta- Mr. Kumar Mangalam Birla)	89,720	0.01%	0.00%	89,720	0.01%	0.00%
17	Birla Industrial Finance (India) Limited	87,485	0.01%	0.00%	87,485	0.01%	0.00%
18	Birla Consultants Limited	87,382	0.01%	0.00%	87,382	0.01%	0.00%
19	Neerja Birla	73,062	0.01%	0.00%	73,062	0.01%	0.00%
20	Birla Industrial Investments (India) Limited	18,657	0.00%	0.00%	18,657	0.00%	0.00%
21	Surya Kiran Investments Pte Limited*	5,000	0.00%	0.00%	5,000	0.00%	0.00%
22	Vikram Holdings Pvt. Ltd.	750	0.00%	0.00%	750	0.00%	0.00%
23	Rajratna Holdings Private Limited	670	0.00%	0.00%	670	0.00%	0.00%
24	Vaibhav Holdings Private Limited	670	0.00%	0.00%	670	0.00%	0.00%
		281,464,723	**42.76%**	**0.93%**	**275,256,250**	**41.83%**	**1.58%**

* GDRs held by Promoter Group

₹ in Crore

		As at 31st March, 2022	As at 31st March, 2021
2.23.10	Shares reserved for issue under options and contracts, including the terms and amounts	1,696,470	1,778,669
	For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Note 4.5)		
2.23.11	Aggregate number of Equity Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date		
	Equity Shares of ₹ 2 each issued in the financial year 2017-2018 as fully paid-up to the shareholders of Aditya Birla Nuvo Limited (ABNL), pursuant to the Composite Scheme of Arrangement	190,462,665	190,462,665

Notes

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2.24 OTHER EQUITY - ATTRIBUTABLE TO OWNERS OF THE COMPANY

₹ in Crore

		As at 31st March, 2022	As at 31st March, 2021
a)	Equity Component of Other Financial Instruments	3.00	3.00
b)	Capital Reserve	146.31	146.31
c)	Legal Reserve	0.31	0.54
d)	Securities Premium	27,229.59	27,201.51
e)	General Reserve	35,419.61	32,663.01
f)	Debenture Redemption Reserve	35.32	145.92
g)	Special Reserve Fund	584.20	393.45
h)	Treasury Shares held by ESOP Trust	(239.30)	(152.93)
i)	Retained Earnings	10,159.72	6,021.21
j)	Employee Share Options Outstanding	301.83	274.49
k)	Debt Instruments through OCI	0.45	15.84
l)	Equity Instruments through OCI	1,568.89	(1,628.09)
m)	Hedging Reserve	6.81	(16.84)
n)	Foreign Currency Translation Reserve	349.82	295.02
		75,566.56	**65,362.44**

Movement of each item of other equity is presented statement of changes in equity

The Description of the nature and purpose of each reserve within other equity is as follows:

a. **Equity Component of Other Financial Instruments:** Inter-Corporate Deposits (ICD) are recorded at fair value on initial recognition under Ind AS while carried at transaction value under previous GAAP. The impact (i.e. difference between IGAAP and Ind AS) represents a capital contribution.

b. **Capital Reserve:** Capital Reserves are mainly the reserves created during various business combination carried out by the Group for the gain arising on bargain purchase.

c. **Legal Reserve:** Legal Reserve represents profit transferred as per the legal requirements in a Joint Venture of the Company.

d. **Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, write-off equity related expenses like underwriting costs, etc.

e. **General Reserve:** The Company has transferred a portion of net profit of the Company before declaring dividend to General Reserve, pursuant to the earlier provision of the Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.

f. **Debenture Redemption Reserve (DRR):** The Group has issued redeemable Non-Convertible Debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires to create DRR out of the profits available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. However, as per the amendment in the Companies (Share Capital and Debentures) Rules, 2014, vide dated 16th August, 2019, this requirement is no more applicable excluding unlisted companies which are required to create DRR at 10% of the value outstanding of the debentures.

g. **Special Reserve Fund:** Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

Further, as per Section 29C(i) of the National Housing Bank Act, 1987, the Housing Finance subsidiary of the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose, any special reserve created by the Company under Section 36(1) (viii) of the Income tax Act, 1961, is considered to be an eligible transfer.

h. **Treasury Shares held under ESOP Trust:** The Group has formed an Employee Welfare Trust for purchasing Group's shares to be allotted to eligible employees under Employees Stock Options Scheme, 2018 (ESOS 2018). As per Ind AS 32 - Financial Instruments: Presentation, re-acquired Equity Shares of the Group are called Treasury Shares and deducted from equity.

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i. **Retained Earnings:** Amount of retained earnings represents accumulated profit and losses of the Group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI. Actuarial Gain/(Loss) arising out of Actuarial valuation is immediately transferred to Retained Earnings.

j. **Employee Share Option Outstanding:** The Company has share option schemes, under which options to subscribe for the Company's shares have been granted to certain employees including key managerial personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration.

k. **Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to profit or loss on disposal off such instruments.

l. **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than Investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI.

m. **Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

n. **Foreign Currency Translation Reserve:** Foreign Currency Translation Reserve represents the exchange rate variation in opening equity share capital and reserves and surplus, in respect of Joint Ventures of the Company and Subsidiaries of UltraTech, being foreign operations.

2.25 BORROWINGS - NON-CURRENT

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Non-Convertible Debentures {Note (a)}	11,392.39	10,816.32
Term Loans from Banks		
Rupee Term Loans from Banks {Note (b)}	21,632.67	30,367.16
Foreign Currency Loans {Note (c)}	2,404.34	365.55
Subsidised Government Loans {Note (d)}	207.86	222.20
Term Loans from Others {Note (e)}	0.41	3.21
Unsecured		
Non-Convertible Debentures {Note (f)}	7,700.51	7,282.16
Term Loans from Banks		
Foreign Currency Loans {Note (g)}	-	292.45
Term Loans from Others {Note (h)}	12.18	12.11
Subsidised Government Loans {Note (i)}	152.71	191.45
Preference Shares classified as Liability {Note (j)}	11.19	11.24
Foreign Currency Bonds {Note (k)}	3,031.70	2,924.40
	46,545.96	**52,488.25**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.25.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current:

₹ in Crore

Secured Long-Term Borrowings:		Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
(a)	**Non-Convertible Debentures (NCDs)**			
(ai)	NCDs of NBFCs and NHFCs			
	Debentures Secured by way of mortgage on the immovable property and first pari-passu charge on current assets of the fellow Subsidiary Companies:	Repayment Terms: Maturing between 1 to 10 years, Rate of Interest 4.97% to 10.00% p.a.	14,015.39	14,206.34
(aii)	Other NCDs			
	7.53% NCDs (Redeemable at par on 21st August, 2026)		500.00	500.00
	7.15% NCDs (Redeemed at par on 18th October, 2021)		-	300.00
	7.57% NCDs (Redeemed at par on 6th August, 2021)		-	250.00
			14,515.39	**15,256.34**
	Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		3,123.00	4,440.02
			11,392.39	**10,816.32**
	The NCDs are secured by way of first charge, having pari-passu rights, on the Subsidiary's PPE (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Debenture Trustees.			
Term Loans from Banks				
(b)	**Rupee Term Loans**			
(bi)	Borrowings of NBFCs and NHFCs	Repayment Terms: Maturing between 1 to 9 years, Rate of Interest 2.94% to 9.05% p.a.	28,916.08	28,415.36
(bii)	Other Borrowings			
	RBL Bank Ltd.	Structured quarterly instalments beginning June 2021 and the maturity of the loan shouldn't exceed beyond 31st March 2040.	10.13	26.03
	RBL Bank Ltd.	Repayable in 76 quarterly instalments beginning 30th November 2023.	18.18	-
	RBL Bank Ltd.	Repayable in 76 structured quarterly instalments.	21.72	-
	ICICI Bank Ltd.	Repayable in structured quarterly instalments beginning from 31st December 2019 not exceeding beyond 31st December 2038.	78.97	-
	Axis Bank Ltd.	The loan is repayable in 57 quarterly instalments starting from 31 March 2023.	11.02	-
	ICICI Bank Ltd.	The loan is repayable in 76 quarterly instalments starting from 31st March 2019.	72.79	78.19
	Kotak Bank Ltd.	Repayable in 70 quarterly instalments beginning 31st December 2021.	88.43	-
	Citibank N.A.	Repayable in 74 quarterly instalments beginning February 2019.	21.76	23.25
	ICICI Bank Ltd.	The loan is repayable in 74 quarterly instalments starting from 15th February 2019.	23.65	25.12
	Axis Bank Ltd.	Repayable in 60 structured quarterly instalments beginning from 30th June 2022.	26.79	27.00

Notes

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₹ in Crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 31st December 2022. The letter of credit on its maturity will be converted into a term loan with Axis Bank having the repayment terms as mentioned above. The maturity of the loan is 31st March 2037.	84.13	-
Axis Bank Limited	The loan is repayable in 58 structured quarterly instalments beginning from 31st December 2022 and ending on 31st March 2037.	29.60	-
Kotak Bank Ltd.	Repayable in such structured quarterly instalments beginning from 31st December 2021 not exceeding beyond 31st March 2037.	14.43	-
Axis Bank Ltd.	The loan is repayable in 58 quarterly instalments starting from 31st December 2022.	8.05	-
RBL Bank Ltd.	Repayable in 76 quarterly instalments beginning March 2019.	29.56	122.37
Axis Bank Ltd.	Repayable in 58 structured quarterly instalments beginning from 30th June 2022.	49.42	28.53
Bank of Baroda	Repayable in structured quarterly instalments as per the loan agreements upto September 2034.	206.20	205.20
Federal Bank	The loan is repayable in 36 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 27th December 2029.	345.70	344.99
Standard Chartered Bank	The facility is repayable between 28th December 2022 - 08th January 2023 as the maturity date of the credit instrument.	118.44	112.43
Standard Chartered Bank	The facility is repayable between 14th November 2022 - 05th December 2022 as the maturity date of the credit instrument.	145.28	139.74
Yes Bank Ltd.	Refinanced the loan with Bank of Baroda for the residual tenor by signing an assignment-cum-amendment deed executed between the Company, Bank of Baroda and Yes Bank. The Letter of Credit on its maturity will be converted into a term loan with Bank of Baroda, having the repayment terms as mentioned above. The maturity of various Letter of Credit discounted is between June 2020 to April 2021.	-	15.72
HDFC Bank	Repaid in October 2021.	-	2,652.44
State Bank of India	Repaid in July 2021.	-	2,000.00
HDFC Bank Ltd.	Repaid in July 2021.	-	1,803.79
Axis Bank Ltd.	Repaid in July 2021.	-	507.08
State Bank of India	Repaid in July 2021.	-	300.00
Axis Bank Ltd.	Repaid in July 2021.	-	150.00
HDFC Bank Ltd.	Repaid in July 2021.	-	131.25
ICICI Bank Ltd.	Repaid during the year.	-	86.80
Rupee Term Loan secured by exclusive charge on certain specific PPE of Nagda (Staple Fibre Division) or 1st pari-passu charge on movable PPE^^	Quarterly ballooning repayment over 5 years from May 2016 to 28th May 2021, which is repaid during the year.	-	3.51

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₹ in Crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
Term loan secured by way of first pari passu charge on existing and future movable Property, Plant and Equipment of the Indian Rayon Division Plant at Gujarat	20 quarterly instalments from 3rd September 2016 to 3rd June 2021, which is repaid during the current year.	-	1.46
Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra.**	21 quarterly instalments from 19th December 2016 to 19th December 2021, which is repaid during the year.	-	5.11
		30,320.32	**37,205.37**
Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		8,687.65	6,838.21
		21,632.67	**30,367.16**

** For previous year, the above mentioned loans are secured by way of first charge, having pari passu rights, on property, plant and equipment (both present and future) of the Demerged Undertaking (including the property, plant and equipment of expansion plant at Manikgarh and Sonar Bangla Cement Plant at West Bengal), Birla Century, Pulp and Paper divisions, Phase I of Real Estate Development at Worli excluding leasehold land at Pulp and Paper, Sonar Bangla Cement and Century, furniture and fixtures, vehicles and other miscellaneous assets of all divisions, and land and building thereon of Maihar Cement Unit- I & II divisions.

$$ For previous year, rupee Term Loan secured by way of first pari passu charge on existing and future movable property, plant and equipment of the Indian Rayon Division Plant at Gujarat and Textile Division Plant at Rishra. The Charge to be shared with HDFC Bank. Repayment Terms was 20 quarterly instalments from 3rd September 2016 to 3rd June, 2021, which is repaid during the current year.

^^Rupee Term Loan secured by exclusive charge on specific movable Property, Plant and Equipments or 1st pari-passu charge on movable property, plant and equipments of Nagda (Staple Fibre Division) Repayment Terms was 20 quarterly instalments starting from 31st August 2016 to 28th May, 2021, which is repaid during the current year.

The Group has subsequently released the charge over the assets of CTIL (Birla Century, Pulp & Paper Divisions, Centurion Building, Freehold Land and Birla Estate).

₹ in Crore

	Secured Long-Term Borrowings:	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
(c)	**Term Loan from Banks in Foreign Currency**			
	State Bank of India, New York (US Dollar: NIL Crore; Previous Year: 1.00 Crore)	Repaid in March 2022	-	73.11
	State Bank of India, New York (US Dollar: NIL Crore; Previous Year:2.00 Crore)	Repaid in February 2022	-	146.22
	State Bank of India, New York (US Dollar: NIL Crore; Previous Year:2.00 Crore)	Repaid in February 2022	-	146.22
	External Commercial Borrowing	Rate of Interest 7.00% to 8.00% p.a.	2,404.34	-
			2,404.34	**365.55**
(d)	**Subsidised Government Loans**			
	Department of Industries and Commerce, Karnataka	Varied Annual Payments from August 2032 to March 2034.	108.69	40.55
	Uttar Pradesh Financial Corporation - Sales Tax Deferment Loan is secured by bank guarantee backed by hypothecation of inventories and book debts of the Company.	Varied Annual Payments from August 2019 to December 2024.	84.95	123.76

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₹ in Crore

Secured Long-Term Borrowings:		Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
	Term Loan secured by way of of first pari passu charge by hypothecation of the entire movable property, plant and equipment of the Company's Excel Fibre Division Plant at Kharach. Rate of interest @5%	9 half yearly instalments from 1st April 2020 of ₹ 27.80 Crore each. Remaining 4 half yearly instalments of ₹ 27.80 Crore each.	115.45	172.08
	Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		101.23	114.19
			207.86	**222.20**
(e)	**Term Loan from Others**			
	Loan taken against IT hardware by the Subsidiary Company	Repayment Terms: Between 1 - 16 Quarterly Instalments from 1st April 2022, till 1st January 2024, with interest ranging from 10.21% to 10.92% p.a.	3.21	10.37
	Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		2.80	7.16
			0.41	**3.21**
Total Secured Borrowings (I)			**35,637.67**	**41,774.44**

₹ in Crore

Unsecured Long-Term Borrowings:			As at 31st March, 2022	As at 31st March, 2021
(f)	**Debentures**			
	(f1)	Non-Convertible Debentures (NCDs)		
		6.69% NCDs (Redeemable at par on April 04, 2031)	997.20	-
		6.68% NCDs (Redeemable at par on February 20, 2025)	250.00	250.00
		7.60% Series 19-20/I NCDs (Redeemable at par on 4th June, 2024)	726.02	746.27
		7.64% NCDs (Redeemable at par on June 04, 2024)	250.00	250.00
		7.85% Series 19-20/I NCDs (Redeemable at par on 15th April, 2024)	488.15	498.47
		4.57% NCDs (Redeemable at par on 29th December, 2023)	1,000.00	1,000.00
		5.90% 1st Series NCDs (Redeemable at par on 16th June, 2023)	499.82	499.92
		9.00% 30th Series NCDs (Redeemable at par on 10th May, 2023)	202.03	193.31
		6.65% Series 19-20/I NCDs (Redeemable at par on 17th February, 2023)	499.51	499.06
		6.72% NCDs (Redeemable at par on December 09, 2022)	250.00	250.00
		7.65% Series 18-19/I NCDs (Redeemable at par on 15th April, 2022)	499.97	499.27
		6.93% NCDs (Redeemed at par on 25th November, 2021)	-	250.00
		6.99% NCDs (Redeemed at par on 24th November, 2021)	-	400.00
		8.36% NCDs (Redeemed at par on 7th June, 2021)	-	360.00
	(f2)	Sub Ordinate Debentures		
		Unsecured Debenture: 7.57% p.a. (Redeemable in August, 2035)	105.00	55.50
		Subordinate Debts - Debentures 7.43% to 9.10% p.a. (Redeemable from May, 2022 to January, 2031)	3,022.86	2,366.42
		Perpetual Debts 8.70% p.a. (Maturing in July, 2027)	200.00	199.21
		Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)	1,290.05	1,035.27
			7,700.51	**7,282.16**

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₹ in Crore

	Unsecured Long-Term Borrowings:	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
(g)	**Term Loans from Banks in Foreign Currency**			
	Mizuho Bank Ltd, Japan (External Commercial Borrowing)	Repaid in FY22.	-	73.08
	Export Development, Canada (US Dollar: NIL; Previous Year 4.64 Crore)	Repaid in June 2021.	-	339.44
	Export Development, Canada (US Dollar: NIL; Previous Year 5.00 Crore)	Repaid in May 2021.	-	365.55
	Export Development, Canada (US Dollar: 4.00 Crore; Previous Year 7.00 Crore)	2 annual installments starting from June 2021.	303.17	511.78
			303.17	**1,289.85**
	Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		303.17	997.40
			-	**292.45**

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio.

The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

The other bank loans do not carry any financial debt covenant.

(h)	**Term Loan from Others**			
	Loan taken from Hewlett Packard Financial Sales India Private Limited against IT Hardware of the Subsidiary	Between 1-16 Quarterly Instalments from 1st January, 2020 till 1st March, 2024 with interest ranging from 10.50% to 11.03% p.a.	21.53	24.74
	Less: Amount disclosed as current maturities of long-term debts under the head'Current Borrowings' (Note 2.31)		9.35	12.63
			12.18	**12.11**
(i)	**Subsidised Government Loans**			
	Commercial Tax Department, Hyderabad	Varied Annual payments from October 2012 to October 2026	141.90	164.60
	Commercial Tax Department, Chhattisgarh	Repaid during the year	-	4.02
	From Government of Uttar Pradesh	Repayable on 27th May 2022	0.95	0.86
		Repayable on 7th August, 2023	2.16	4.75
		Repayable on 25th December, 2023	4.31	5.06
		Repayable on 29th October 2024	6.34	5.88
		Repayable on 17th May 2025	5.53	3.99
		Repayable on 17th November 2025	5.19	0.47
		Repaid during the year	-	1.98
		Repaid during the year	-	0.34
		Repaid during the year	-	0.47
	From Government of Karnataka	Repayable on 17th June 2027	10.88	10.11
		Repayable on 25th March 2028	6.05	5.59
	Department of Industries and Commerce, Haryana	Varied annual payments from January 2017 to October 2022	11.00	58.43
			194.31	**266.55**
	Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.31)		41.60	75.10
			152.71	**191.45**

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₹ in Crore

Unsecured Long-Term Borrowings:	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021
(j) Preference Shares issued by Subsidiaries			
Compulsory Convertible Preference Shares (CCPS) carry cumulative dividend @0.001% p.a.		11.19	11.24
The CCPS so issued are convertible on the occurrence of the earlier of the two events, namely:			
(i) at the option of the holder			
(ii) on the occurrence of the mandatory conversion event			
Optional Conversion: Each CCPS shall be convertible at the option of the holder thereof, at any time by a written notice into such number of Equity Shares, calculated in such manner as mentioned in the Shareholders agreement.			
Mandatory Conversion: All of the CCPS shall mandatorily be converted in such manner and into such number of fully paid-up Equity Shares as mentioned in the agreement, upon the occurrence of listing of the entity.			
In the event of liquidation before conversion of CCPS, the holders of the CCPS should be eligible for such claim, calculated in such manner as mentioned in the CCPS agreement.			
		11.19	**11.24**
(k) Foreign Currency Bonds			
2.80% Sustainability Linked Bonds (US Dollars 400 Million; Previous Year US Dollars 400 Million)	February 2031	3,031.70	2,924.40
Subsidiary (UltraTech) has issued unsecured fixed rate US Dollar denominated notes (in the form of "Sustainability Linked Bonds"), aggregating to USD 400 Million, due on 16th February, 2031, bearing coupon of 2.80% per annum payable semi-annually. The Bonds are linked to 'Sustainability Performance Target (SPT) of reducing Scope 1 GHG emissions by 22.2% from a 2017 baseline. If SPT is not achieved by observation date in 2030, the coupon will step-up by 0.75% for last two coupons. The Bonds are listed on the Singapore Exchange Securities Trading Limited.			
		3,031.70	**2,924.40**
Total Unsecured Borrowings (II)		**10,908.29**	**10,713.81**
Total Non-Current Borrowings (I + II)		**46,545.96**	**52,488.25**

- The rate of interest on borrowings ranges from 5% to 11% per annum.

- Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation by way of currency and interest rate Swaps and Long-term Forward Contracts.

- Effective cost has been calculated with hedged cost in terms of foreign currency loan, and net of interest subsidy in case of TUF Loans.

- The above figures are as per Ind AS (including Mark-to-Market and Amortisation)

2.26 POLICYHOLDER'S LIABILITIES - NON-CURRENT

₹ in Crore

	As at 31st March, 2022	As at 31st March, 2021
Insurance Contract Liabilities	41,328.24	34,619.29
Investment Contract Liabilities	16,377.40	14,371.96
	57,705.64	**48,991.25**

2.27 OTHER FINANCIAL LIABILITIES - NON-CURRENT

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security and Other Deposits	3.56	4.35
Derivative Liabilities at Fair Value	77.99	35.92
Deferred Premium Payables	303.48	332.19
Other Liabilities (Interest Accrued But Not Due)	43.71	171.95
	428.74	**544.41**

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forming part of the Consolidated Financial Statements for the year ended 31st March 2022

2.28 PROVISIONS - NON-CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
For Employee Benefits (unfunded Gratuity, Pension and Long-term Incentive Plan)	387.92	164.71
For Mine Restoration Expenditure {Note 2.37.1 (a)}	327.21	296.02
For Other Provisions {Note 2.37.1 (e)}	17.81	4.29
	732.94	**465.02**

2.29 DEFERRED TAX LIABILITIES (NET)

₹ in Crore

Current Year	As at 1st April, 2021	Recognised in Profit or Loss*	Recognised in OCI	As at 31st March 2022
Deferred Tax Liabilities:				
Accumulated Depreciation and Amortisation	8,145.30	(89.44)	-	8,055.86
Fair Valuation of Investments	310.80	(37.50)	216.99	490.29
Fair Valuation of Land, Inventories and Investments Acquired on Merger	473.62	(43.49)	5.06	435.19
Others	324.82	30.21	1.53	356.55
	9,254.54	**(140.22)**	**223.58**	**9,337.90**
Deferred Tax Assets:				
Accrued Expenses Allowable on Payment Basis	9.39	2.24	0.03	11.66
Expenses Allowable in Instalments in Income Tax	24.12	(17.28)	-	6.84
Provisions Allowed Under Tax on Payment Basis	337.48	23.96	-	361.44
Unabsorbed Depreciation	158.95	18.53	-	177.48
Income Tax Interest Offered for Tax, to be claimed in future	29.31	-	-	29.31
MAT Credit Entitlement	35.31	(35.24)	-	0.07
Others	203.33	21.94	(0.84)	224.43
	797.89	**14.15**	**(0.81)**	**811.23**
Deferred Tax Liabilities (Net)	**8,456.65**	**(154.37)**	**224.39**	**8,526.67**

*includes reversal of Deferred Tax on account of discontinued operations of ₹ 186 Crore.

₹ in Crore

Previous Year	As at 1st April, 2020	MAT Availed / (Utilised)	Recognised in Profit or Loss*	Recognised in OCI	As at 31st March 2021
Deferred Tax Liabilities:					
Accumulated Depreciation and Amortisation	8,048.01	-	97.29	-	8,145.30
Fair Valuation of Investments	5.91	-	(16.67)	321.56	310.80
Fair Valuation of Land, Inventories and Investments Acquired on Merger	497.87	-	(38.45)	14.20	473.62
Others	272.10	-	52.72	-	324.82
	8,823.89	**-**	**94.89**	**335.76**	**9,254.54**
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	41.19	-	(31.80)	-	9.39
Expenses Allowable in Instalments in Income Tax	32.66	-	(8.54)	-	24.12
Provisions Allowed Under Tax on Payment Basis	278.43	-	59.05	-	337.48
Unabsorbed Depreciation	126.83	-	32.12	-	158.95
Income Tax Interest Offered for Tax, to be claimed in future	29.31	-	-	-	29.31
MAT Credit Entitlement	1,094.02	(11.10)	(1,047.61)	-	35.31
Others	242.45	-	(35.33)	(3.79)	203.33
	1,844.89	**(11.10)**	**(1,032.11)**	**(3.79)**	**797.89**
Deferred Tax Liabilities (Net)	**6,979.00**	**11.10**	**1,127.00**	**339.55**	**8,456.65**

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In respect of Deferred Taxes, all items are attributable to origination and reversal of temporary differences.

Considering significant capitalisation of assets in the current year, the Group has created deferred tax liability at the applicable concessional tax rate on temporary tax differences of depreciation expected to be reversed in the period after the Company is likely to opt for new tax regime under Section 115BAA of Income-Tax Act, 1961. This has resulted in Deferred Tax Credit of ₹ 197.18 Crore in the current year in the Statement of Profit and Loss.

During the year ended March 31,2022, pursuant to completion of prior Income Tax assessments, the subsidiary has accrued Minimum Alternate Tax Credit Entitlement of ₹ 1,213.94 Crores, which has been utilised against the current year tax expense.

The Group has not recognized Deferred Tax Assets on the unabsorbed depreciation, business losses, long-term capital loss and other temporary differences amounting to ₹ 1,055.73 Crore (Previous Year ₹ 1,205.90 Crore), since it is not probable that future taxable income will be available wherein such Deferred Tax Assets can be realized in normal course of business.

2.30 OTHER LIABILITIES - NON-CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Government Subsidies	75.50	82.33
Other Liabilities	0.82	9.42
	76.32	**91.75**

2.31 BORROWINGS - CURRENT

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Loans Repayable on Demand - Cash Credits/Working Capital Borrowings		
From Banks (secured by hypothecation of stocks and book debts of the Company)	2,794.20	1,277.46
Unsecured		
Loans Repayable on Demand - Cash Credits/Working Capital Borrowings		
From Banks (includes Commercial Papers)	3,477.36	3,285.44
From Others (Commercial Papers)	5,613.38	5,835.07
Loans from Other Body Corporates	13.40	2.90
Redeemable Preference Shares Issued	1,000.10	1,000.10
Current Maturities of Long-term Debts (Note 2.25.1)	13,558.85	13,520.00
	26,457.29	**24,920.96**

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2.32 SUPPLIER`S CREDIT - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Supplier's Credit	183.40	-
	183.40	**-**

Supplier's Credit represents the extended interest bearing credit offered by the supplier, which is secured against Usance Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the extended credit period. The interest for the extended credit period payable to the bank on maturity of the LC has been presented under Finance Cost. Rate of interest was 5.30%.

2.33 POLICYHOLDER'S LIABILITIES - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance Contract Liabilities	1,926.01	2,252.59
Investment Contract Liabilities	8.99	11.06
Fair Value Changes of Policyholder's Investments	468.41	610.87
Incurred But Not Reported (IBNR) Provisions	108.97	114.11
Freelook Reserve (Net)	0.96	0.99
Unexpired Premium Reserve	654.40	495.60
	3,167.74	**3,485.22**

2.34 TRADE PAYABLES - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Related Parties (Note 4.7.2)	108.58	37.98
Total Outstanding Due to Micro and Small Enterprises #	244.28	165.25
Acceptances	1,066.90	493.80
Others	9,973.68	7,219.81
	11,393.44	**7,916.84**

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

₹ in Crore

Particulars	Unbilled Expenses (A)	Not Due (B)	Outstanding for following periods from due date of payment					Grand Total (A+B+C)
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total (C)	
As at 31st March, 2022								
Micro and Small Enterprises	0.21	200.66	40.64	0.52	0.25	0.04	41.45	242.32
Others	2,145.59	4,969.28	3,923.92	26.85	15.69	5.75	3,972.21	11,087.08
Disputed Dues – Micro and Small Enterprises	-	-	0.12	0.10	-	1.74	1.96	1.96
Disputed Dues – Others	6.05	17.73	6.24	11.46	15.36	5.24	38.30	62.08
Total	**2,151.85**	**5,187.67**	**3,970.92**	**38.93**	**31.30**	**12.77**	**4,053.93**	**11,393.44**
As at 31st March, 2021								
Micro and Small Enterprises	22.09	115.68	27.14	0.08	0.01	0.03	27.26	165.03
Others	1,842.10	3,132.40	2,653.10	45.04	10.88	1.48	2,710.50	7,685.00
Disputed Dues – Micro and Small Enterprises	-	-	0.12	-	-	0.10	0.22	0.22
Disputed Dues – Others	16.64	13.08	9.65	17.89	3.11	6.22	36.87	66.59
Total	**1,880.83**	**3,261.16**	**2,690.01**	**63.01**	**14.00**	**7.83**	**2,774.85**	**7,916.84**

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2.35 OTHER FINANCIAL LIABILITIES- CURRENT

(Carried at Amortised Cost, except otherwise stated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued But Not Due on Borrowings	1,092.06	1,375.11
Unclaimed Dividends (amount Transferable to Investor Education and Protection Fund, when due)	30.89	28.53
Security and Other Deposits (Trade Deposits)	2,132.63	1,924.36
Liability for Capital Goods @ #	1,055.46	749.69
Accrued Expenses Related to Employees	935.91	749.89
Derivative Liabilities - Carried at Fair Value	81.61	32.75
Margin Money from Customers	521.95	444.09
Due to Life Insurance Policyholders	1,291.23	1,170.92
Other Payables (including Retention Money, Liquidated Damages, etc.)	1,024.35	884.70
	8,166.09	**7,360.04**

@ Includes amount of ₹ 35.95 Crore (Previous Year ₹ 25.68 Crore) payable related to Micro and Small Enterprises.

Includes acceptances of ₹ 58.62 Crore (Previous Year ₹ 224.84 Crore) towards Capital Goods.

2.36 OTHER LIABILITIES - CURRENT

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Liabilities	2,594.23	2,383.07
Contract Liabilities	857.29	627.18
Deferred Government Subsidies	29.12	28.96
Other Payables (Including legal Claims)	2,964.38	2,652.37
	6,445.02	**5,691.58**

2.37 PROVISIONS - CURRENT

₹ in Crore

	As at 31st March, 2022	As at 31st March, 2021
For Employee Benefits (Gratuity, Compensated Absences and Pension)	551.29	722.35
For Warranty Provision {Note 2.37.1 (b)}	1.82	1.82
For Assets Transfer Cost {Note 2.37.1 (c)}	215.57	310.14
For Provision against Contingent Liabilities {Note 2.37.1 (d)}	47.06	48.55
	815.74	**1,082.86**

2.37.1 Movement of provisions during the year as required by Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Asset"

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Provision for Mine Restoration Expenditure*		
Opening Balance	296.02	169.57
Add: Provision during the Year	10.47	106.27
Add: Unwinding of Discount on Mine Restoration Provision	22.28	20.18
Less: Utilisation during the Year	(1.56)	-
Closing Balance (considered as Non-Current)	**327.21**	**296.02**

* Provision is recognised for an obligation for restoration and rehabilitation on closure of the mines.

Notes
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₹ in Crore

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(b)	**Warranty ***		
	Opening Balance	1.82	1.82
	Closing Balance (Considered as Current)	**1.82**	**1.82**
	* Provision is recognised for expected warranty claims on product sold during the last three years based on the past experience of level of returns and replacements.		
(c)	**Provision for Assets Transfer Cost***		
	Opening Balance	310.14	439.45
	Add: Provision during the Year	-	80.99
	Less: Utilisation during the Year	(94.57)	(210.30)
	Closing Balance (considered as Current)	**215.57**	**310.14**
	* During earlier year, provision for asset transfer cost relates to merger of Aditya Birla Nuvo Limited (ABNL), Aditya Birla Chemical Limited (ABCL) and acquisition of Cement business of CTIL, which has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by the above Companies in the name of the Company.		
(d)	**Provision Against Contingent Liabilities***		
	Opening Balance	48.55	79.86
	Add: Provision during the Year	-	-
	Less: Utilisation during the Year	(1.24)	(2.18)
	Less: Unused Amount Reversed	(0.25)	(9.13)
	Less: Provision Classified as Liability Held for Sale	-	(20.00)
	Closing Balance (considered as Current)	**47.06**	**48.55**
	* During earlier year, as per Ind AS 103 (Business Combination), the Group had to recognise, on the acquisition date, the contingent liabilities assumed in a business combination, if it was a present obligation that arises from past events and its fair value can be measured reliably, even if it is not probable that an outflow of resources will be required to settle the obligation.		
(e)	**Other Provisions ***		
	Opening Balance	4.29	-
	Add: Provision during the Year	13.52	4.29
	Closing Balance (considered as Non-Current)	**17.81**	**4.29**
	* The provision is for anticipated liability, which is made on the basis of the Management expectation as expected timing of any resulting outflow of economic benefits is uncertain.		

2.38 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interest is provided below

(A) UltraTech Cement Limited (Consolidated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Proportion of Interest Held by Non-Controlling Entities as at	42.73%	42.72%
Accumulated Balances of Non-Controlling Interest	21,529.75	18,852.79
Summarised Financial Information for the Consolidated Balance Sheet		
Current Assets	17,489.47	24,050.29
Non-Current Assets	66,338.32	62,133.22
Current Liabilities	20,155.19	20,591.72
Non-Current Liabilities	13,240.39	21,411.39
Dividend Paid to Non-Controlling Interest	455.94	160.01

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit/(Loss) Allocated to Non-Controlling Interest:	3,138.22	2,333.84
Summarised Financial Information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	52,598.83	44,725.80
Profit for the Year	7,344.31	5,463.10
Other Comprehensive Income/(Loss)	46.56	17.15
Total Comprehensive Income	7,390.87	5,480.25
Summarised Financial Information for Consolidated Cash Flows		
Net Cash From Operating Activities	9,283.24	12,500.43
Net Cash Used in Investing Activities	2,257.01	(8,856.48)
Net Cash Used in Financing Activities	(12,497.93)	(4,356.47)
Net Cash Outflow	(957.68)	(712.52)

The financial numbers mentioned above are before inter-company eliminations.

Principal Place of Business: India.

(B) Aditya Birla Capital Limited (Consolidated)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Proportion of Interest Held by Non-Controlling Entities as at	45.82%	45.79%
Accumulated Balances of Non-Controlling Interest	16,497.07	15,787.94
Summarised Financial Information for the Consolidated Balance Sheet		
Current Assets	27,611.66	27,485.63
Non-Current Assets	135,329.74	119,454.70
Current Liabilities	28,670.53	25,095.49
Non-Current Liabilities	95,664.48	84,778.69
Dividend Paid to Non-Controlling Interest	-	-

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit /(loss) Allocated to Material Non-Controlling Interest:	672.04	452.69
Summarised Financial Information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	22,094.34	19,190.17
Profit/(Loss) for the Year	1,466.69	988.63
Other Comprehensive Income	4.14	32.28
Total Comprehensive Income/(Loss)	1,470.83	1,020.91
Summarised Financial Information for Consolidated Cash Flows		
Net Cash from/(Used in) Operating Activities	(5,069.51)	63.96
Net Cash from/(Used in) Investing Activities	(1,445.55)	2,429.08
Net Cash from/(Used in) Financing Activities	5,836.44	(2,580.62)
Net Cash Inflow/(Outflow)	(678.62)	(87.58)

The financial numbers mentioned above are before inter-company eliminations.

Principal Place of Business: India

Notes

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2.39 INTEREST IN JOINT VENTURES AND ASSOCIATES

Below are the Associate and Joint Venture of the Group which in the opinion of the Management are material to the Group which have been accounted as per equity method of accounting.

(A) Aditya Birla Sun Life AMC Limited

(1)

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	Quoted Fair Value of Investment (₹ in Crore)	Proportion of Ownership Interest	Quoted Fair Value of Investment (₹ in Crore)
		As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2021
Aditya Birla Sun Life AMC Limited	India	50.01%	7,676.01	51.00%	-*

* Unlisted Equity - No quoted price available.

(i) Aditya Birla Sun Life AMC Limited was incorporated on 5th September, 1994. It was a Joint Venture between the Aditya Birla Capital Limited (ABCL) and Sun Life (India) AMC Investments Inc. The share capital is owned by Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) - and Sun Life (India) AMC Investments Inc. (wholly owned Subsidiary of Sun Life Financial, Inc.)

It is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. It manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd, Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. It is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set-up two Alternate Investment Fund (AIF) one under Category III and the other under Category II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

(2) ABCL has sold 2,850,880 equity shares of face value of ₹ 5 each, of Aditya Birla Sun Life AMC Limited (ABSLAMC), at ₹ 712 per equity share by way of offer for sale in the Initial Public Offer(IPO) of ABSLAMC in accordance with the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and recognised gain on sale of these investments amounting to ₹ 87.96 Crore (Net of Tax, Gain is ₹ 71.31 Crore). Consequently, w.e.f. 7th October 2021, ABSLAMC has ceased to be a Joint Venture and has been accounted as an Associate.

(3) (a) Summarised Balance Sheet

₹ in Crore

Aditya Birla Sun Life AMC Limited (Consolidated)	As at 31st March, 2022	As at 31st March, 2021
Current Assets		
Cash and Cash Equivalents	65.25	56.53
Other Assets	1,488.04	1,629.95
Total Current Assets	**1,553.29**	**1,686.48**
Total Non-Current Assets	7,849.09	7,295.39
Current Liabilities		
Financial Liabilities (excluding Trade Payables)	65.94	69.28
Other Liabilities	113.58	153.09
Total Current Liabilities	179.52	222.37
Total Non-Current Liabilities	1,817.50	1,821.02
Net Assets	7,405.36	6,938.50
Group Share in %	50.01%	51.00%
Group Share in INR	3,703.41	3,538.64
Goodwill	1,891.74	1,929.18
Carrying Amount	5,595.15	5,467.82

Notes
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b) Summarised Statement of Profit and Loss

₹ in Crore

Aditya Birla Sun Life AMC Limited (Consolidated)	As at 31st March, 2022	As at 31st March, 2021
Revenue from Operations	1,292.96	1,205.84
Depreciation and Amortisation	68.52	70.35
Income Tax Expenses	213.64	161.33
Profit for the Year	648.15	501.66
Group Share in the Statement of Profit and Loss	327.32	255.85
Other Comprehensive Income/(Loss) for the Year	2.63	1.46
Group Share in Other Comprensive Income for the Year	1.31	0.75
Total Comprehensive Income for the Year	650.78	503.12
Group Share in Total Comprehensive Income for the Year	328.63	256.59
Dividend Received	115.94	71.40

(B) Commitments and Contingent Liabilities in respect of Joint Ventures and Associates

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Group Share in Commitments in respect of Joint Ventures and Associates not being included in Note 4.2	5.85	0.70
Group Share in Contingent Liabilities in respect of Joint Ventures and Associates not being included in Note 4.1.1	35.96	17.18

(C) Individually Immaterial Joint Ventures and Associates

(1) The Group also has interest in number of individually immaterial Joint Ventures and Associates that are accounted for using equity method of accounting. Below is the combined financial information with respect to those entities:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Aggregate Carrying Amount of individually immaterial Associates	44.85	56.68
Aggregate Carrying Amount of individually immaterial Joint Ventures	1,410.17	1,313.17

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Aggregate amount of Group Share of:		
Joint Ventures:		
Profit/(Loss) from Continuing Operations	48.05	(72.56)
Other Comprehensive Income/(Loss)	30.29	165.73
Total Comprehensive Income/(Loss)	78.34	93.17
Associates:		
Profit/(Loss) from Continuing Operations	4.96	5.93
Other Comprehensive Income/(Loss)	-	0.03
Total Comprehensive Income/(Loss)	4.96	5.96

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

(2) Unrecognised share of Profit/(loss) of a Joint Venture as per Ind AS 112

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Unrecognised Share of Profit/(Loss) for the Year	-	18.74
Unrecognised Share Other Comprehensive Income/(Loss) for the Year	-	11.56
Cumulative Share of Profit/(Loss)	-	10.86
Cumulative Share of Other Comprehensive Income/(Loss)	-	(8.15)

(D) As per the Shareholders' Agreements, Aditya Birla Sun Life AMC Limited (ABSAMC), Birla Sun Life Trustee, Aditya Birla Wellness Limited and Aditya Birla Power Composites Limited cannot distribute their profits until they obtains consent from other venture partners.

(E) The Group holds, either directly or through its subsidiary, more than half of the Equity Shares holding in the following entities. However, as per the shareholders' agreement, the Group needs to jointly decide with other shareholders of the respective entity, on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.

a) Aditya Birla Sun Life AMC Limited (Upto 6th October 2021)

b) Aditya Birla Sun Life Trustee Company Private Limited

c) Aditya Birla Wellness Limited

d) Aditya Birla Power Composites Limited

3.1 REVENUE FROM CONTRACT WITH CUSTOMERS (NOTE 4.6.1)

The Group is primarily in the business of manufacture and sale of Viscose Staple Fibre, Viscose Fibre Yarn, Chemical and allied products, Textiles, Insulators, Solar power, cement and cement related products and financial services related products. The product shelf life being short of all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Group has a credit evaluation policy, based on which the credit limits for the trade receivables are established. The Group does not give significant credit period resulting in no significant financing component. The Group, however, has a policy for replacement of the damaged goods.

₹ in Crore

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021
(A1) Sale of Products and Services (other than Financial Services)			
Sale of Manufactured Products	68,679.50		53,455.23
Sale of Traded Products	3,807.20		3,077.28
Sale of Services	7.70		16.52
		72,494.40	**56,549.03**
(A2) Sale of Financial Services			
Income from Insurance Premium (Gross)	12,385.24		9,955.44
Less: Reinsurance Ceded	(877.40)		(594.30)
Income from Insurance Premium (Net)		**11,507.84**	**9,361.14**
Income from Other Financial Services		1,410.40	1,122.43
(A3) Interest and Dividend Income of Financial Services			
a. Interest Income			
Interest on Loans			
On Financial Assets Measured at Amortised Cost	6,628.52		6,434.46
Interest Income from Investments			
On Financial Assets Measured at Fair Value through OCI	678.39		577.33
On Financial Assets Measured at Amortised Cost	1,251.36		952.95
On Financial Assets Classified at Fair Value through Profit or Loss	99.13		104.33

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₹ in Crore

Particulars		Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest on Deposits with Banks			
On Financial Assets Measured at Fair Value through OCI	0.31		2.95
On Financial Assets Measured at Amortised Cost	39.92		36.15
On Financial Assets classified at Fair Value through Profit or Loss	12.63		-
Interest on Deposits with Others			
On Financial Assets Measured at Amortised Cost	17.72		17.57
b. Dividend Income			
On Financial Assets Measured at Fair Value through OCI	33.12		25.27
		8,761.10	**8,151.01**
(A4) Net Gain/(Loss) on Financial Instruments of Financial Services Business			
Net Gain/(Loss) on financial instruments at Fair Value through Profit or Loss			
On Trading Portfolio			
Equity Investment at Fair Value through Profit or Loss	335.16		461.73
Debt Instrument at Fair Value through Profit or Loss	(20.80)		80.64
Net Gain/(Loss) on Financial Instruments at Fair Value through OCI			
Debt Instrument at Fair Value through OCI	3.10		9.03
Net Gain/(Loss) on Financial Instruments at Amortised Cost			
Debt Instruments at Amortised Cost	5.65		1.25
Others			
Gain/(Loss) on Sale of Debt Instrument at Fair Value through OCI	91.89		2.94
		415.00	**555.59**
		94,588.74	**75,739.20**
(B) Other Operating Revenues			
Export Incentives		81.25	43.29
Insurance Claims		31.78	34.77
Sundry Balances Written Back (Net)		143.62	93.05
Government Grants {4.12.1 (a)}		530.87	281.86
Scrap Sales (Net)		217.24	124.74
Other Miscellaneous Incomes		107.63	87.38
		1,112.39	**665.09**
REVENUE FROM CONTRACT WITH CUSTOMERS (A + B)		**95,701.13**	**76,404.29**
(C) Revenue from Contracts with Customers Disaggregated based on Geography (Geographical Segment)			
i) India (Country of Domicile)		88,790.35	71,825.85
ii) Rest of the World		5,798.39	3,913.35
Revenue from Contract with Customers		**94,588.74**	**75,739.20**
(D) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price			
Gross Revenue		102,418.93	82,709.41
Less: Discount, Incentives, Returns, Price Concession, etc.		(7,830.19)	(6,970.21)
Net Revenue Recognised from Contracts with Customers		**94,588.74**	**75,739.20**

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Notes:

(i) The amounts receivable from customers become due after expiry of credit period, which on an average is less than 120 days. There is no significant financing component in any transaction with the customers.

(ii) The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.

(iii) The Group does not have any remaining performance obligation, as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein performance obligation is unsatisfied to which transaction price has been allocated.

(D) Reconciliation of Revenue Recognised from Contract Liabilities:

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Closing Contract Liabilities-Advances from Customers	857.29	627.18

The contract liabilities outstanding ₹ 627.18 Crore at the beginning of the year, out of which ₹ 617.86 Crore has been recognised as revenue during the year ended 31st March 2022, and balance amount has been refunded during the year.

3.2 OTHER INCOME

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Income on:		
Investments	32.65	31.30
Bank Accounts and Others (Measured at Amortised Cost)	190.39	120.53
Dividend Income from:		
Non-Current Investments (Measured at FVTOCI)	28.59	10.00
Current Investments (Measured at FVTOCI)	2.69	3.89
Gain/(Loss) on Financial Instruments		
On Sale of Investments (Net) - Mutual Funds (Measured at FVTPL)	220.29	205.91
Fair value change of Investments Measured at FVTPL	226.37	548.41
Miscellaneous Income	120.36	125.44
	821.34	**1,045.48**

3.3 COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Stock	1,666.36	1,650.53
Add/(Less): Stock of Discontinued Operations	-	(2.68)
Add: Purchases and Incidental Expenses	18,190.04	11,031.57
Less: Sale of Raw Materials	6.05	7.84
Add/(Less): Foreign Currency Translation Reserve	1.58	1.53
Less: Closing Stock	2,959.17	1,666.36
	16,889.60	**11,006.75**

Notes
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3.4 PURCHASES OF STOCK-IN-TRADE

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Grey Cement	549.63	286.84
Other Finished Goods (Fibre, Yarn, Building Solution, etc.)	854.93	611.60
	1,404.56	**898.44**

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

₹ in Crore

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021
Opening Stock			
Finished Goods	898.38		1,481.20
Stock-in-Trade	35.22		54.29
Work-in-Progress	819.24		1,003.64
Waste/Scrap	21.50		18.37
Less: Stock Transferred to Discontinued Operation	-		(60.11)
		1,774.34	**2,497.39**
Less: Closing Stock			
Finished Goods	1,462.06		898.38
Stock-in-Trade	42.62		35.22
Work-in-Progress	1,177.01		819.24
Waste/Scrap	19.00		21.50
		2,700.69	**1,774.34**
(Increase)/Decrease in Stocks		(926.35)	723.05
Add: Stock Transfer from Pre-Operative Account		2.18	-
Add: Exchange Translation Difference		2.43	0.98
		(921.74)	**724.03**

3.6 EMPLOYEE BENEFITS EXPENSES

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Salaries, Wages and Bonus	5,622.84	4,959.24
Contribution to Provident and Other Funds {Notes 4.8 (xx) and (xxi)}	288.04	254.59
Contribution to Gratuity Fund (Note 4.8.1)	107.68	114.11
Staff Welfare Expenses	235.69	174.46
Expenses on Employee Stock Options Scheme* (Note 4.5)	73.46	32.34
	6,327.71	**5,534.74**

* ESOP charges are net of recovery of ESOP expense of ₹ Nil (Previous Year ₹ 3.88 Crore) from Aditya Birla Sun Life AMC Limited (Joint Ventures/Associates of ABCL)

Notes

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3.7 FINANCE COSTS RELATING TO NBFC'S/NHFC'S BUSINESS

(Measured at Amortised Cost)

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Expenses	3,444.89	3,873.07
Interest on Lease Liabilities	28.24	29.29
Other Borrowing Costs	7.17	12.24
	3,480.30	**3,914.60**

3.8 OTHER FINANCE COSTS

(Measured at Amortised Cost)

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Expenses #	1,298.16	1,819.92
Interest on Lease Liabilities	70.31	55.40
Other Borrowing Costs @	17.63	8.30
Unwinding of Discount on Mine Restoration Provision	22.28	20.18
Exchange (Gain)/Loss on Lease Liabilities and Foreign Currency Borrowings (Net)	45.56	(12.32)
	1,453.94	**1,891.48**
Less: Capitalised	158.24	82.59
	1,295.70	**1,808.88**

Borrowing Costs are capitalised based on specific borrowings ranging between 4.57% and 6.93% per annum.		
# Net of Interest Subsidy from Government.	0.17	3.24
@ Includes Interest on Income Tax.	3.89	-

3.9 DEPRECIATION AND AMORTISATION

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Depreciation on Property, Plant and Equipment {Note 2.1 (A)}	3,288.86	3,180.21
Depreciation on Investment Property {Note 2.1 (B)}	0.43	0.43
Amortisation on Intangible Assets (Note 2.3)	603.07	563.57
Depreciation on Right-of-Use Assets (Note 2.4)	239.96	235.40
Obsolescence	36.94	54.62
	4,169.26	**4,034.23**
Depreciation Transferred to Pre-Operative Expenses	(8.19)	(0.83)
	4,161.07	**4,033.40**

Notes
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3.10 OTHER EXPENSES

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Consumption of Stores, Spare Parts and Components, and Incidental Expenses	1,464.09	1,123.80
Consumption of Packing Materials	2,061.15	1,523.92
Processing Charges	231.28	72.16
Repairs to Machinery, Buildings and others	1,498.45	1,197.87
Advertisement, Sales Promotion and Other Selling Expenses	3,255.88	2,540.77
Bad Debts and Allowance for Doubtful Debts and Advances (Net)	719.80	779.70
Insurance	216.57	200.55
Lease Rent	187.58	155.07
Rates and Taxes	234.30	211.71
Exchange Rate Difference (Net)	129.70	19.71
Miscellaneous Expenses	2,580.35	2,232.99
Less: Captive Consumption of Cement	(57.70)	(30.48)
	12,521.45	**10,027.77**

3.11 EXCEPTIONAL ITEMS INCLUDE:

(a) Continuing Operations

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(a) Continuing Operations		
(i) Order issued by the Hon'ble Supreme Court against the Subsidiary's claim of capital investment subsidy, under Rajasthan Investment Promotion Scheme -2003	-	(164.00)
(ii) Additional provision of Stamp Duty and Registration Fees related to merger of erstwhile Aditya Birla Nuvo Limited with the Company	-	(80.99)
(iii) One of the subsidiary of UtlraTech has made an impairment provision towards old advances for purchase of certain land, wherein the Company has re-assessed its ability to recover such advances	-	(96.74)
(iv) Provision of has been made against disputed water charges pertaining to earlier years	(69.11)	-
SubTotal (a) (Creation)/Reversal	**(69.11)**	**(341.73)**
(b) Discontinued Operations		
(i) In terms of the National Company Law Appellate Tribunal's (NCLAT) order, dated 14th November 2018, approving the Resolution Plan submitted by the UltraTech under the Insolvency and Bankruptcy Code, 2016, for acquisition of Binani Cement Limited, subsequently renamed UltraTech Nathdwara Cement Limited ("UNCL"), a loan of USD 230.4 Million in 3B Binani Glassfibre SARL, ("3B"), a company registered in Luxembourg, was assigned to UNCL from IDBI Bank Limited, which has been classified as "Non-Current Assets/Disposal Group Held for Sale". Assignment of the loan was along with securities, which included pledge over certain assets and shares of 3B in various forms in favour of UNCL. Since 3B has been in continuous default in servicing the loan, UNCL has enforced its pledge of 3B shares, consequent to which 3B has become a wholly owned subsidiary of UNCL w.e.f. 12th March 2021. UltraTech continues to classify the asset as "Non-Current Assets/Disposal Group Held for Sale". An impairment provision has been made on a loan receivable (asset held for sale) from 3B based on the realisable value, this has been classified from continuing operations to discontinued operations for the year ended 31st March, 2021	-	(271.18)
(ii) UltraTech Nathdwara Cement Limited ("UNCL"), through its subsidiary Krishna Holdings Pte. Ltd, ("Krishna"), a company incorporated in Singapore, has completed the divestment of its entire equity shareholding of 92.5% in its cement subsidiary at a net consideration of USD 94.70 Million.	-	437.68

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₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(iii) During the previous year, the Company entered into a Scheme of Arrangement ("the Scheme") under Sections 230-232 of the Companies Act, 2013 with Indorama India Private Limited (Indorama) for slump sale of its Indo Gulf Fertiliser Business (comprising of manufacture, trading and sale of inter alia urea, soil health products and other agri-inputs) to Indorama. On 1st January, 2022, the Company consummated the sale and transfer of Indo Gulf Fertiliser Business to Indorama as contemplated in the Scheme of Arrangement, and recognised pre-tax gain for the year ended 31st March, 2022, included under discontinued operations as exceptional items	540.15	-
(iv) Provision for maintenance charges of UPSIDC pertaining to Fertiliser Division	(29.36)	-
(v) UNCL entered into an agreement with Galata Chemicals Holding Gmbh, Germany ("Galata") as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter-alia, transferred its entire shareholding in 3B to Galata as on March 31, 2022. Consequent to the transaction, 3B has ceased to be a wholly-owned subsidiary of the Company, and recognised as exceptional gain for the year ended March 31, 2022.	159.92	-
SubTotal (b) (Creation)/Reversal	**670.71**	**166.50**
Total (a+b)	**601.60**	**(175.23)**

3.12 RECONCILIATION OF EFFECTIVE TAX RATE (%)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Applicable Tax Rate	34.94%	34.94%
Income Not Considered for Tax Purpose	-0.08%	-0.96%
Expenses Not Allowed for Tax Purpose	0.77%	1.06%
Additional Allowances for Tax Purpose	-3.61%	-1.31%
Taxes on Subsidiary Losses	0.59%	0.51%
Effect of Changes in Tax Rate (reversal of Deferred Tax Liabilities)	-1.74%	-2.17%
Tax Paid at Lower Rate	3.10%	-1.10%
Provision for Tax of earlier years Written Back	-13.85%	-0.03%
Deferred Tax Reversal on Slump Sale of Fertiliser Business	-1.38%	0.00%
Lower Jurisdiction Tax Rate	-0.41%	-0.48%
Others	0.49%	1.04%
Effective Tax Rate	**18.82%**	**31.50%**

During the year ended 31st March, 2022, pursuant to decision of Income Tax appeals of earlier years in favour of the Group, the Group has written back tax provision amounting to ₹ 624.53 Crore.

3.13 OTHER COMPREHENSIVE INCOME

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Items that will not be reclassified to Profit and Loss		
Equity Instrument at Fair Value through Other Comprehensive Income	3,420.47	4,918.11
Re-measurement of Defined Benefit Plans	21.31	164.47
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	0.38	0.62
Income Tax relating to items that will not be reclassified to Profit or Loss	(221.77)	(387.07)

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₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Items that will be reclassified to Profit and Loss		
Debt Instrument at Fair Value through Other Comprehensive Income	(56.50)	32.61
Exchange Difference in translating the Financial Statements of Foreign Operations	51.04	(41.61)
Effective Portion of Derivative Instruments designated as Cash Flow Hedge	38.11	(7.47)
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	31.23	180.01
Income Tax relating to items that will be reclassified to Profit or Loss	(3.47)	(18.75)
	3,280.80	**4,840.92**

3.14 EARNINGS PER SHARE (EPS):

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)		
From Continuing Operations	7,102.37	4,128.41
From Discontinued Operations	447.41	176.41
Continuing and Discontinued Operations	**7,549.78**	**4,304.82**
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	658,186,289	657,920,372
Less: Weighted-Average Number of Equity Shares held by the Company under ESOP Trust (Nos.) of Face Value of ₹ 2/- each	1,505,968	1,355,966
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	**656,680,321**	**656,564,406**
Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}		
Basic EPS for Continuing Operations	108.16	62.88
Basic EPS for Discontinued Operations	6.82	2.69
Basic EPS – Continuing and Discontinued Operations	114.98	65.57
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	656,680,321	656,564,406
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	870,437	600,388
Add: Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)	61,985	61,985
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**657,612,743**	**657,226,779**
Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}		
Diluted EPS for Continuing Operations	108.00	62.82
Diluted EPS for Discontinued Operations	6.80	2.68
Diluted EPS – Continuing and Discontinued Operations	114.80	65.50

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4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

4.1.1 Claims/Disputed Liabilities not acknowledged as Debts:

₹ in Crore

Particulars	Brief Description of Matter	As at 31st March, 2022	As at 31st March, 2021
Customs Duty	Related to classification dispute, demand of duty on import of steam coal, caustic soda flakes and others	277.93	257.99
Sales Tax/Purchase Tax/VAT	Related to stock transfer treated as inter-state sales, demand on freight component and levy of purchase tax on exempted supply, demand for non-submission of various forms, disallowance of input credit and others	1,047.41	1,028.71
Excise Duty/Cenvat Credit/ Service Tax/GST/Entry Tax	Related to valuation matter (Rule 8 vs. Rule 4), denial of Cenvat Credit on ISD/ GTA and others	1,834.79	1,724.15
Income Tax	Demand of Dividend Distribution Tax (including Interest) alleging that demerger of Financial Services is not qualifying demerger as per Income Tax Act and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed by the Company to its shareholders. a) Dividend Distribution Tax (including interest of ₹ 3,151.38 Crore, Previous Year ₹ 2,446.72) pending before Tribunal	8,044.82	7,340.16
	b) Capital Gain Tax (including Interest ₹ 2,864.40 Crore, Previous Year ₹ Nil) pending before Dispute Resolution Panel	8,831.90	-
	Non-deduction of tax at source on payment to non-resident, various disallowances and others	91.72	69.91
Land Related Matters	Demand of higher compensation	273.86	255.64
Royalty on Limestone/Marl/ Shale	Based on fixed conversion factor on limestone, royalty rate differences on Mari and additional royalty on mines transfer	373.47	364.81
Electricity Duty/Energy Development Cess	Related to electricity duty, minimum power consumption, Energy Development Cess and denial of Electricity Duty exemption	691.91	548.93
	Related to Stamp Duty, claim raised by vendor/supplier, road tax matters, demand for fuel surcharge, water drawal charges by irrigation department and others	1,400.44	1,262.79

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

4.1.2 a. UltraTech (including the erstwhile cement division of Century Textiles and Industries Limited) had filed appeals against the orders of the Competition Commission of India ("CCI"), dated 31st August, 2016 and 19th January, 2017. Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing the UltraTech's appeal against the CCI order, dated 31st August, 2016, the Hon'ble Supreme Court has, by its order, dated 5th October, 2018, granted a stay against the NCLAT order. Consequently, UltraTech (including the erstwhile cement division of Century Textiles and Industries Limited) has deposited an amount of ₹ 144.95 Crore equivalent to 10% of the penalty amount. UNCL has also filed an appeal in the Supreme Court against a similar CCI Order, dated 31st August, 2016, and has deposited an amount of ₹ 16.73 Crore equivalent to 10% of the penalty amount. UltraTech, backed by legal opinions, believes that it has a good case in both the matters, and accordingly, no provision has been made in the accounts.

b. In one of the case, UltraTech Cement Lanka Private Limited (UTCLPL) filed the appeal against the Director General of Customs and the Inquiring Officer Appointed in terms of the Customs Ordinance for the customs case No. PCAD/ HQO/091/2016 initiated at the Sri Lankan customs, on the alleged basis that UTCLPL has not declared the unloading charges (stevedoring charges) paid to the Sri Lanka Ports Authority in relation to imported cement. The Company has filed a case in the court of appeal and the matter is scheduled for argument.

c. Competition Commission of India (CCI) has passed an order, dated 16th March 2020, under Section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 Crore in respect of the Viscose Staple Fibre turnover of the Company. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) and NCLAT, vide Order, dated 4th November 2020, stayed the recovery of the penalty amount during the pendency of the Appeal and directed the Company

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to deposit 10% of the penalty amount by 19th November 2020, which the Company has complied. The Appeal is pending before the NCLAT.

Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order, dated 3rd June 2021, levying a penalty of ₹ 3.49 Crore for non-compliance with the Order passed on 16th March 2020. The Company filed Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI. The CCI appeared before the Hon'ble Delhi High Court and assured that no precipitative steps shall be taken against the Company till the disposal of the matter.

Based on legal opinion, the Company believes that it has strong grounds against both these said orders, on merit, and accordingly, no provision has been made in the accounts.

4.1.3 Corporate Guarantees Issued by Subsidiaries as under:

₹ in Crore

	Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
a.	To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures	1.70	1.70
b.	Letters of Guarantee Given to Customs and other Authorities	-	1.10
c.	Letter of Comfort Issued on behalf of clients *	1,614.92	257.96

* includes Corporate Guarantees given to National Housing Bank by the ABCL on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 1,541.76 Crore, against which the amount liable by ABHFL is ₹ 1,498.73 Crore (31st March 2021 ₹ 225.93 Crore). As per the terms of the Guarantee, on invocation, the Group's liability is capped at the outstanding amount.

It includes Corporate Guarantees given by the Subsidiaries on behalf of its clients of ₹ 115.34 Crore as at 31st March, 2022. (Previous Year 31st March, 2021 ₹ 31.49 Crore).

4.2 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

₹ in Crore

Particulars			**Year Ended 31st March, 2022**	**Year Ended 31st March, 2021**
4.2.1	**Capital Commitments**			
(a)	Estimated Amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances Paid)		3,913.99	3,419.20
4.2.2	**Financial and Other Commitments**			
(a)	**Financial Commitments**			
	Joint Ventures @		266.51	210.90
	@ As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the financial statements.			
(b)	(i)	Uncalled Liability on partly paid-up Investments of Insurance Business	282.43	447.61
	(ii)	Uncalled Liability on partly paid-up shares of Aditya Birla Fashion and Retail Limited	-	28.11

4.3 ACQUISITION OF WAACOX ENERGY PRIVATE LIMITED (WEPL) W.E.F. JULY 05, 2021 (IND AS 103)

Aditya Birla Renewables Limited holding 49% of total equity share capital of the WEPL has acquired additional 31,880,100 equity shares (51% of total equity share capital) of WEPL from Sangam Renewables Limited (along with its nominee) on July 05, 2021 as a result of which WEPL has become a Wholly-Owned Subsidiary of Aditya Birla Renewables Limited w.e.f. July 05, 2021.

During the current year, Aditya Birla Renewables Limited has carried out the fair valuation excercise of WEPL in accordance with Ind AS 103 and realigned the assets and liabilities acquired on acquistion and purchase consideration in accordance with fair value as summarised below:

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Identifiable Assets Acquired and Liabilities Assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquistion:

₹ in Crore

Particulars	As on 04 July 2021 (Fair Value)
Property, plant and equipment (including CWIP)	83.09
Other non-current assets	0.10
Tax assets (net)	0.16
Current investments	30.87
Trade receivables	1.91
Cash and bank balances	0.79
Other financial assets	0.87
Other current assets	0.19
Purchase power agreement	1.79
Total Assets (A)	**119.77**
Borrowings	43.26
Deferred tax liabilities (net)	2.05
Trade payables	0.06
Other financial liabilities	7.02
Other current liabilities	0.08
Total Liabilities (B)	**52.47**
Total Identifiable Net Assets Acquired (A-B)	**67.30**
Less: Purchase consideration	81.58
Goodwill	**14.28**

4.4 ASSETS/DISPOSAL GROUP HELD FOR SALE (IND AS 105)

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit Before Tax from Discontinued Operations		
From Discontinued Operations of Fertiliser Business (refer below note a)	155.98	145.44
From Discontinued Operations of Foreign Subsidiaries of UNCL	196.54	17.35
Total	**352.52**	**162.79**

a. During the previous year, the Company entered into a Scheme of Arrangement ("the Scheme") under Sections 230-232 of the Companies Act, 2013, with Indorama India Private Limited (Indorama) for slump sale of its Indo Gulf Fertiliser Business (comprising of manufacture, trading and sale of inter-alia urea, soil health products and other agri-inputs) to Indorama.

On 1st January 2022, the Company consummated the sale and transfer of Indo Gulf Fertiliser Business to Indorama as contemplated in the Scheme of Arrangement, and recognised pre-tax gain of ₹ 540.15 Crore for the year ended 31 March, 2022, included under discontinued operations as exceptional items. The Company has provided ₹ 29.36 Crore towards outstanding liabilities of maintenance charges of UPSIDC pertaining to Indo Gulf Fertiliser Business, included under discontinued operations as exceptional items.

Notes

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(i) Assets and Liabilities with respect to Discontinued Operations:

₹ in Crore

Particulars	As at 31st December 2021	As at 31st March, 2021
Group(s) of Assets Classified as Held for Sale	1,675.40	1,322.21
Liabilities directly associated with the Group(s) of Assets classified as Held for Sale	372.55	342.00

(ii) Major Classes of Assets and Liabilities classified as Held for Sale:

₹ in Crore

Particulars	As at 31st December, 2021	As at 31st March, 2021
Property, Plant and Equipment	472.66	475.41
Capital Work-in-Progress	70.44	22.94
Other Intangible Assets	111.22	111.22
Right-of-Use Assets	156.67	192.03
Loans	1.78	38.78
Inventories	72.86	65.77
Other Financial Assets	49.97	65.08
Trade Receivables	720.08	315.98
Other Assets	19.72	35.00
Total Assets	**1,675.40**	**1,322.21**
Trade Payables	278.33	214.03
Lease Liabilities	8.18	2.30
Security Deposits	43.05	43.05
Other Liabilities and Provisions	42.99	82.62
Total Liabilities	**372.55**	**342.00**
	1,302.85	**980.21**

Financial Performance and Cash Flow presented are for nine months ended 31st December 2021 (31st March 2022 column) and year ended 31st March 2021.

(iii) Financial Performance related to Discontinued Operations:

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Revenue and Other Income	2,437.54	2,257.83
Expenses	2,281.56	2,112.39
Profit Before Tax	**155.98**	**145.44**
Exceptional Items (net)	510.79	-
Profit before Tax	**666.77**	**145.44**
Tax Expenses	(54.58)	(50.89)
Tax on Sale of Discontinued Operations *	(256.37)	-
Profit After Tax	**355.82**	**94.55**

*The amount is net of Deferred Tax Credit of ₹ 182.90 Crore.

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(iv) Cash Flow Disclosure with respect to Discontinued Operations:

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Cash Flow from Operating Activities	(217.33)	1,395.26
Cash Flow from Investing Activities	(48.93)	(53.86)
Cash Flow from Financing Activities	-	-

(v) Exceptional Items (Net)

₹ in Crore

Particulars	Year Ended 31st March, 2022
Sale Consideration	1,866.94
Net Asset Transferred	1,302.85
Gain on Disposal	**564.09**
Less: Transaction Cost	(12.80)
Less: Provision against Deferred Considerations	(11.14)
Net Gain on Disposal of Fertiliser Business (A)	**540.15**
Maintenance Charges to UPSIDC pertaining to Fertiliser Business (B)	(29.36)
Net Gain (A + B)	**510.79**

b. Consequent to the acquisition of UltraTech Nathdwara Cement Limited (UNCL), during the year ended March 31, 2019, the Group had identified disposal groups (foreign subsidiaries of UNCL) that meet the criteria to be classified as held for sale on acquisition, as these were not considered core to the Group's ongoing business activities and active plan to locate a buyer was still in progress, and the Group remained committed to sell these assets and continued to classify these assets as held for sale as per Ind AS 105. The disposal group had also been considered as discontinued operations. During the year ended 31st March, 2021:

(i) UNCL, through its subsidiary Krishna Holdings Pte. Ltd., a company incorporated in Singapore, has completed the divestment of its entire equity shareholding of 92.5% in its cement subsidiary, which was classified as asset held for sale at a net consideration of USD 94.70 Million, and has recorded net gain on divestment of ₹ 437.68 Crore.

(ii) UNCL's wholly owned subsidiary SSCILLC was previously classified as 'held for sale'. During the period, it has been decided to make it a part of the continuing operations considering the synergies available with the existing capacity. Consequently, UltraTech has changed its plan to sell SSCILLC and, instead, continued its business operations. UNCL has sold SSCILLC to UltraTech Cement Middle East Investments Limited ("UCMEIL"), which is a wholly owned subsidiary of UltratTech, on 23rd November 2020. Accordingly, SSCILLC has ceased to be classified as 'held for sale', and the financial results of SSCILLC previously presented as discontinued operations have been reclassified as per Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations' and included in income from continuing operations for all periods presented, and required adjustments have been made to the carrying amount of assets and liabilities of SSCILLC.

(iii) In terms of the National Company Law Appellate Tribunal's (NCLAT) order, dated 14th November 2018, approving the Resolution Plan submitted by UltraTech under the Insolvency and Bankruptcy Code, 2016 for acquisition of Binani Cement Limited, subsequently renamed UltraTech Nathdwara Cement Limited ("UNCL"), a loan of USD 230.4 Million in 3B Binani Glassfibre SARL ("3B") a company registered in Luxembourg was assigned to UNCL from IDBI Bank Limited which has been classified as "Non-Current Assets/Disposal Group Held for Sale". Assignment of the loan was along with securities which included pledge over certain assets and shares of 3B in various forms in favour of UNCL. Since 3B has been in continuous default in servicing the loan, UNCL has enforced its pledge of 3B shares, consequent to which 3B has become a wholly owned subsidiary of UNCL w.e.f. 12th March 2021. The Group continues to classify the net asset of ₹ 741.56 Crore as " Non-Current Assets/Disposal Group Held for Sale" which is recorded at its fair value as on 31st March 2021 based on an independent valuation report, after considering an impairment of ₹ 271.18 Crore for the year ended 31st March 2021.

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Further, during the year ended, 31st March 2022, UNCL entered into an agreement with Galata Chemicals Holding GmbH, Germany ("Galata"), as per which Galata along with its affiliates has made necessary payments to UNCL for the purposes of refinancing the loans given to 3B and acquisition of entire shareholding of UNCL in 3B and UNCL has, inter-alia, transferred its entire shareholding in 3B to Galata as on 31st March 2022. Consequent to the transaction, 3B has ceased to be a wholly owned subsidiary of the Company and recognised ₹ 159.92 Crore as exceptional gain for the year ended 31st March 2022.

c. The Group has identified certain assets like Land, Aggregate Mines, Coal Washery, Wagon Tippler, etc., amounting to ₹ 11.08 Crore, which are available for sale in its present condition. The Company is committed to plan the sale of asset and an active programme to locate a buyer, and complete the plan has been initiated. The Company expects to dispose off these assets in the due course.

d. UltraTech Cement Middle East Investments Limited (UTCMEIL) has identified one of the assets "Waste Heat Recovery System" (WHRS), which is not useful anymore as it is not productive and not giving the desired result. The realisable value after considering the impairment, scrap and dismantling cost is reclassified as assets for disposal. UltraTech is in the process of discussion with vendors and contractors and expects the same to be disposed off within the due course.

4.5 SHARE BASED PAYMENTS

A. Holding Company

4.5.1 1,696,470 Equity Shares of Face Value of ₹ 2 each (Previous Year 1,712,882 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006)

Employee Stock Option Scheme, 2013 (ESOS-2013) and Employee Stock Option Scheme, 2018 (ESOS-2018).

a. Under the ESOS-2006, the Company has granted 56,005 Options to its eligible employees, the details of which are given hereunder:

Particulars	Options Tranche V
No. of Options Granted	56,005
Grant Date	18-Oct-2013
Grant Price (₹ Per Share)#	532
Market Price on the Date of Grant (₹)	543
Fair Value on the Date of Grant of Option (₹ Per Share)	197
Method of Settlement	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015, and Fair value for options vested after 1st April 2015
Graded Vesting Plan	25% every year, commencing after one year from the date of grant
Normal Exercise Period	5 years from the date of vesting

\# The Grant Price in respect of Tranche V has been revised in the earlier Financial Year post-demerger of Financial Service business of Grasim to ABCL, resulted in reduction of ₹ 14 per share from the earlier Exercise Price, i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

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b. Under the ESOS-2013, the Company has granted 964,960 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

Particulars	Options			RSU's				
	Tranche I	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options / RSU Granted	627,015	121,750	30,440	93,495	40,420	31,010	16,665	4,165
Grant Date	18-Oct-2013	15-Jan-2016	02-Apr-2016	18-Oct-2013	21-Nov-2013	29-Jan-2014	15-Jan-2016	02-Apr-2016
Grant Price (₹ Per Share)#	529	686	757	2	2	2	2	2
Market Price on the Date of Grant (₹)#	529	686	757	529	522	686	757	757
Fair value on the date of Grant of option (₹ per share)	199	274	291	520	498	495	687	750
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Intrinsic value for options vested before 1st April 2015 and Fair value for options vested after 1st April 2015			Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of three years from the date of grant				
Normal Exercise Period	5 years from the date of vesting			5 years from the date of vesting				

The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the previous Financial Year post- demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

c. Under the ESOS-2018, the Company has granted 2,328,707 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, the details of which are given hereunder:

Particulars	Options							
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
No. of Options / RSU Granted	1,077,312	26,456	53,480	254,141	68,784	296,220	41,361	65,025
Grant Date	17-Dec-2018	24-Dec-2019	13-Mar-2020	12-Feb-2021	12-Feb-2021	13-Aug-2021	01-Sep-2021	12-Nov-2021
Grant Price (₹ Per Share)	847.20	742.35	559.85	1,235.45	1,235.45	1,492.30	1,500.40	1,844.35
Market Price on the Date of Grant (₹)#	847.20	742.35	559.85	1,235.45	1,235.45	1,492.30	1,500.40	1,844.35
Fair value on the date of Grant of option (₹ per share)	422.53	347.48	266.70	524.74	347.48	618.78	624.41	763.33
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of one years from the date of grant	25% every year, commencing after one year from the date of grant	3 years from the date of vesting		
Normal Exercise Period	5 years from the date of vesting							

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Particulars	RSUs				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
No. of Options / RSU Granted	206,320	66,179	5,066	28,393	13,172
Grant Date	17-Dec-2018	27-Mar-2019	24-Dec-2019	13-Mar-2020	12-Feb-2021
Grant Price (₹ Per Share)	2	2	2	2	2
Market Price on the Date of Grant (₹)#	847.20	836.70	742.35	559.85	1,235.45
Fair value on the date of Grant of option (₹ per share)	832.64	822.29	726.19	547.29	1,210.08
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant				
Normal Exercise Period	5 years from the date of vesting				

Particulars	RSUs					
	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI
No. of Options / RSU Granted	36,243	54,674	5,007	8,344	9,500	13,030
Grant Date	13-Aug-2021	13-Aug-2021	01-Sep-2021	01-Sep-2021	12-Nov-2021	12-Nov-2021
Grant Price (₹ Per Share)	2	2	2	2	2	2
Market Price on the Date of Grant (₹)#	1,492.30	1,492.30	1,500.40	1,500.40	1,844.35	1,844.35
Fair value on the date of Grant of option (₹ per share)	1,451.10	1,457.59	1,458.98	1,478.63	1,793.79	1,817.99
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant					
Normal Exercise Period	5 years from the date of vesting					

4.5.2 a. Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 140,517 Options to the eligible employees of erstwhile ABNL as per the composite scheme of arrangement between the Company and ABNL. The details are as under:

Particulars	Options			RSUs	
	Tranche IA	Tranche IIIA	Tranche IVA	Tranche IA	Tranche IVA
No. of Options Granted	39,887	6,144	51,219	18,483	24,784
Grant Date	07-Dec-2013	12-Nov-2014	24-May-2016	07-Dec-2013	24-May-2016
Grant / Exercise Price (₹ Per Share)	449	631	648	2	2
Market Price on the date of Grant	1,240	1,727	992	1240	992
Fair value on the date of merger (1st July 2017)	806	693	716	1,200	1,195
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	25% every year, commencing after one year from the date of grant			Bullet vesting at the end of three years from the date of grant	
Normal Exercise Period	5 years from the date of vesting			5 years from the date of vesting	

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b. Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 204,066 SAR to the eligible employees of erstwhile ABNL as per the composite scheme of arrangement between the Company and ABNL. The details are as under:

Particulars	SAR's (Linked with the Company's market price)	SAR's (Linked with Aditya Birla Capital Limited's market price)	
	Tranche - IV A	Tranche - IV A	Tranche - IV B
Number of SAR's	79,382	111,137	13,547
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Bullet Vesting-end of 3 year from grant date
Exercise Period	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	
Grant Date	24-May-2016	24-May-2016	24-May-2016
Grant Price (₹ Per Share)	648	10	10
Market Price on the date of Grant of SAR's (₹ Per Share)	992.4	NA	NA

c. Under the Employee Stock Options Scheme - 2018 (ESOS-2018), the Company has granted 144,313 SAR.

The details are as under:

Particulars	SAR's (Linked with the Company's market price)				SAR's (Linked with Aditya Birla Capital Limited's market price)			
	Tranche - I Options	Tranche - III Options	Tranche - V Options	Tranche - I RSU	Tranche - II RSU	Tranche - IV RSU	Tranche - V RSU	Tranche - IV Options
Number of SAR's	82,144	23,815	4,206	18,964	609	504	1,006	13,065
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Plan	Graded Vesting - 25% every year	Bullet Vesting -1 Year from the date of Grant	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting-end of 3 year from grant date	Bullet Vesting -1 Year from the date of Grant
Exercise Period	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier	3 Years from the date of Vesting
Grant Date	17-Dec-2018	12-Feb-2021	17-Dec-2018	17-Dec-2018	27-Mar-2019	27-Mar-2019	27-Mar-2019	12-Feb-2021
Grant Price (₹ Per Share)	847.2	1,235.45	2	2	2	2	2	10
Market Price on the date of Grant of SAR's (₹ Per Share)	847.2	1,235.45	847.2	847.2	836.7	836.7	836.7	88.55

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4.5.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

4.5.3.1 For options referred to in 4.5.1(a) (b) & (c)

Particulars	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	1,712,882	684	1,965,695	601
Granted during the year	529,404	1,179	336,097	1,187
Exercised during the year	391,232	435	273,371	578
Lapsed during the year	154,584	940	315,539	795
Outstanding at the end of the year	1,696,470	872	1,712,882	684
Options: Unvested at the end of the year	831,569	1,011	1,111,501	734
Exercisable at the end of the year	864,901	739	601,381	591

The weighted average share price at the date of exercise for options was ₹ 1,598.94 per share (31st March, 2021 ₹ 964.25 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2022 was 2.35 years (31st March 2021: 3.54 years).

4.5.3.2 For options referred to in 4.5.2(a)&(b)

Particulars	Number of Options and RSUs				Number of SAR's			
	Current Year		Previous Year		Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	65,787	369	88,017	365	49,411	288	110,371	270
Granted during the year	-	-	-		-	-	-	-
Exercised during the year	65,787	369	11,566	86	49,411	288	34,263	274
Lapsed during the year			10,664	648	-	-	26,697	233
Outstanding at the end of the year	-	-	65,787	369	-	-	49,411	288
Options: Unvested at the end of the year	-	-	-	-	-	-	-	-
Exercisable at the end of the year	-	-	65,787	369	-	-	49,411	288

The weighted average share price at the date of exercise for options was ₹ 1,589.50 per share (previous year ₹ 666.43 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March, 2022 is Nil years (31st March 2021: 1.72 years).

The weighted average share price at the date of exercise for SARs was ₹ 1,451.02 per share (31st March, 2021 ₹ 522.27 per share) and weighted average remaining contractual life for the SAR's outstanding as at 31st March, 2022 is Nil years (31st March 2021 0.70 years).

4.5.3.3 For options referred to in 4.5.2(c)

Particulars	Number of SAR's			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	138,327	717	115,931	706
Granted during the year	16,078	858	36,880	802
Lapsed during the year	7,004	521	14,484	847
Outstanding at the end of the year	147,401	742	138,327	717
Options: Unvested at the end of the year	32,684	891	104,993	676
Exercisable at the end of the year	114,717	699	33,334	847

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4.5.4 Fair Valuation

The fair value of options has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial Model for calculating fair value as on the date of grant are:

4.5.4.1 For options referred to in 4.5.1(a), (b) & (c)

ESOS-2006	Options
	Tranche V
Method used	Black - Scholes Model
Risk-Free Rate	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period
Expected Volatility *	24.01%
Dividend Yield	1.03%

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option.

ESOS-2013	Options			RSUs				
	Tranche I	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Method used	Black - Scholes Model			Black - Scholes Model				
Risk-Free Rate	8.58%	7.87%	7.60%	8.66%	8.90%	9.00%	7.96%	7.78%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period			5.50	5.50	5.50	5.50	5.50
Expected Volatility *	24.01%	28.26%	27.96%	24.01%	23.76%	23.47%	28.52%	28.41%
Dividend Yield	1.03%	0.36%	0.52%	1.34%	1.40%	1.43%	0.34%	0.51%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU.

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

ESOS-2018	Options							
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.60%	6.74%	6.85%	5.59%	5.82%	6.06%	6.23%	6.31%
Option Life (Years)	Vesting Period (1 year) + Average of Exercise Period							
Expected Volatility*	32.06%	32.35%	32.78%	36.68%	36.68%	29.81%	28.79%	28.62%
Dividend Yield	0.52%	0.66%	0.66%	0.65%	0.65%	0.89%	0.89%	0.89%

ESOS-2018	RSUs				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.65%	7.48%	6.74%	6.85%	5.93%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period				
Expected Volatility *	32.06%	31.48%	32.35%	32.78%	36.68%
Dividend Yield	0.52%	0.52%	0.66%	0.66%	0.65%

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ESOS-2018	RSUs					
	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	6.33%	6.06%	6.22%	6.23%	6.31%	6.06%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period					
Expected Volatility*	28.84%	29.81%	28.65%	28.79%	28.62%	30.05%
Dividend Yield	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 475.19 per stock option, ₹ 1,018.15 per RSU.

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

4.5.4.2 For options referred to in 4.5.2(a), (b) & ('c)

ESOS-2013	Options			RSUs	
	Tranche IA	Tranche IIIA	Tranche IVA	Tranche IA	Tranche IVA
Risk-Free Rate	6.60%	6.60%	6.70%	6.50%	6.70%
Option Life (Years)	1.19 years	1.28 years	2.65 years	0.69 years	3.15 years
Expected Volatility *	27.20%	27.80%	27.20%	27.70%	27.40%
Dividend Yield	0.31%	0.31%	0.31%	0.31%	0.31%
Weighted average fair value of the option/ RSU on the date of grant	₹ 583 per stock option.			₹ 1,004 per stock option.	

ESOS-2013	SARs (Linked to the Company's market price)	SARs (Linked with Aditya Birla Capital Limited's market price)	
	Tranche IVA	Tranche IVA	Tranche IVB
Method used	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.89%	5.89%	5.89%
Option Life (Years)	0.82 years	0.82 years	1.15 years
Expected Volatility*	32.78%	35.00%	35.92%
Dividend Yield	0.66%	-	-
Weighted average fair value of SARs on 31st Mar 2022	₹ 346.40 per SAR.	₹ 85.76 per SAR.	

ESOS-2018	SAR's (Linked with the Company's market price)			SAR's (Linked with Aditya Birla Capital Limited's market price)
	Tranche - I Options	Tranche - III Options	Tranche - V Options	Tranche - IV Options
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.84%	5.61%	5.77%	5.61%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			Vesting Period (3 years) + Average of Exercise Period
Expected Volatility *	31.56%	31.81%	31.09%	43.05%
Dividend Yield	0.58%	0.58%	0.58%	0.58%
Weighted average fair value of SARs on 31st Mar 2022	₹ 791.14	₹ 520.18	₹ 495.84	₹ 86.44

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ESOS-2018	SAR's (Linked with the Company's market price)			
	Tranche - I RSU	Tranche - II RSU	Tranche - IV RSU	Tranche - V RSU
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	5.50%	5.70%	6.22%	5.62%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			
Expected Volatility *	31.80%	31.62%	31.39%	31.09%
Dividend Yield	0.58%	0.58%	0.58%	0.58%
Weighted average fair value of SARs on 31st Mar 2022	₹ 1,605.39	₹ 1,516.37	₹ 1,481.89	₹ 1,652.43

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSUs upto the date of grant.

4.5.5 Liabilities outstanding from the Company's cash-settled share-based payment transactions (SARs) were ₹ 12.15 Crore (Previous Year ₹ 9.88 Crore).

4.5.6 Employee Stock Option expenses (including SAR) recognised in the statement of Profit and Loss ₹ 34.68 Crore (Previous Year ₹ 11.96 Crore) and recognised in pre-operative expense ₹ 0.32 Crore (Previous Year ₹ 0.23 Crore) Apart from above Employee Stock Option expenses (including SAR) towards discontinued operations were ₹ 0.19 Crore (Previous year ₹ 0.55 Crore).

Disclosure under Employee Stock Option Scheme of Subsidiary Companies:

(I) UltraTech Cement Limited:

UltraTech has granted 124,616 options (including Restricted Stock units) to its eligible employees in various ESOS Schemes, details are as under:

(A) Employee Stock Option Scheme (ESOS 2013) including Stock options and Restricted Stock Units (RSU):

Particulars	Tranche I		Tranche II		Tranche III	
	RSU	Stock Options	RSU	Stock Options	RSU	Stock Options
Nos. of Options	84,056	237,953	12,313	34,859	2,218	6,280
Vesting Plan	100% on 19.10.2016	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 18.10.2017	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 28.01.2018	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	19.10.2013	19.10.2013	18.10.2014	18.10.2014	28.01.2015	28.01.2015
Exercise Price (₹ per share)	10	1,965	10	2,318	10	3,122
Fair Value on the date of Grant of Option (₹ per share)	1,862	750	2,241	870	3,048	1,207
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity

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Particulars	Tranche IV		Tranche V		Tranche VI	
	RSU	Stock Options	RSU	Stock Options	RSU	Stock Options
Nos. of Options	9,059	25,645	5,313	15,042	10,374	29,369
Vesting Plan	100% on 19.10.2018	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 13.04.2019	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 27.01.2020	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	19.10.2015	19.10.2015	13.04.2016	13.04.2016	27.01.2017	27.01.2017
Exercise Price (₹ per share)	10	2,955	10	3,167	10	3,681
Fair Value on the date of Grant of Option (₹ per share)	2,897	1,728	3,108	1,810	3,608	2,080
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity

(B) Employee Stock Option Scheme (ESOS 2018) including Stock options, Restricted Stock Units (RSU) and Stock Appreciation Rights Scheme – 2018 (SAR 2018) including Stock options and RSU

Particulars	Tranche I (ESOS, 2018)		Tranche II (ESOS, 2018)		Tranche III (ESOS, 2018)	
	RSU	Stock Options	RSU	Stock Options	RSU	Stock Options
Nos. of Options	43,718	158,304	917	3,320	3,482	12,620
Vesting Plan	100% on 18.12.2021	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 23.12.2022	Graded Vesting-25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 04.03.2023	Graded Vesting- 25% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	18.12.2018	18.12.2018	23.12.2019	23.12.2019	04.03.2020	04.03.2020
Exercise Price (₹ per share)	10	4,009.30	10	4,120.45	10	4,299.90
Fair Value on the date of Grant of Option (₹ per share)	3,942	1,476	4,080	1,865	4,258	1,939
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity

Particulars	Tranche IV (ESOS, 2018)		Tranche V (ESOS, 2018)	
	RSU	Stock Options	RSU	Stock Options
Nos. of Options	594	2,152	564	2,040
Vesting Plan	100% on 21.10.2023	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 27.03.2024	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	21.10.2020	21.10.2020	27.03.2021	27.03.2021
Exercise Price (₹ per share)	10	4,544.35	10	6,735.25
Fair Value on the date of Grant of Option (₹ per share)	4,500	1,943	6,673	2,903
Method of Settlement	Equity	Equity	Equity	Equity

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Particulars	Tranche VI (ESOS, 2018)			Tranche VII (ESOS, 2018)		
	RSU-FY22 Plan	RSU-FY21 Plan	Stock Options	RSU-FY22 Plan	RSU-FY21 Plan	Stock Options
Nos. of Options	7,299	11,570	63,684	3,838	4,700	33,525
Vesting Plan	100% on 22.07.2024	Graded Vesting - 50% every year after completion of 1 year form date of grant	Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets	100% on 26.10.2024	Graded Vesting - 50% every year after completion of 1 year form date of grant	Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	22.07.2021	22.07.2021	22.07.2021	27.10.2021	27.10.2021	27.10.2021
Exercise Price (₹ per share)	10	10	7,424.70	10	10	7,269.10
Fair Value on the date of Grant of Option (₹ per share)	7,373	7,379	2,357	7,194	7,211	2,309
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity

Particulars	Tranche I (SAR, 2018)		Tranche II (SAR, 2018)		
	RSU	Stock Options	RSU-FY22 Plan	RSU-FY21 Plan	Stock Options
Nos. of Options	1,084	3,924	159	320	1,398
Vesting Plan	100% on 18.12.2021	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 22.07.2024	Graded Vesting - 50% every year after completion of 1 year form date of grant	Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	18.12.2018	18.12.2018	22.07.2021	22.07.2021	22.07.2021
Exercise Price (₹ per share)	10	4,009.30	10	10	7,424.70
Fair Value on the date of Grant of Option (₹ per share)	3,946	1,539	6,837	7,160	1,387
Method of Settlement	Cash	Cash	Cash	Cash	Cash

(C) Movement of Options Granted including RSU along with weighted average exercise price (WAEP):

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	249,454	2,978.09	297,479	2,963.45
Granted during the year	124,616	5,752.11	5,350	4,398.30
Exercised during the year	(53,437)	2,436.02	(45,184)	3,049.39
Forfeited during the year	(8,412)	3,349.62	(8,191)	2,980.46
Outstanding at the end of the year	312,221	4,168.05	249,454	2,978.09
Options exercisable at the end of the year	115,617	2,899.18	123,620	3,237.00

The weighted average share price at the date of exercise for options was ₹ 7,024.74 per share (March 31, 2021 ₹ 5,759.93 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 4.62 years (March 31, 2021: 5.10 years).

The weighted average remaining contractual life for SAR is 2.87 years (March 31, 2021: 3.22 years).

The exercise price for outstanding options and SAR is ₹ 10 per share for RSU's and ranges from ₹ 1,965 per share to ₹ 7,424.70 per share for options.

Notes

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(D) Fair Valuation:

124,616 share options were granted during the year. Weighted Average Fair value of the options granted during the year is ₹ 3,435.96 per share (March 31, 2021 ₹ 3,091.60 per share).

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model / Binomial Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

(a) For ESOS 2013:

1. Risk Free Rate - 8.5% (Tranche I), 7.8% (Tranche II-III), 8.56% (Tranche IV) 7.6% (Tranche V), 6.74% (Tranche VI)
2. Option Life -
   (a) For Options - Vesting period (1 Year) + Average of exercise period
   (b) For RSU – Vesting period (3 Years) + Average of exercise period
3. Expected Volatility* - Tranche-I: 0.29, Tranche-II: 0.27, Tranche-III: 0.28, Tranche-IV: 0.60 Tranche–V: 0.60, Tranche–VI: 0.61
4. Expected Growth in Dividend - Tranche -I: 20%, Tranche II-III: 15%, Tranche-IV: 5%, Tranche-V: 5%, Tranche-VI: 5%

(b) For ESOS 2018:

1. Risk Free Rate - 7.47% (Tranche I) ; 5.69% (Tranche VI); 5.62% (Tranche VII)
2. Option Life -
   (a) For Options - Vesting period (1 Year) + Average of exercise period
   (b) For RSU under FY21 plan- Vesting Period (2 years) + Average of exercise period
   For other RSU – Vesting period (3 Years) + Average of exercise period
3. Expected Volatility* - Tranche-I: 0.24; Tranche-VI: 0.25; Tranche-VII: 0.26
4. Dividend Yield- - Tranche -I: 0.46%, Tranche VI: 0.19%, Tranche VII: 0.20%

(c) For ESOS- SAR 2018:

1. Risk Free Rate - 5.31% (Tranche II);
2. Option Life -
   (a) For Options - Vesting period (1 Year) + Average of exercise period
   (b) For RSU under FY21 plan- Vesting Period (2 years) + Average of exercise period
   For other RSU – Vesting period (3 Years) + Average of exercise period
3. Expected Volatility* - Tranche-II: 0.25,
4. Dividend Yield - Tranche- II: 0.19%

*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSU's up to the date of grant.

The Key assumptions in the Binomial Tree Model for calculating fair value as on the date of grant:

(a) For ESOS – SAR - 2018:

1. Risk Free Rate - 7.47% (Tranche I);
2. Option Life -
   (a) For Options - Vesting period (1 Year) + Average of exercise period
   (b) For RSU – Vesting period (3 Years) + Average of exercise period
3. Expected Volatility* - Tranche-I: 0.25,
4. Dividend Yield - Tranche -I: 0.46%

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(b) For ESOS 2018:

1.	Risk Free Rate	-	6.78% (Tranche II), 6.72% (Tranche III), 5.84% (Tranche IV & V)
2.	Option Life	-	(a) For Options - Vesting period (1 Year) + Average of exercise period (b) For RSU – Vesting period (3 Years) + Average of exercise period
3.	Expected Volatility*	-	Tranche-II: 0.26, Tranche- III: 0.26, Tranche-IV & V: 0.26
4.	Dividend Yield	-	Tranche -II & III: 0.27%; Tranche IV & V: 0.27%

*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/ RSU's up to the date of grant.

(F) Liabilities outstanding from the Company's cash settled share based payment transactions (SARs) is ₹ 1.01 Crore (as at 31st March 2021 - Restated : ₹ 0.80 Crore).

(G) Employee Stock Option expenses (including SAR) recognised in the statement of Profit and Loss ₹ 24.02 Crore (Previous Year ₹ 12.11 Crore).

(II) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July, 2017, the shareholders of ABCL approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the grant of Stock options to employees of ABCL (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	**LTIP 1**	**LTIP 2**	**LTIP 3**	
Instrument	**RSU**	**ESOP**	**RSU**	**ESOP**
Plan Period	2017-2019	2017-2021	2017-2018	2017-2022
Quantum of Grant	4,343,750	11,557,872	1,398,886	12,504,992
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)	20% p.a. (5 years)
Vesting Condition(s)	Continued employment	Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets75% of the consolidated PBT achievement against annual performance target	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets75% of the consolidated PBT achievement against annual performance target
Exercise Period	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting
Grant Date	11th August, 2017	11th August, 2017	11th August, 2017	11th August, 2017
Grant / Exercise Price (₹ Per Share)	10.00	115.00	10.00	115.00
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139.00	139.00	139.00	139.00

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Re-granted during the Financial Year - 2021-2022, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2
Instrument	**ESOP**	**ESOP**
Plan Period	2021-2025	2021-2025
Quantum of Grant	269,352	140,352
Method of Accounting	Fair Value	Fair Value
Vesting Period	Equal vesting in 4 years from the date of Grant	Equal vesting in 4 years from the date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target immediately preceding the vesting date	75% of the Profit Before Tax achievement against annual performance target immediately preceding the vesting date
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	14.05.2021	30.09.2021
Grant/Exercise Price (₹ Per Share)	119.4	114.2

Re-granted during the Financial Year - 2020-21, to the eligible employees of ABCL and its subsidiary, the details of which are given hereunder:

Features	LTIP 2	LTIP 2
Instrument	**ESOP**	**ESOP**
Plan Period	2021-2022	2021-2022
Quantum of Grant	110,424	140,439
Method of Accounting	Fair Value	Fair Value
Vesting Period	One year from the Date of Grant	One year from the Date of Grant
Vesting Condition(s)	75% of the Consolidated Profit Before Tax achievement against annual performance target	75% of the Consolidated Profit Before Tax achievement against annual performance target
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	05th February, 2021	05th February, 2021
Grant / Exercise Price (₹ Per Share)	90.4	90.4

Granted during the Financial Year - 2019-20, to the eligible employees of the ABCL and its subsidiary, the details of which are given hereunder:

Features	1st Grant	2nd Grant			3rd Grant	
	LTIP 2	**LTIP 2**	**LTIP 3**	**LTIP 3**	**LTIP 2**	**LTIP 3**
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets"	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets"	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets"	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Continued employment
Exercise Period	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting	5 Years from the Date of Vesting
Grant Date	02.08.2019	07.09.2019	07.09.2019	07.09.2019	25.02.2020	25.02.2020
Grant / Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

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Granted during the Financial Year - 2018-19, to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

Features	Granted on 9th April, 2018	
	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Consolidated PBT achievement against annual performance target	Continued employment
Exercise Period	5 Years from the Date of Vesting	5 Years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant / Exercise Price (₹ Per Share)	115.00	10.00

Details of Activity in the Plan as at 31st March, 2022

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	1,256,100	10,714,241	872,906	13,225,030
Granted during the year	-	409,704	-	-
Exercised during the year	517,431	171,862	-	45,000
Lapsed during the year	113,946	1,309,245	-	-
Options/RSUs Outstanding at the end of the year	624,723	9,642,838	872,906	13,180,030
Options/RSUs unvested at the end of the year	-	-	-	-
Options/RSUs exercisable at the end of the year	624,723	9,642,838	872,906	13,180,030

Details of Activity in the Plan as at 31st March, 2021

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	1,718,500	11,475,079	1,439,450	13,225,030
Granted during the year	-	110,424	-	140,439
Exercised during the year	386,000	146,372	566,544	-
Lapsed during the year	76,400	724,890	-	140,439
Options/RSUs Outstanding at the end of the year	1,256,100	10,714,241	872,906	13,225,030

Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by an Independent Valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk Free Interest Rate (%)	6.50%	6.2% to 6.8%	6.5% to 7.2%	6.5% to 7.0%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	36.2% to 38.5%	35.4%-38.5%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Weighted Average Fair Value per Option (₹)	131.60	70.4 to 9.4	131.60	73.1 to 9.4

During the year, under Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019, the Company has approved grant of 4,356 RSU Stock Appreciation Rights (SARs) and 143,448 Options SARs to the employees of the Company and its subsidiaries.

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SUBSIDIARY COMPANIES OF ABCL

Aditya Birla Money Limited

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Aditya Birla Money Limited (ABML) as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting Stock options to its Senior Employees. (Employee Stock Option Scheme – 2014)

During 2014 the Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000. Each option, on exercise, is convertible into one equity share of the Company having face value of ₹ 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 2014 has granted 2,509,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 2nd December, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognised stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31st March 2022
Options Granted on 2nd December, 2015	2,509,341
Options Outstanding as on 1st April, 2021	520,312
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the date of vesting of respective options
Grant/Exercise Price (₹ per Share)	₹ 34.25/-
Market Price as on the Date of the Grant	₹ 34.25/-(previous day closing price on the Recognised Stock Exchange)
Options Forfeited/Lapsed during the Year	314,942
Options Exercised during the Year	73,641
Options Outstanding as at 31st March, 2022	131,729

Summary of Stock Options Granted under ABML ESOP Scheme – 2014 is as under	As at 31st March 2021
Options Granted on 2nd December, 2015	2,509,341
Options Outstanding as on 1st April, 2020	520,312
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the date of vesting of respective options
Grant/Exercise Price (₹ per Share)	₹ 34.25/-
Market Price as on the Date of the Grant	₹ 34.25/-(previous day closing price on the recognised stock exchange)
Options Forfeited/Lapsed during the Year	-
Options Exercised during the Year	-
Options Outstanding as at 31st March, 2021	520,312

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The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No	Vesting Dates	% of options that shall vest
1	12 months from the Date of Grant	25% of the grant
2	24 months from the Date of Grant	25% of the grant
3	36 months from the Date of Grant	25% of the grant
4	48 months from the Date of Grant	25% of the grant

ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

Risk-Free Interest Rate (%)	8.13%
Expected life (No. of Years)	5
Expected Volatility (%)	54.26%
Dividend Yield (%)	-
Weighted Average Fair Value per Option (₹) Fair Value	₹ 34.25/-

ABCL Incentive Plan 2017

The Scheme titled as "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)" was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (collectively called as "Stock Options") to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited(Refer Note No. 46). The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the grantees under the corresponding Grasim Employee Benefit Schemes 2006 and 2013

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013 and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the Date of Grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target.	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15 January 2018	15 January 2018
Grant / Exercise Price (₹ Per Share)	10	10

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Re-granted during the Financial Year - 2020-2021, to the eligible employees of the Company and its subsidiaries, the details of which are given hereunder:

Particulars	Options
Plan Period	2020-2021
Quantum of Grant	25,585
Method of Accounting	Fair Value
Vesting Period	One year from the Date of Grant
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target
Exercise Period	5 years from the Date of Vesting
Grant Date	05.03.2021
Grant/Exercise Price (₹ Per Share)	10

Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	31st March, 2022		31st March, 2021	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at beginning of the year	385,721	113,447	761,865	169,057
Granted during the year	-	-	25,585	-
Exercised during the year	189,686	110,029	376,144	55,610
Lapsed during the year	-	-	25,585	-
Options/RSUs Outstanding at the end of the year	196,035	3,418	385,721	113,447

Employee Stock Option expenses (including SAR) recognised in the statement of Profit and Loss ₹ 14.76 Crore (Previous Year ₹ 8.27 Crore).

Liabilities outstanding from the Company's cash-settled share-based payment transactions (SARs) were ₹ 0.34 Crore (Previous Year ₹ 0.25 Crore).

4.6 OPERATING SEGMENTS

4.6.1 Details of Products/Services included in each of the Segments are as under:-

Viscose	- Viscose Staple Fibre, Wood Pulp and Viscose Filament Yarn
Chemicals	- Caustic Soda, Allied Chemicals and Epoxy
Cement	- Grey Cement, White Cement and Allied Products
Financial Services	- Non-Bank Financial Services, Life Insurance Services, Asset Management (AMC), Housing Finance, Equity Broking, Wealth Management, General Insurance Advisory and Health Insurance
Others	- Mainly Textiles, Insulators, Paints and Solar Power

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Information about Operating Segments for the year ended 31st March 2022:

₹ in Crore

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
REVENUE							
Sales (As reported)	12,191.70	6,574.30	52,585.97	22,087.24	2,261.92	-	95,701.13
Sales (Inter-Segment)	18.15	1,313.58	12.86	7.10	59.52	(1,411.21)	-
Total Revenue (Note 3.1)	**12,209.85**	**7,887.88**	**52,598.83**	**22,094.34**	**2,321.44**	**(1,411.21)**	**95,701.13**
RESULTS							
Segment Results (PBIT)	**1,246.27**	**1,203.68**	**9,307.41**	**1,594.64**	**174.85**	**-**	**13,526.85**
Unallocated Corporate Income/(Expenses)							84.49
Finance Costs							(1,295.70)
Profit Before Exceptional Items and Tax							**12,315.64**
Exceptional Items (Note 3.11)	(69.11)	-	-	-	-	-	(69.11)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees							**12,246.53**
Share in Profit/(Loss) of Joint Ventures and Associates (Allocable to Operating Segments)	**31.44**	**-**	**0.02**	**328.43**	**(1.14)**	**-**	**358.75**
Share in Profit/(Loss) of Joint Ventures and Associates (Unallocable)	-	-	-	-	-	-	21.58
Profit Before Tax							**12,626.86**
Current Tax							1,954.40
Deferred Tax							(18.09)
Profit for the Year before Non-Controlling Interest							**10,690.55**
Less: Non-Controlling Interest							(3,588.18)
Profit for the Year from Continuing Operations							**7,102.37**
OTHER INFORMATION							
Segment Assets	**12,873.84**	**7,704.95**	**85,690.55**	**153,499.05**	**4,812.24**	**(87.66)**	**264,492.97**
Investments in Associates/Joint Ventures (allocable to Operating Segments)	**1,206.33**	**-**	**7.41**	**5,606.54**	**33.50**	**-**	**6,853.78**
Investments in Associates/Joint Ventures (Unallocable)							196.39
Unallocated Corporate Assets							17,851.69
Total Assets							**289,394.83**
Segment Liabilities	**4,171.19**	**1,890.40**	**17,159.50**	**123,718.42**	**1,203.85**	**(12.08)**	**148,131.28**
Unallocated Corporate Liabilities							25,088.84
Total Liabilities							**173,220.12**
Additions to Non-Current Assets	**1,160.13**	**698.12**	**6,070.64**	**201.03**	**1,019.69**	**(35.59)**	**9,114.02**
Unallocated Corporate Capital Expenditure							10.88
Total Additions Non-Current Assets							**9,124.90**
Depreciation and Amortisation	**474.93**	**330.22**	**2,714.75**	**473.90**	**153.35**	**-**	**4,147.15**
Unallocated Corporate Depreciation and Amortisation							13.92
Total Depreciation and Amortisation							**4,161.07**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	**69.11**	**-**	**-**	**-**	**-**	**-**	**69.11**

Finance cost exclude finance cost of ₹ 3,480.30 Crore on financial services business, since it is considered as an expense for deriving segment result.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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Information about Operating Segments for the year ended 31st March 2021:

₹ in Crore

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
REVENUE							
Sales (As reported)	6,957.99	4,139.38	44,718.73	19,180.61	1,407.58	-	76,404.29
Sales (Inter-Segment)	6.78	441.31	7.07	9.56	46.10	(510.82)	-
Total Revenue (Note 3.1)	**6,964.77**	**4,580.69**	**44,725.80**	**19,190.17**	**1,453.68**	**(510.82)**	**76,404.29**
RESULTS							
Segment Results (PBIT)	**753.10**	**301.64**	**9,601.85**	**1,013.32**	**(23.40)**	**-**	**11,646.51**
Unallocated Corporate Income/(Expenses)							86.31
Finance Costs							(1,808.88)
Profit Before Exceptional Items and Tax							9,923.94
Exceptional Items (Note 3.11)	(80.99)	-	(260.74)	-	-	-	(341.73)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees							9,582.21
Share in Profit of Joint Ventures and Associates (Allocable to Operating Segments)	**(94.55)**	**-**	**0.01**	**255.84**	**0.91**	**-**	**162.21**
Share in Profit/(Loss) of Joint Ventures and Associates (Unallocable)							27.01
Profit Before Tax							**9,771.43**
Current Tax							1,959.40
Deferred Tax							1,062.79
Profit for the Year before Non-Controlling Interest							**6,749.24**
Less: Non-Controlling Interest							(2,620.83)
Profit for the Year from Continuing Operations							**4,128.41**
OTHER INFORMATION							
Segment Assets	**10,765.98**	**6,486.63**	**88,056.83**	**137,651.11**	**3,737.44**	**(22.61)**	**246,675.38**
Investment in Associates/Joint Ventures (Allocable to Operating Segments)	**1,129.89**	**-**	**7.39**	**5,478.07**	**47.58**	**-**	**6,662.93**
Investment in Associates/Joint Ventures (Unallocable)							174.73
Fertilisers (Discontinued Operations)							1,322.21
Unallocated Corporate Assets							12,718.96
Total Assets							**267,554.21**
Segment Liabilities	**2,827.68**	**1,309.76**	**15,474.66**	**109,260.19**	**581.38**	**(11.86)**	**129,441.81**
Fertilisers (Discontinued Operations)							**342.00**
Unallocated Corporate Liabilities							35,208.80
Total Liabilities							**164,992.61**
Additions to Non-Current Assets	**889.75**	**603.36**	**2,010.29**	**145.41**	**425.24**	**(12.07)**	**4,061.98**
Unallocated Corporate Capital Expenditure							4.93
Total Additions Non-Current Assets							**4,066.91**
Depreciation and Amortisation	**433.99**	**288.59**	**2,700.23**	**459.05**	**137.08**	**-**	**4,018.94**
Unallocated Corporate Depreciation and Amortisation							14.46
Total Depreciation and Amortisation							**4,033.40**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	**-**	**-**	**233.31**	**-**	**-**	**-**	**233.31**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Unallocable)	**-**	**-**	**-**	**-**	**-**	**-**	**107.92**

Finance cost exclude finance cost of ₹ 3,914.60 Crore on financial services business, since it is considered as an expense for deriving segment result.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes

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4.6.2 Geographical Segments

The Company's operating facilities are located in India.

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(a) Segment Revenues		
India (Country of Domicile)	89,902.75	72,490.94
Rest of the World	5,798.38	3,913.35
Total	**95,701.13**	**76,404.29**
(b) Addition to Non-Current Assets		
India (Country of Domicile)	9,124.90	4,066.91
Rest of the World	-	-
Total	**9,124.90**	**4,066.91**

4.6.3 The Carrying Amount of Non-Current Operating Assets by location of Assets:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets $		
India	96,465.57	91,115.23
Rest of the World	2,492.94	2,533.39
Total	**98,958.51**	**93,648.62**

$Non-current assets exclude Financial Assets, Equity Accounted Investees, Deferred Tax Assets and Non-Current Tax Assets

4.6.4 Information about Major Customers

No Single customer represents 10% or more of the Group's total Revenue for the year ended 31st March, 2022 and the year ended 31st March, 2021.

4.7 RELATED PARTY TRANSACTIONS:

4.7.1 Related Parties with whom Transactions have taken place during the Year:

Joint Ventures:

AV Group NB Inc., Canada
Birla Jingwei Fibres Company Limited, China
Aditya Group AB, Sweden
AV Terrace Bay Inc., Canada
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey
Aditya Birla Power Composites Limited
Bhubaneswari Coal Mining Limited
Bhaskarpara Coal Company Limited
Aditya Birla Wellness Private Limited
Aditya Birla Sun Life Trustee Company Private Limited
Birla Advanced Knits Private Limited

Associates:

Aditya Birla Science & Technology Company Private Limited
Madanpur (North) Coal Company Private Limited
Waacox Energy Private Limited (ceased to be associate w.e.f 5th July 2021 and became wholly owned subsidiary of ABREL)
Renew Surya Uday Private Limited
Aditya Birla Sun Life AMC Limited #

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Key Management Personnel (KMP):
Dr. Santrupt Misra - Non-Executive Director
Dr. Thomas Connelly, Jr. - Independent Director
Shri Adesh Kumar Gupta- Independent Director (w.e.f. 24th May 2021)
Shri Cyril Shroff - Independent Director
Shri N. Mohan Raj - Independent Director
Shri Raj Kumar Non-Executive Director (w.e.f. 12th November 2021)
Shri V. Chandrasekaran- Independent Director (w.e.f. 24th May 2021)
Shri Vipin Anand - Non-Executive Director (ceased w.e.f. 14th October 2021)
Shri Arun Thiagrajan - Independent Director (ceased w.e.f. 6th May 2021)
Smt. Anita Ramachandran - Independent Director
Shri Ashish Adukia - Chief Financial Officer
Smt. Rajashree Birla - Non-Executive Director
Shri O.P. Rungta- Independent Director (ceased w.e.f. 24th May 2021)
Shri Dilip Gaur - Managing Director (ceased w.e.f. 30th November 2021)
Shri Kumar Mangalam Birla - Non-Executive Director
Shri Shailendra K Jain - Non-Executive Director
Shri H. K. Agrawal-Managing Director (w.e.f. 1st December 2021)

Post-Employment Benefits Plan:
Grasim Industries Limited Employees Provident Fund
Indo Gulf Fertilisers Limited Employee Provident Fund Trust
Jayshree Provident Fund Institution
Century Rayon Provident Fund Trust No. 1 & 2
Grasim Industries Limited Employees Gratuity Fund
UltraTech Cemco Provident Fund
Grasim Industries Limited - Superannuation Scheme

Other Related Parties in which Directors are interested:
Birla Group Holding Private Limited
Birla Carbon India Private Limited
Birla Research Institute of Applied Sciences
Aditya Birla Management Corporation Private Limited[$]
Shardul Amarchand Mangaldas & Co.
Cyril Amarchand Mangaldas
Aditya Birla Health Services Private Limited
Birla Institute of Technology and Science Company
Grasim Jana Kalyan Trust
Jayashree Charity (1962) Trust, Kolkata
Kalyan Charity Trust, Shahad
Aditya Birla Education Trust
M/s Shailendra Jain & Co.

Relatives of KMP
Shri Suvrat Jain
Shri Devavrat Jain

upto 6th October 2021 Aditya Birla Sun Life AMC Limited was joint venture and w.e.f. 7th October 2021 it has became an associate refer (Note 2.39).

[$] The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.

Notes

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Terms and Conditions of Transaction with Related Parties

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The above transactions are as per the approval of the Audit Committee. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

4.7.2 Disclosure of Related Party Transactions:

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(a) Revenue from Contract with Customers		
Birla Jingwei Fibres Company Limited, China	65.95	117.27
Aditya Birla Sun Life AMC Limited {includes dividend received of ₹ 116.64 Crore (Previous Year ₹ 71.40 Crore)}	120.56	75.27
Aditya Birla Power Composites Limited	0.72	1.99
Waacox Energy Private Limited	0.12	2.71
Aditya Birla Management Corporation Private Limited	0.52	0.59
Birla Carbon India Private Limited	0.11	0.13
Total	**187.98**	**197.96**
(b) Interest and Other Income		
Aditya Birla Wellness Private Limited	0.82	0.82
Aditya Birla Sun Life AMC Limited	0.59	1.02
Aditya Birla Science & Technology Company Private Limited	1.73	2.30
Birla Advanced Knits Private Limited	0.02	-
AV Terrace Bay Inc Canada	0.31	-
Waacox Energy Private Limited	-	0.11
Aditya Birla Management Corporation Private Limited	9.39	5.10
Aditya Birla Power Composites Limited	3.03	1.96
Birla Carbon India Private Limited	0.25	0.88
Total	**16.14**	**12.19**
(c) Dividend Paid		
Birla Group Holding Private Limited	112.50	50.00
(d) Purchase of Goods/Property, Plant and Equipment/Payment of Other Services		
AV Group NB Inc.	799.99	576.62
Aditya Group AB	586.00	310.14
Birla Jingwei Fibres Company Limited*	(0.01)	(0.26)
AV Terrace Bay Inc.*	(0.02)	(0.03)
Aditya Birla Wellness Private Limited	13.45	11.69
Aditya Birla Sun Life AMC Limited	3.09	1.40
Aditya Birla Science & Technology Company Private Limited	43.61	39.28
Birla Group Holding Private Limited	0.21	0.22
Aditya Birla Management Corporation Private Limited	551.16	389.69
Birla Research Institute of Applied Sciences	0.93	2.82
Shardul Amarchand Mangaldas & Co.	0.09	0.98
Cyril Amarchand Mangaldas	1.17	-

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₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Aditya Birla Health Service Private Limited	0.98	-
Birla Institute of Technology and Science Company	0.03	-
Grasim Jana Kalyan Trust	0.10	0.68
Jayashree Charity (1962) Trust	0.14	-
Kalyan Charity Trust, Shahad	0.11	-
Renew Surya Uday Private Limited	3.14	-
Shri Shailendra K. Jain	0.00	-
Aditya Birla Education Trust	8.00	-
Suvrat Jain	0.12	-
M/s. Shailendra & Co.	0.00	0.13
Total	**2,012.29**	**1,333.36**
* Recovery of Information Technology (IT) Expenses		
(e) Finance Cost		
Waacox Energy Private Limited	-	1.61
	-	**1.61**
(f) Loans Given		
Birla Advanced Knits Private Limited	5.00	-
Waacox Energy Private Limited	-	4.20
	5.00	**4.20**
(g) Repayment Against Loans Given		
Waacox Energy Private Limited	-	4.20
Birla Advanced Knits Private Limited	5.00	-
Aditya Birla Science & Technology Company Private Limited	5.11	5.10
	10.11	**9.30**
(h) Investments in Equity Shares		
Renew Surya Uday Private Limited	15.31	-
Birla Advanced Knits Private Limited	15.00	-
Aditya Birla Power Composites Limited	5.18	17.50
	35.49	**17.50**
(i) Contribution to Post-Employment Benefit Plans		
Grasim Industries Limited Employees' Provident Fund	16.71	14.35
Jayshree Provident Fund Institution	4.38	3.79
Indo Gulf Fertilizer Ltd. Employee Provident Fund Trust	1.08	1.10
Century Rayon Employee's Provident Fund Trust No. 1 & 2	8.87	7.73
Grasim Industries Limited Employees' Gratuity Fund	54.57	97.13
Grasim (Senior Executive & Officers) Superannuation Scheme	1.09	1.16
UltraTech Cemco Provident Fund	54.79	50.00
	141.49	**175.26**
(j) Inter Corporate Loans taken		
Waacox Energy Private Limited	-	40.27
	-	**40.27**
(k) Repayment of Inter Corporate loans taken		
Waacox Energy Private Limited	-	45.27
	-	**45.27**

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₹ in Crore

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(l) Deposits Given (Net)		
Aditya Birla Management Corporation Private Limited	(22.70)	(25.49)
Aditya Birla Sun Life AMC Limited	1.33	0.25
	(21.37)	**(25.24)**
(m) Reimbursement /(Recovery) of expenses:		
Aditya Birla Sun Life AMC Limited	(46.40)	(46.24)
Aditya Birla Wellness Private Limited	(0.17)	(0.19)
Aditya Birla Power Composites Limited	(1.43)	(0.71)
Aditya Birla Management Corporation Private Limited	8.00	(0.46)
Waacox Energy Private Limited	-	(0.11)
Aditya Birla Science & Technology Company Private Limited	0.25	(0.67)
Birla Jingwei Fibres Company Limited, China	(0.05)	0.02
Total	**(39.80)**	**(48.36)**
(n) Payments to Key Management Personnel		
Managerial Remuneration Paid *	21.48	13.74
Commission to Non-Executive Directors (KMPs)	4.00	2.50
Sitting Fees to Directors	0.44	0.44
Dividend to KMPs	1.66	0.46
Total	**27.58**	**17.14**

* Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Compensation of Key Management Personnel of the Company*		
Short-term Employee Benefits	15.79	9.50
Post-Retirement Benefits	2.74	2.81
Share-Based Payments	2.95	1.43
	21.48	**13.74**

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information. The above information is disclosed only at the time of payment.

Outstanding Balances

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Trade Payables		
AV Group NB Inc.	63.73	18.85
Aditya Group AB	32.81	11.65
Aditya Birla Sun Life AMC Limited	5.72	3.50
Aditya Birla Wellness Private Limited	2.57	2.64
Aditya Birla Management Corporation Private Limited	0.17	1.10
Renew Surya Uday Private Limited	3.14	-
Aditya Birla Science & Technology Company Private Limited	0.44	0.24
Total	**108.58**	**37.98**
(b) Other Current and Non-Current Liabilities (Financial and Non-Financial)		
Aditya Birla Sun Life AMC Limited	0.72	0.72
Century Rayon Provident Fund Trust	2.99	2.68
Jayshree Provident Fund Institution	1.98	1.30
Indo Gulf Fertilizer Ltd. Employee Provident Fund Trust	-	0.41
Aditya Birla Management Corporation Private Limited	76.67	16.66
Total	**82.36**	**21.77**

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₹ in Crore

Particulars		As at 31st March, 2022	As at 31st March, 2021
(c)	**Trade Receivables**		
	Birla Jingwei Fibres Company Limited	5.25	74.30
	Aditya Group AB	-	0.02
	Aditya Birla Power Composites Limited	1.94	0.19
	Aditya Birla Management Corporation Private Limited	0.02	0.03
	Aditya Birla Sun Life AMC Limited	2.91	4.99
	Aditya Birla Wellness Private Limited	0.03	0.03
	Waacox Energy Private Limited	-	3.00
	Birla Carbon India Private Limited	-	0.02
	Total	**10.15**	**82.58**
(d)	**Loans, Security Deposits and other Current Assets (Financial and Non-Financial) [Current and Non-Current]**		
	Aditya Birla Science & Technology Company Private Limited	37.37	42.48
	Birla Jingwei Fibres Company Limited	-	0.01
	Bhaskarpara Coal Company Limited	2.49	2.49
	Aditya Birla Sun Life AMC Limited	-	0.02
	Aditya Birla Management Corporation Private Limited	41.61	65.10
	Birla Carbon India Private Limited	-	0.12
	Birla Group Holding Private Limited	7.37	7.37
	Shri Devavrat Jain	-	0.01
	Total	**88.84**	**117.60**
(e)	**Equity Accounted Investments (Note 2.5)**		
	Bhubaneswari Coal Mining Limited	167.89	150.74
	Aditya Birla Sun Life AMC Limited	5,595.15	5,467.82
	Aditya Birla Wellness Private Limited	10.73	9.62
	Aditya Birla Sun Life Trustee Company Private Limited	0.66	0.63
	Bhaskarpara Coal Company Limited	6.54	6.53
	Aditya Birla Power Composites Limited	18.01	15.75
	AV Group NB Inc.	752.69	718.70
	Birla Jingwei Fibres Company Limited	66.57	51.88
	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.64	0.99
	Aditya Group AB	370.95	343.43
	AV Terrace Bay Inc., Canada	0.62	14.89
	Aditya Birla Science & Technology Company Private Limited	28.50	24.04
	Madanpur (North) Coal Company Limited	0.88	0.86
	Renew Surya Uday Private Limited	15.47	-
	Birla Advanced Knits Private Limited	14.87	-
	Waacox Energy Private Limited	-	31.78
		7,050.17	**6,837.66**
(f)	**Preference Shares**		
	AV Group NB Inc.	34.28	31.02
	Aditya Group AB	49.88	50.86
		84.16	**81.88**
(g)	**Corporate Guarantees**		
	Bhaskarpara Coal Company Limited	1.70	1.70
	Total	**1.70**	**1.70**

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4.8 RETIREMENT BENEFITS

4.8.1 Defined Benefit Plans as per Actuarial Valuation:

Gratuity (funded by the Company):

The Group operates gratuity plan through a trust for its all employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Group's scheme is more favourable as compared to the obligation under the payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit CreditMethod as prescribed by the Ind AS-19 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

Inherent Risk:

The plan is defined benefit in nature, which is sponsored by the Group, and, hence, it underwrites all the risks pertaining to the plan. In particular, this exposes the Group to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Pension:

The Group provides pension to few retired employees as approved by the Board of Directors of the Company.

Post-Retirement Medical Benefits:

The Group provides post-retirement medical benefits to certain ex-employees, who were transferred under the Scheme of Arrangement for acquiring Larsen & Toubro cement business, and eligible for such benefits from earlier Company.

Inherent Risk:

The plan is of a defined benefit in nature, which is sponsored by the Group, and, hence, it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse increase in salary increases for serving employees/pension increase for pensioners or adverse demographic experience can result in an increase in the cost of providing these benefits to employees in future. In this case, the pension is paid directly by the Group (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and, hence, the plan carries the longevity risks.

4.8.1.1 Gratuity and Pension:

₹ in Crore

		Gratuity				Pension and Post- Retirement Medical Benefits			
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
(i)	**Reconciliation of Present Value of the Obligation:**								
	Opening Defined Benefit Obligation	1,471.69	32.50	1,463.58	30.30	39.08	0.56	41.64	0.59
	Adjustments of:								
	Current Service Cost	117.36	3.65	110.99	3.31	4.66	-	-	-
	Past Service Cost	1.33	0.25	0.83	-	-	-	-	-
	Interest Cost	95.35	1.22	92.96	1.47	2.51	0.04	2.82	0.04
	Actuarial Loss/(Gain)	17.39	(1.73)	(93.84)	3.25	(2.20)	0.02	0.43	0.01
	Liabilities Assumed on Acquisition/(Settled on Divestiture)	(0.55)	-	(0.11)	(0.07)	-	-	-	-

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₹ in Crore

		Gratuity				Pension and Post- Retirement Medical Benefits			
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	Foreign Currency Fluctuation	-	1.09	-	(0.90)	-	-	-	-
	Liability related to Discontinued operations	(48.04)	-	-	-	-	-	-	-
	Benefits Paid	(124.06)	(4.01)	(102.72)	(4.86)	(8.86)	(0.06)	(5.81)	(0.08)
	Closing Defined Benefit Obligation	1,530.47	32.97	1,471.69	32.50	35.18	0.56	39.08	0.56
(ii)	**Reconciliation of Fair Value of the Plan Assets:**								
	Opening Fair Value of the Plan Assets	1,581.44	-	1,367.37	-	-	-	-	-
	Adjustments of:								
	Return on Plan Assets	102.10	-	87.86	-	-	-	-	-
	Actuarial Gain/(Loss)	22.37	-	72.83	-	-	-	-	-
	Contributions by the Employer	125.55	-	156.10	-	8.86	0.06	5.81	0.08
	Liability related to Discontinued operations	(48.04)	-	-	-				
	Benefits Paid	(123.49)	-	(102.72)	-	(8.86)	(0.06)	(5.81)	(0.08)
	Closing Fair Value of the Plan Assets	1,659.93	-	1,581.44	-	-	-	-	-
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**								
	Present Value of the Defined Benefit Obligation at the end of the year	1,530.47	32.97	1,471.69	32.50	35.18	0.56	39.08	0.56
	Fair Value of the Plan Assets	1,659.93	-	1,581.44	-	-	-	-	-
	Amount not recognised due to Asset Ceiling	(0.82)	-	(2.04)	-				
	Net Liabilities/(Assets) recognised in the Balance Sheet	(128.64)	32.97	(107.71)	32.50	35.18	0.56	39.08	0.56
(iv)	**Change in Asset Ceiling**								
	Remeasurement due to change in surplus/ deficit	(0.82)	-	(2.04)	-	-	-	-	-
	Balance at the end of the year	(0.82)	-	(2.04)	-	-	-	-	-
(v)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**								
	Current Service Cost	117.36	3.65	110.99	3.31	4.66	-	-	-
	Past Service Cost	1.33	0.25	0.83	-	-	-	-	-
	Interest on Defined Benefit Obligations (Net)	95.38	1.22	92.96	1.47	2.51	0.04	2.82	0.04
	Expected Return on Plan Assets	(102.13)		(87.86)					
	Net Cost	111.94	5.12	116.92	4.78	7.16	0.04	2.82	0.04
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	(1.83)	-	(0.56)	-	-	-	-	-
	Amount Recovered from Joint Venture Companies	(0.42)	-	0.82	-	-	-	-	-
	Net Charge to the Statement of Profit and Loss *	109.69	5.12	117.18	4.78	7.16	0.04	2.82	0.04
	*Charge towards Discontinued Operations included in above	2.01	-	3.07	-	-	-	0.05	-

Notes

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₹ in Crore

	Gratuity				Pension and Post- Retirement Medical Benefits			
	Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
(vi) Amount recognised in Other Comprehensive Income (OCI) for the Year:								
Changes in Financial Assumptions	(0.29)	(2.91)	(1.02)	4.79	(0.50)	0.01	0.64	(0.01)
Changes in Demographic Assumptions	(35.63)	-	4.93	-	-	-	-	-
Experience Adjustments	53.31	0.50	(102.49)	(1.54)	(1.70)	0.01	(0.21)	0.02
Actual return on Plan Assets less Interest on Plan Assets	(21.39)	-	(71.63)	-	-	-	-	-
Adjustment of Past Service Cost	-	-	4.78	-	-	-	-	-
Adjustment to recognise the asset ceiling impact	(1.36)	-	2.04	-	-	-	-	-
Less: Amount recovered from Joint Venture Companies	0.49	-	(0.88)	-	-	-	-	-
Less: Amount transferred to policyholders Liability	-	-	(1.44)	-	-	-	-	-
Recognised in OCI for the year	(4.87)	(2.41)	(165.71)	3.25	(2.20)	0.02	0.43	0.01
(vii) Maturity Profile of Defined Benefit Obligation:								
Within next 12 months (next annual reporting period)	176.10	3.36	143.53	3.42	7.84	0.06	7.27	0.06
Between 1 and 5 years	492.88	7.39	417.97	7.08	24.23	0.24	22.71	0.24
Between 5 and 9 years	567.07	12.01	605.51	10.22	16.08	0.21	16.19	0.22
10 years and above	1,899.59	33.35	1,927.62	31.95	11.75	0.39	12.22	0.42
(viii) Quantitative Sensitivity Analysis for Significant Assumptions:								
Increase/(Decrease) on Present Value of Defined Benefit Obligation at the end of the year								
100 bps increase in Discount Rate	(131.83)	(6.30)	(125.48)	(6.40)	(1.02)	(0.03)	(1.17)	(0.03)
100 bps decrease in Discount Rate	145.86	6.67	140.76	6.81	1.08	0.03	1.26	0.04
100 bps increase in Salary Escalation Rate	109.29	6.26	137.26	6.37	-	-	-	-
100 bps decrease in Salary Escalation Rate	(97.66)	(5.94)	(123.81)	(6.01)	-	-	-	-
Increase in Life Expectancy by 1 year	-	-	-	-	0.98	-	1.25	-
Decrease in Life Expectancy by 1 year	-	-	-	-	(0.86)	-	(1.09)	-
(ix) The Major Categories of Plan Assets as a % of Total Plan:								
Government of India Securities	5%	N.A.	8%	N.A.	N.A.	N.A.	N.A.	N.A.
Corporate Bonds	0%	N.A.	1%	N.A.	N.A.	N.A.	N.A.	N.A.
Insurer Managed Funds	91%	N.A.	84%	N.A.	N.A.	N.A.	N.A.	N.A.
Others	4%	N.A.	7%	N.A.	N.A.	N.A.	N.A.	N.A.
Total	100%	N.A.	100%	N.A.	N.A.	N.A.	N.A.	N.A.

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(₹ in Crore)

		Gratuity				Pension and Post- Retirement Medical Benefits			
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
		As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
(x)	**Principal Actuarial Assumptions:**								
	Discount Rate	5.60%-7.25%	2.72%-15%	4.90%-7.05%	5.0%-11.28%	6.70% - 7.05%	7.05%	6.40% - 7.05%	7.05%
	Salary Escalation Rate	6.00%-10.00%	2.50%-10.00%	5.50%-10%	3.00%-10.00%	-	-	-	-
	Mortality Tables	Indian Assured Lives (2012-14) mortality tables	Indian Assured Lives (2012-14) mortality tables	Indian Assured Lives (2012-14) mortality tables	Indian Assured Lives (2012-14) mortality tables	S1PA annuity rates adjusted suitably	S1PA annuity rates adjusted suitably	S1PA annuity rates adjusted suitably	S1PA annuity rates adjusted suitably
	Retirement Age:								
	Management	60 Yrs.	58-60 Yrs.	60 Yrs.	55-60 Yrs.	-	-	-	-
	Non-Management	58 Yrs.		58 Yrs.		-	-	-	-
(xi)	Weighted Average Duration of Defined Benefit obligation:	4 to 11 Yrs.	3-13 Yrs.	4 to 17 Yrs.	3-14 Yrs.	5 Yrs. to 5.9 Yrs.	5.9 Yrs.	4.31 Yrs. to 6.1 Yrs.	6.1 Yrs.

(xii) Amounts included in the Fair Value of the Plan Assets for the Company's own financial instrument ₹ 689.18 (Previous year ₹ 600.96 Crore).

(xiii) Basis Used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date, applicable to the period over which the obligation is expected to be settled.

(xiv) Asset - Liability Matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre - fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position, as well as level of underfunding of the Plan.

(xv) Salary Escalation Rate:

The estimates of future salary increase are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xvi) Sensitivity Analysis:

Sensitivity Analysis has been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in the market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

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(xvii) The best estimate of the expected contribution for the next year amounts to ₹ 1.43 Crore (Previous Year ₹ 2.40 Crore).

(xviii) Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 86.21 Crore (Previous Year ₹16.94 Crore). Compensated absences of Discontinued Operations were ₹ 1.46 Crore (Previous Year ₹ 1.22 Crore)

(xix) Other Long-term Employee Benefits:

Amount recognised as expense for other long-term employee benefits is ₹ 0.44 Crore (Previous Year ₹ 0.86 Crore).

(xx) The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust

Amount recognised as expense and included in the Note 3.6 as "Contribution-Company owned Provident Fund" is ₹ 83.73 Crore (Previous Year ₹ 75.44 Crore) and amount recognised as pre-operative expenses and included in note 2.1.4 as "Contribution-Company owned Provident Fund" is ₹ 1.02 Crore (Previous Year ₹ 0.43 Crore)

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March, 2022 (31st March, 2021: Nil).

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Plan Assets at Fair Value	3,415.95	3,069.90
(b) Present Value of Defined Benefit Obligation at year end	3,387.36	3,042.62
(c) Surplus Available	28.58	26.78
(d) Liability recognised in the Balance Sheet	-	-
(e) Assumptions used in determining the Present Value Obligation of interest rate guarantee under the Deterministic Approach		
- Discount Rate for the term of the Obligations	6.70%-6.85%	6.40%-7.05%
- Discount Rate for the remaining term of maturity of Investment Portfolio	6.43%-8.12%	6.25%-8.30%
- Average Historic Yield on Investment Portfolio	7.98%- 8.42%	8.17%- 8.68%
- Guaranteed Interest Rate	8.10%	8.50%

(xxi) Defined Contribution Plans:

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Amount recognised as an expense and included in Note 3.6 as "Contribution to Provident and Other Funds	204.31	179.15
Amount recognised as pre-operative expense and included in Note 2.1.4 as "Contribution to Provident and Other Funds"	1.46	1.22
Total Contribution to Provident and Other Funds	**205.77**	**180.37**

Note: Contribution to Provident and Other Funds of Discontinued Operations were ₹ 4.02 Crore for 31st March,2022 and ₹ 5.46 Crore for 31st March, 2021.

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4.9 FINANCIAL INSTRUMENTS - DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

A. Disclosure of Financial Instruments:

a. Equity Instruments (Other than Joint Ventures and Associates)

These investments have to be fair valued either through OCI or Profit and Loss. Investments in the Company have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale. However, few of the equity instruments held by the Subsidiary Companies have been designated to be measured at FVTPL as these investments are held for trading.

b. Debentures and Bonds

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109: Financial Instruments. However, the business model of the Company and is such that it does not hold these investments till maturity as the Company intends to sell these investments as and when need arises. Hence, the same have been designated at FVTOCI and FVTPL.

c. Mutual Funds and Preference Shares Designated at FVTPL

Preference Shares and Mutual Funds have been measured at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109: "Financial Instruments", for being measured at amortised cost or FVTOCI, hence, classified at FVTPL.

B. Classification of Financial Assets and Liabilities

₹ in Crore

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	5,429.36	5,429.36	4,341.78	4,341.78
Loans (including Loans related to NBFC/HFC Business)	66,201.13	66,201.13	59,930.37	59,930.37
Investments of Insurance Business	19,310.99	19,585.64	15,631.95	16,407.28
Other Investments	135.65	135.65	-	-
Cash and Bank Balances	3,252.55	3,252.55	5,337.37	5,337.37
Other Financial Assets	3,551.18	3,551.18	3,162.39	3,162.39
Re-insurance Assets	1,256.78	1,256.78	814.55	814.55
Other Investments: Fixed Deposits with financial institutions with maturity less than twelve months	337.04	337.04	300.00	300.00
Financial Assets at Fair Value through Other Comprehensive Income				
Investments of Insurance Business	11,891.30	11,891.30	10,181.52	10,181.52
Other Investments	12,337.27	12,337.27	8,938.02	8,938.02
Financial Assets at Fair Value through Profit and Loss				
Investments of Insurance Business (including Investments of Assets Held to Cover Linked Liabilities)	32,249.60	32,249.60	29,290.92	29,290.92
Other Investments	13,454.10	13,454.10	16,836.71	16,836.71
Hedging Instruments				
Derivative Assets	423.80	423.80	493.26	493.26
Total	**169,830.75**	**170,105.40**	**155,258.84**	**156,034.17**

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₹ in Crore

Particulars	31st March, 2022		31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities at Amortised Cost				
Non-Current Borrowings	44,141.62	44,347.50	52,488.25	53,713.47
Current Borrowings	26,457.29	26,457.29	24,920.96	24,920.96
Lease Liabilities	882.17	882.17	842.82	842.82
Supplier's Credit	183.40	183.40	-	-
Policyholders Liabilities	60,873.38	60,873.38	52,476.47	52,476.47
Trade Payables	11,393.44	11,393.44	7,916.84	7,916.84
Other Financial Liabilities	8,435.23	8,435.23	7,835.78	7,835.78
Financial Liabilities at fair value through Profit and Loss				
Lease Liabilities Payable in Foreign Currency	675.37	675.37	825.79	825.79
Hedging Instruments				
Derivative Liabilities	159.60	159.60	68.67	68.67
Total	**153,201.50**	**153,407.38**	**147,375.58**	**148,600.80**

C. Fair Value Measurements (Ind AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares, which are traded in the stock exchanges is valued using the closing price at the reporting date.

Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of the Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. Valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

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For assets and liabilities, which are measured at fair value as at Balance sheet date, the classification of fair value calculation by category is summarised below:

₹ in Crore

Quantitative Disclosures Fair Value Measurement Hierarchy for Assets and Liabilities	Level 1	Level 2	Level 3	Total
As at 31st March 2022				
Financial Assets:				
1) Measured at Amortised Cost				
- Investments of Insurance Business	12,328.52	7,257.12	-	19,585.64
- Loans (incl. Loans related to NBFC/HFC business)	-	25,584.25	40,616.88	66,201.13
- Re-insurance Assets	-	-	1,256.78	1,256.78
- Other Investments (Non Current): Fixed Deposits with financial institutions with maturity less than twelve months	-	337.04	-	337.04
2) Measured at Fair Value through Other Comprehensive Income				
- Investments of Insurance Business	5,652.89	6,237.59	0.83	11,891.31
- Other Investments in Debentures or Bonds	-	87.49	-	87.49
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	11,586.40	-	663.38	12,249.78
3) Measured at Fair Value through Profit and Loss				
- Investments of Insurance Business [including Investments of Assets Held to Cover Linked Liabilities]	22,182.01	10,233.08	(165.49)	32,249.60
- Other Investments in Mutual Funds, Debentures or Bonds and Private Equity Investment Funds	0.45	12,848.70	382.10	13,231.25
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	-	-	53.28	53.28
- Other Investments in Partnership Firms	-	-	26.60	26.60
- Other Investments in Preference Shares	-	-	142.94	142.94
4) Hedging Instruments				
- Derivative Assets	-	423.80	-	423.80
Financial Liabilities:				
1) Measured at Amortised Cost				
- Non-Current Borrowings	635.78	26,286.90	17,424.82	44,347.50
- Policyholders Liabilities	30,160.19	-	30,713.19	60,873.38
2) Hedging Instruments				
- Derivative Liabilities	-	159.60	-	159.60
As at 31st March 2021				
Financial Assets:				
1) Measured at Amortised Cost				
- Investments of Insurance Business	7,409.63	8,997.65	-	16,407.28
- Loans (incl. Loans related to NBFC/HFC business)	-	12,984.79	46,945.58	59,930.37
- Re-insurance Assets	-	-	814.55	814.55
- Other Investments (Non Current): Fixed Deposits with financial institutions with maturity less than twelve months	-	300.00	-	300.00
2) Measured at Fair Value through Other Comprehensive Income				
- Investments of Insurance Business	4,607.28	5,573.45	0.79	10,181.52
- Other Investments in Debentures or Bonds	-	133.73	-	133.73
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	8,195.38	-	608.91	8,804.29

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₹ in Crore

Quantitative Disclosures Fair Value Measurement Hierarchy for Assets and Liabilities	Level 1	Level 2	Level 3	Total
3) Measured at Fair Value through profit and loss				
- Investments of Insurance Business [including Investments of Assets Held to Cover Linked Liabilities]	18,633.72	10,536.60	120.60	29,290.92
- Other Investments in Mutual Funds, Debentures or Bonds and Private Equity Investment Funds	569.30	15,606.91	476.78	16,652.99
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	-	-	27.30	27.30
- Other Investments in Partnership Firms	-	-	15.91	15.91
- Other Investments in Preference Shares	-	-	140.51	140.51
4) Hedging Instruments				
- Derivative Assets	-	493.26	-	493.26
Financial Liabilities:				
1) Measured at Amortised Cost				
- Non-Current Borrowings	322.09	28,298.28	25,093.10	53,713.47
- Policyholders Liabilities	27,967.34	-	24,509.13	52,476.47
2) Hedging Instruments				
- Derivative Liabilities	-	68.67	-	68.67

The Management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of loans, security deposits and investments in preference shares was calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the year ended 31st March, 2022 and 31st March, 2021, there was no transfer between Level 1 and Level 2 fair value measurement.

4.9.1 Key Inputs for Level 1 and Level 2 Fair Valuation Technique:

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on market yield for instruments with similar risk/maturity, etc. (Level 2)
3. Listed Equity Investments (other than Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
4. Derivative Liabilities: (Level 2)
   - (i) the fair value of interest rate swaps is calculated as per the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.
   - (ii) the fair value of forward foreign exchange contracts is calculated as per the present value determined using forward exchange rates and interest rate curve of the respective currencies.
   - (iii) the fair value of foreign currency swap is calculated as per the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.
   - (iv) the fair value of foreign currency option contracts is determined using the Black-Scholes Valuation Model.
   - (v) the fair value of commodity swaps is calculated as per the present value determined using the forward price and interest rate curve of the respective currency.

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4.9.2 Description of Significant Unobservable Inputs Used for Financial Instruments (Level 3)

The following table shows the valuation techniques and inputs used for financial instruments:

Investments in Preference Shares	Discounted Cash Flow Method using risk adjusted discount rate
Equity Investments - Unquoted (other than Joint Ventures and Associates)	Discounted Cash Flow Method using risk adjusted discount rate
Private Equity Investment Funds and Partnershipship Firms (LLP)	Price to Book Value Method
Long-Term Borrowings	Discounted Cash Flow Method using risk adjusted discount rate
Other Financial Instruments	Discounted Cash Flow Method using risk adjusted discount rate and expected gross recoveries

4.9.2.1 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring)

A. Equity Investments - Unquoted (Significant unobservable input being the average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 7.49 Crore or increase by ₹ 7.82 Crore (as at 31st March, 2021: decrease by ₹ 44.43 Crore or increase by ₹ 99.23 Crore).

B. Preference Shares (Significant unobservable input being the average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 5.06 Crore or increase by ₹ 5.29 Crore (as at 31st March 2021: decrease by ₹ 5.39 Crore or increase by ₹ 5.12 Crore).

C. Financial Services Business

(i) Financial Assets related to Insurance Business

Particulars	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of the Input to the Fair Value (₹ Crore)
As on 31st March, 2022				
Private Equity Investment Funds	Price to Book Value Method	(Valuation at 10% discount compare to peer group)	0.45-0.55	19.88
As on 31st March, 2021				
Private Equity Investment Funds	Price to Book Value Method	(Valuation at 10% discount compare to peer group)	0.45-0.55	19.05

(ii) Financial Assets related to Other Business of ABCL as at 31st March 2022

₹ in Crore

Financial Assets	31st March, 2022		31st March, 2021	
	Favourable changes (+10%)	Unfavourable changes (-10%)	Favourable changes (+10%)	Unfavourable changes (-10%)
Equity Shares	0.24	(0.24)	0.21	(0.21)
Preference Shares	-	-	-	-
Others (Security Receipts, Alternate Funds, etc.)	19.10	(19.10)	23.84	(23.84)

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4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ in Crore

Particulars	31st March 2022	31st March 2021
Opening Balances	**2,205.35**	**2,110.52**
Add: Purchase of Investments during the year	149.57	177.34
Add: Fair Value gain recognised in Other Income in the Statement of Profit and Loss	46.90	51.46
Add: Fair value loss recognised in OCI	54.48	147.44
Less: Movement in Other Current Asset of Insurance Business	(286.09)	(2.66)
Add: Movement of Re-insurance Assets	442.24	128.32
Less: Sale/(Redemption) of Investments	(252.03)	(407.07)
Closing Balances	**2,360.42**	**2,205.35**

4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

A Financial Risk Management and its Policies for Insurance Business

Risk Management Framework

Insurance Business has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks, investment risks and insurance risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter. Insurance Business also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment, and is in the process of implementing the key operational risk components.

Insurance business recognises that information is a critical business asset, and that our ability to operate effectively and succeed in a competitive market depends on our ability to ensure that business information is protected adequately through appropriate controls and proactive measures. Accordingly, Insurance business has an information security framework that ensures all the information assets are safeguarded by establishing comprehensive management processes throughout the organisation.

Insurance Business Investments Function is governed by the Investment Committee and the Asset Liability Management Committee, appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments. Asset Liability Policy and various Asset Liability Management (ALM) strategies are adopted to ensure adequate Asset Liability Management. These policies are reviewed at frequent intervals by the respective Board Committees and approved by the Board.

Insurance Business has a robust Business Continuity Framework to ensure resumption of time sensitive activities within the defined time frame at defined levels. Insurance Business is certified against ISO 22301 (Globally accepted standard on Business Continuity).

Insurance Business through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns.

ERM encompasses the following areas:

Governed by risk policies and operating guidelines approved by the Board Committee/Sub Committee of the Board

1. Risk identification
2. Risk response and risk management strategy
3. Risk monitoring, communication and reporting

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a. Risk Policies

The following risk policies govern and implement effective risk management practices:

Product Design and Pricing Policy, Underwriting and Liability Management Policy, Re-insurance Ceded Policy, Capital Management Policy, Investment Policies, Dealing Room Policy, Broker Empanelment Policy, Valuation Policy, Information Security Policies, Internet and E-mail Usage Policy, Logical Access Security Policy, External Access Security Policy, Physical Access Security Policy, Business Continuity Policy, Operational Risk Management Policy, Fraud Reporting and Investigating Policy, Asset-Liability Management Policy, Outsourcing Policy and Anti-Money Laundering Policy."

b. Capital Management Objectives and Policies

Insurance Business has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

i) To maintain the required level of stability of the Company, thereby providing a degree of security to policyholders

ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders

iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets

iv) To align the profile of assets and liabilities taking account of risks inherent in the business

v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

vi) To maintain strong credit ratings and healthy capital ratios, in order to support its business objectives and maximise shareholders value

Insurance Business has met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's Capital Management Policy for its Insurance and Non–Insurance Business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

c. Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Insurance Business is satisfactorily managing affairs for their benefits. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Company are subject to regulatory requirements within the jurisdictions in which it operates.

Insurance and Financial Risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

1. Life insurance contracts and investment contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the Insurance Company to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

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A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher by:

at least 5% of the fund value at any time during the life on the contract for unit linked products, or

at 5% of the premium at any time during the life of the contract for other than unit linked products

All other contracts are categorised as Investment Contracts.

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Company charges for death and disability risks on a quarterly basis. Under these contracts the Company has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the Company.

The main risks that the Company is exposed to are as follows:

i) **Persistency Risk –** risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

ii) **Mortality Risk –** risk of loss arising due to policyholder death experience being different than expected

iii) **Morbidity Risk –** risk of loss arising due to policyholder health experience being different than expected

iv) **Longevity Risk –** risk of loss arising due to the annuitant living longer than expected

v) **Investment Return Risk –** risk of loss arising from actual returns being different than expected

vi) **Expense Risk –** risk of loss arising from expense experience being different than expected

vii) **Product and Pricing Risk –** risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions

viii) **Reinsurance Risk –** The Company enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.

ix) **Concentration Risk –** The Company faces concentration risk by selling business to specific geography or by writing only single line business, etc.

Control Measures

The actuarial department has set up systems to continuously monitor the Company's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Company also have an investment guarantee. The Company has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Company has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Company's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favorable experience. At the present stage in the Company's development, the focus is on building new distribution and so geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Company has a Board approved risk management policy covering underwriting, claims and reserving for policy liabilities. The Company has a detailed claims processing manual in place. Complicated and large claims are referred to the Company's Claims Review Committee.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Insurance Contracts Liabilities: Change in Liabilities

₹ in Crore

Particulars	Year Ended 31st March, 2022				Year Ended 31st March, 2021			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the Year	4,820.53	20,198.66	11,852.69	36,871.88	3,528.79	16,478.86	9,142.91	29,150.56
Add/(Less)								
Premium	1,506.70	2,664.95	5,090.14	9,261.79	1,406.11	2,285.76	3,667.29	7,359.16
Unwinding of the Discount /Interest Credited	462.82	2,666.28	1,259.69	4,388.79	317.72	5,145.50	908.93	6,372.15
Insurance Liabilities Released	(253.03)	(3,787.38)	(2,008.47)	(6,048.88)	(211.87)	(3,273.45)	(1,235.96)	(4,721.28)
Others (Expense overrun, Contribution from S/H and Profit/Loss)	(263.97)	(486.83)	(468.52)	(1,219.32)	(220.22)	(438.01)	(630.48)	(1,288.71)
Gross Liability at the end of the Year	6,273.05	21,255.67	15,725.53	43,254.26	4,820.53	20,198.66	11,852.69	36,871.88
Recoverable from Reinsurance	8.71	29.48	1,218.60	1,256.79	8.73	40.36	765.46	814.55
Net Liability	**6,264.34**	**21,226.20**	**14,506.93**	**41,997.47**	**4,811.80**	**20,158.30**	**11,087.23**	**36,057.33**

Investment Contracts Liabilities

₹ in Crore

Particulars	Year Ended 31st March, 2022				Year Ended 31st March, 2021			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the Year	5,939.40	8,150.46	293.16	14,383.02	4,504.55	6,744.91	222.38	11,471.84
Additions								
Premium	1,517.67	1,195.79	164.98	2,878.44	1,408.57	909.50	97.99	2,416.06
Interest and Bonus Credited to Policyholders	239.98	697.03	28.63	965.65	239.59	1,172.09	22.09	1,433.77
Deductions								
Withdrawals/Claims	1,189.17	848.70	34.15	2,072.03	334.92	661.70	26.11	1,022.73
Fee Income and Other Expenses	4.08	11.97	1.29	17.34	6.34	15.07	1.18	22.59
Others Profit and Loss	(211.25)	(57.60)	22.16	(246.69)	(127.95)	1.74	22.01	(104.20)
Others (includes DAC, DOF and Profit/ Loss)	-	(1.95)	-	(1.95)	-	(2.47)	-	(2.47)
At the end of the Year	**6,715.05**	**9,242.17**	**429.17**	**16,386.39**	**5,939.40**	**8,150.46**	**293.16**	**14,383.02**

Reinsurance Assets

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year ended 31st March, 2021
At the beginning of the year	**814.55**	**686.23**
Add/(Less)		
Premium	498.78	292.94
Unwinding of the Discount /Interest credited	53.22	45.78
Change in Valuation for Expected Future Benefits		
Insurance Liabilities Released	(690.46)	(321.31)
Others (Experience Variations)	580.70	110.91
At the end of the year	**1,256.80**	**814.55**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Deferred Acquisition Cost

₹ in Crore

Particulars	Year Ended 31st March, 2022	Year ended 31st March, 2021
As at 1st April	**3.90**	**5.57**
Expenses Deferred	-	-
Amortisation	(1.32)	(1.67)
As at 31st March	**2.58**	**3.90**

Insurance Contracts Liabilities: Change in liabilities of Health Insurance Business

₹ in Crore

Particulars	Current Year 31st March, 2022	Previous Year 31st March, 2021
Gross Liability at the beginning of the year	610.72	390.63
Add/(Less)		
Incurred but not reported (IBNR) Provision	(5.14)	68.04
Premium Deficiency Reserve	-	-
Reserve for Unexpired Risk	194.12	213.71
Freelook Reserve	(0.03)	0.54
Gross Liability		
Recoverable from Re-insurance	(35.32)	(62.20)
Net Liability	**764.35**	**610.72**

Key Assumptions

The assumptions play vital role in calculating insurance liabilities for the Company. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (margin for adverse deviation). The Company keeps adequate MfAD, as prescribed in APS 7, issued by the Institute of Actuaries of India (IAI), in all assumptions over the best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender etc if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

i) Mortality and Morbidity Rates

Assumptions are based on historical experience and for new products based on industry/reinsurers data. An appropriate, but not excessive, allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

iii) Investment Return and Discount Rate

The weighted average rate of return is derived based on a model portfolio, that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Company, current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

iv) Expenses and Inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

v) Lapse, Surrender and Partial Withdrawal Rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience, and usually vary by product type, policy duration and sales trends.

An increase in lapse rates, early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

The best estimate assumptions that have the greatest effect on the statement of financial position and the Statement of Profit and Loss of the Company are listed below.

Portfolio Assumptions by Type of Business Impacting Net lliabilities	Mortality Rates		Investment Return		Lapse and Surrender Rates	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Insurance						
With DPF	75% - 223% of IALM2012-14	87.5% - 223% of IALM 2012-14	7.15% pa	6.95% p.a.	PY1: 10% - 25% PY2: 2% - 10% PY3 +: 1% - 2% (varying by product)	PY1: 10% - 25% PY2: 7.5% - 10% PY3 +: 2% (varying by product)
Linked Business	55% of IALM2012-14	61% of IALM2012-14	a) 9.0% pa for assets backing linked liabilities b) 6.9% pa for asset backing non-unit liabilities	a) 9.0% p.a. for assets backing linked liabilities b) 6.5% p.a. for asset backing non-unit liabilities	PY1: 10%-35% PY2: 5% - 35% PY3+: 3% -20% (varying by product and duration)	PY1: 10%-35% PY2: 5% - 25% PY3+: 3% -15% (varying by product and duration)
Others	20%-292.5% of IALM2012-14	20%-429% of IALM2012-14	6.70%-7.55% pa	6.08%-7.7% p.a.	PY1: 0%-40% PY2: 0% - 15% PY3+: 1% -12% (varying by product and duration)	PY1: 0%-40% PY2: 0% - 25% PY3+: 1% -25% (varying by product and duration)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Portfolio Assumptions by Type of Business Impacting Net Liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Insurance						
With DPF	N/A	N/A	Max 745 policy	422-645 Per policy	0.05	0.05
Linked Business	0% - 3% p.a.	0% - 3% p.a.	745 Per policy	645 Per policy	0.05	0.05
Others	N/A	N/A	Max 745 Per policy (varies by product)	Max 645 Per policy (varies by product)	0.05	0.05

*Commission scales have been allowed in accordance with the product filing with IRDA.

Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

₹ in Crore

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF
Lapses Increased by 10%	6,227.30	36,711.55	6,715.06	9,600.79	4,775.24	31,750.83	5,939.41	8,425.78
Lapses Decreased by 10%	6,320.65	37,261.89	6,715.06	9,744.72	4,867.61	32,365.57	5,939.41	8,462.78
Mortality Increased by 10%	6,306.67	37,179.46	6,715.06	9,723.16	4,845.29	32,238.56	5,939.41	8,451.30
Mortality Decreased by 10%	6,240.18	36,787.49	6,715.06	9,620.65	4,795.78	31,869.35	5,939.41	8,435.37
Expenses Increased by 10%	6,311.48	37,207.82	6,715.06	9,730.58	4,869.06	32,302.88	5,939.41	8,472.72
Expenses Decreased by 10%	6,235.14	36,757.81	6,715.06	9,612.89	4,772.34	31,803.94	5,939.41	8,420.08
Interest Rate Increased by 100 bps	6,273.04	36,781.51	6,715.06	9,961.46	4,820.52	31,928.07	5,939.41	8,621.84
Interest Rate Decreased by 100 bps	6,273.04	37,177.20	6,715.06	9,400.52	4,820.52	32,273.25	5,939.41	8,317.58
Inflation Rate Increased by 100 bps	6,319.85	37,257.15	6,715.06	9,743.48	4,892.88	32,255.39	5,939.41	8,467.98
Inflation Rate Decreased by 100 bps	6,234.15	36,751.93	6,715.06	9,611.35	4,765.17	31,731.88	5,939.41	8,426.97

Financial Risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Company is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realized or unrealized losses and increase our provisions for asset default, adversely impacting earnings.

Governance structure, in the form of Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis. The Company uses systems like MSCI Barra One to evaluate and monitor risks.

The Policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument: The settlement risk the Company is exposed to is mitigated by an adequate amount of margin money.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Industry Analysis

As on 31st March, 2022

₹ in Crore

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1 FVTOCI Financial Assets							
Policyholders							
Debt	318.04	3,068.82	-	32.34	244.59	161.79	3,825.59
Government Securities			4,295.73	19.85	-	27.70	4,343.28
Others		29.32	387.53				416.85
Shareholders							
Debt	293.06	1,175.25	-	16.75	261.99	92.59	1,839.64
Equity	-	92.82	-	-	-	-	92.82
Government Securities	-	-	1,266.54	-	-	27.70	1,294.25
Others	-	-	78.87	-	-	-	78.87
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,178.97	5,288.84	-	166.93	1,028.99	126.19	7,789.92
Equity	1,599.31	3,929.01	-	2,384.42	6,641.45	400.90	14,955.08
Government Securities	-	10.55	7,001.57	-	-	-	7,012.12
Mutual Fund Units	-	598.40	-	-	-	78.30	676.70
Others	-	502.52	1,358.06	-	36.41	(165.49)	1,731.50
Shareholders							
Debt	-	25.41	-	-	-	0.45	25.86
Equity	-	9.93	-	-	-	-	9.93
Mutual Fund Units	-	28.50	-	-	-	20.01	48.51
3 Amortised Cost Financial Assets							
Policyholders							
Debt	1,546.62	4,161.27	-	43.44	194.50	20.28	5,966.11
Government Securities	-	-	12,335.04	30.05	-	-	12,365.09
Others	-	-	977.23	-	-	-	977.23
Shareholders							-
Others						2.57	2.57
Total Credit Risk Exposure	**4,936.00**	**18,920.64**	**27,700.57**	**2,693.78**	**8,407.93**	**792.99**	**63,451.91**

As on 31st March, 2021

₹ in Crore

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1 FVOCI Financial Assets							
Policyholders							
Debt	299.15	2,815.95	-	33.15	214.74	143.98	3,506.97
Government Securities	-	-	3,434.33	20.12	-	49.31	3,503.76
Others	-	74.21	323.95	-	-	-	398.16
Shareholders							
Debt	224.04	907.80	-	17.03	178.78	92.24	1,419.89
Equity	-	106.03	-	-	-	-	106.03
Government Securities	-	-	1,033.31	-	-	28.13	1,061.44
Others	-	14.80	170.49	-	-	-	185.29

Notes

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₹ in Crore

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,278.18	4,799.87	-	224.45	1,119.28	168.83	7,590.61
Equity	1,107.22	3,395.65	-	1,726.84	5,249.98	326.20	11,805.89
Government Securities	-	10.73	7,193.58	-	-	17.80	7,222.11
Mutual Fund Units	-	499.36	-	-	-	100.09	599.45
Others	39.92	417.37	1,364.19	-	-	120.60	1,942.08
Shareholders							
Debt	-	25.97	-	-	-	-	25.97
Equity	-	103.61	-	-	-	-	103.61
Mutual Fund Units	-	1.19	-	-	-	-	1.19
Others							-
3 Amortised Cost Financial Assets							
Policyholders							
Debt	1,483.26	3,915.64	-	43.89	208.51	20.28	5,671.58
Government Securities	-	-	9,170.46	30.05	-	-	9,200.51
Others	-	9.70	750.15	-	-	-	759.85
Total Credit Risk Exposure	**4,431.77**	**17,097.88**	**23,440.46**	**2,095.53**	**6,971.29**	**1,067.46**	**55,104.40**

Credit exposure by credit rating

As on 31st March, 2022

₹ in Crore

Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1 FVOCI Financial Assets								
Policyholders								
Debt			3,494.73	68.00		254.64	8.22	3,825.59
Government Securities		4,295.72	47.55					4,343.27
Others	5.31	387.53	24.02					416.86
Shareholders								-
Debt			1,288.45	61.99	72.83	390.01	26.36	1,839.64
Equity	92.82							92.82
Government Securities		1,266.54	27.70					1,294.24
Others		78.87						78.87
2 Financial Assets at FVTPL								
Policyholders								
Debt			6,734.46	564.46	57.72	429.40	3.87	7,789.91
Equity	14,606.70		314.23	16.73	-	17.42	-	14,955.08
Government Securities		7,001.57	10.55					7,012.12
Mutual Fund Units	598.40						78.30	676.70
Others	41.00	1,358.06	497.93				(165.49)	1,731.50
Shareholders								
Debt			25.41				0.45	25.86
Equity	-			5.58		4.36		9.94
Mutual Fund Units	-	-	-	-	-	-	48.51	48.51
3 Amortised Cost Financial Assets								
Policyholders								
Debt	-	-	5,531.46	210.27	20.90	179.39	24.09	5,966.11
Government Securities	-	12,335.04	30.05	-	-	-	-	12,365.09
Others	-	977.23	-	-	-	-	2.57	979.80
Total Credit Risk Exposure	**15,344.23**	**27,700.56**	**18,026.54**	**927.03**	**151.45**	**1,275.21**	**26.88**	**63,451.91**

Notes
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As on 31st March, 2021

₹ in Crore

Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1 FVOCI Financial Assets								
Policyholders								
Debt	-	-	3,229.16	21.40	-	242.22	14.19	3,506.97
Government Securities	-	3,434.33	69.43	-	-	-	-	3,503.76
Others	6.29	323.95	67.92	-	-	-	-	398.16
Shareholders								
Debt	-	-	970.19	29.51	101.60	267.23	51.36	1,419.89
Equity	106.03	-	-	-	-	-	-	106.03
Government Securities	-	1,033.31	28.13	-	-	-	-	1,061.44
Others	-	170.49	14.80	-	-	-	-	185.29
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,515.00	164.64	122.73	768.45	19.79	7,590.61
Equity	11,520.70	-	134.12	69.79	-	81.28	-	11,805.89
Government Securities	-	7,193.59	28.53	-	-	-	-	7,222.11
Mutual Fund Units	499.36	-	-	-	-	-	100.09	599.45
Others	20.19	1,364.19	437.11	-	-	-	120.60	1,942.09
Shareholders								
Debt	-	-	25.97	-	-	-	-	25.97
Equity	-	-	-	53.52	-	50.09	-	103.61
Mutual Fund Units	-	-	-	-	-	-	1.19	1.19
3 Amortised Cost Financial Assets								-
Policyholders								
Debt	-	-	5,248.77	115.26	25.02	222.82	59.71	5,671.58
Government Securities	-	9,170.46	30.05	-	-	-	-	9,200.51
Others	-	750.15	9.70	-	-	-	-	759.85
Total Credit Risk Exposure	**12,152.57**	**23,440.46**	**16,808.88**	**454.12**	**249.35**	**1,632.10**	**366.93**	**55,104.40**

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables the Management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories, and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

The Company manages its product mix to ensure that there is no significant concentration of credit risk.

Expected Credit Loss

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are measured at amortised cost; and

b) Financial assets (debt) that are measured as at FVTOCI.

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives).

Notes

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The credit rating, provided by the external rating agencies, has been considered while assigning PD for each individual company, the PD for each rating category is as under:

Credit Rating	Default Rate
Gsec	0
State	0
AAA	0.03
AAA (so)	0.03
AA	0.5
AA (so)	0.5
AA+	0.5
A+	0.74
AA-	0.74

ECL allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss (P&L).

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

ECL allowance computed, basis above, during the period under consideration is as follows:

₹ in Crore

Movement of Allowances	Year Ended 31st March, 2022	Year ended 31st March, 2021
Financial Assets		
As at 1st April	**8.93**	**14.33**
Provided during the year	1.41	0.35
Amounts Written off	(0.19)	(5.75)
As at 31st March	**10.15**	**8.93**

Liquidity Risk

Liquidity risk is the possibility that the Company will not be able to fund all cash outflow commitments as they fall due. The Company's primary funding obligations arise in connection with the payment of policyholder benefits sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of a company's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Company ensures that it is properly funded and maintain adequate liquidity to meet obligations. Based on the Company's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in form of the ALM Committee, and well defined Asset-Liability Management framework require periodic monitoring of the Asset-Liability position of the Company. BSLI's Asset-Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio. Further, the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

Maturity Profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand, and are included in the up-to-a-year column. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

The group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

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The group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected utilisation or settlement of assets and liabilities.

Maturity Analysis on Expected Maturity Bases

As on 31st March, 2022

Particulars	Less Than 12 Months	More than 12 Months	Total
Financial Liabilites			
Other Financial Liabilities	1,492.11	0.61	1,492.72
Trade and Other Payables	491.39	-	491.39

As on 31st March, 2021

Particulars	Less Than 12 Months	More than 12 Months	Total
Financial Liabilites			
Other Financial Liabilities	1,330.24	-	1,330.24
Trade and Other Payables	430.40	-	430.40

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. The Group has investment policy in place, which deals with guidelines for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Group issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

₹ In Crore

Market indices	Change in Interest Rate	As at 31st March, 2022		As at 31st March, 2021	
		Impact on Profit Before Tax	Impact on Equity*	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point down	-	135.76	26.51	20.21
	50 Basis Point down	-	271.52	53.03	40.43
	25 Basis Point Up	-	(135.76)	(26.51)	(20.21)
	50 Basis Point Up	-	(271.52)	(53.03)	(40.43)

* Shock only on Interest Rate given(FVOCI)) and hence no impact on Equity considered

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Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors, including general capital market conditions, underlying fund performance, policyholder behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices, i.e.; BSE 100 with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the Statement of Profit and Loss) and equity (that reflects changes in fair value of FVTPL financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

₹ In Crore

Market indices	Change in Variables	As at 31st March, 2022		As at 31st March, 2021	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
BSE 100	10% rise	193.54	202.82	0.13	3.02
	10% fall	(193.54)	(202.82)	(0.13)	(3.02)

Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

Operational risks are governed through Operational Risk Management policy. The Group maintains an operational loss database to track and mitigate risks resulting in financial losses. The Group has also initiated a Risk Control and Self Assessment process to embed the control testing as a part of day- to- day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions.

The Group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business / technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to the Group.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc.; which can cause damage to finances or reputation. Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001:2013, which is a global benchmark. The Group has a comprehensive Information Security policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008, and Notification dated 11th April, 2011, on protection of sensitive personal information, and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee, and is governed by the Fraud Reporting and Investigation Policy.

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Nature and Term of Outstanding Derivative Contracts

a) Forward Rate Agreements

₹ in Crore

	Particulars	As at 31st March, 2022	As at 31st March, 2021
i)	**Total notional principal amount of forward rate agreement undertaken during the year (Instrument-wise)**		
	7.40% GOI 2035 (MD 09/09/2035)	-	73.81
	7.62% GOI 2039 (MD 15/09/2039)	-	327.02
	7.73% GOI 2034 (MD 19/12/2034)	67.10	170.24
	7.95% GOI 2032 (28.08.2032)	-	390.25
	8.13% GOI 2045 (MD 22/06/2045)	107.26	49.35
	8.24% GOI 2033 (MD 10/11/2033)	-	82.15
	8.28% GOI (MD 15/02/2032)	-	50.21
	8.30% GOI 2040 (MD 02/07/2040)	50.68	26.97
	8.30% GOI 2042 (MD 31/12/2042)	99.31	78.73
	8.32% GOI (MD 02/08/2032)	-	135.85
	8.33% GOI 2036 (07/06/2036)	269.73	199.61
	8.83% GOI 2041 (MD 12/12/2041)	171.17	24.47
	9.20% GOI 2030 (MD 30/09/2030)	-	30.00
	9.23% GOI 2043 (MD 23/12/2043)	71.87	34.08
	8.17% GOI 2044 (MD 01/12/2044)	79.79	30.05
	7.06% GOI 2046 (MD 10/10/2046)	76.43	37.22
	7.72% GOI 2055 (MD 26/10/2055)	164.51	-
	7.63% GOI 2059 (MD 17/06/2059)	68.09	-
	6.67% GOI 2050 (MD 17/12/2050)	187.26	-
	6.64% GOI 2035 (MD 16/06/2035)	291.70	-
	6.76% GOI 2061 (MD 22/02/2061)	78.07	-
	7.50% GOI 2034 (10.08.2034)	47.49	-
	6.99% GOI 2051 (MD 15/12/2051)	55.94	-
	6.67% GOI 2035 (MD 15/12/2035)	38.22	-
ii)	**Total notional principal amount of forward rate agreement outstanding as on end of the year (Instrument-wise)**		
	7.40% GOI 2035 (MD 09/09/2035)	91.24	162.07
	7.62% GOI 2039 (MD 15/09/2039)	403.08	437.44
	7.73% GOI 2034 (MD 19/12/2034)	251.92	244.18
	7.95% GOI 2032 (28.08.2032)	263.37	321.23
	8.13% GOI 2045 (MD 22/06/2045)	156.61	49.35
	8.24% GOI 2033 (MD 10/11/2033)	127.42	170.69
	8.28% GOI (MD 15/02/2032)	50.21	50.21
	8.30% GOI 2040 (MD 02/07/2040)	77.65	26.97
	8.30% GOI 2042 (MD 31/12/2042)	267.71	195.43
	8.32% GOI (MD 02/08/2032)	135.85	141.55
	8.83% GOI 2041 (MD 12/12/2041)	230.36	73.39
	8.97% GOI 2030 (MD 05/12/2030)	26.64	75.44
	9.20% GOI 2030 (MD 30/09/2030)	327.74	450.81

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₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
9.23% GOI 2043 (MD 23/12/2043)	95.73	28.28
8.17% GOI 2044 (MD 01/12/2044)	109.84	30.05
7.06% GOI 2046 (MD 10/10/2046)	113.65	37.22
7.63% GOI 2059 (MD 17/06/2059)	68.09	-
7.72% GOI 2055 (MD 26/10/2055)	164.51	-
6.67% GOI 2050 (MD 17/12/2050)	187.27	-
6.76% GOI 2061 (MD 22/02/2061)	78.07	-
6.64% GOI 2035 (MD 16/06/2035)	291.70	-
6.99% GOI 2051 (MD 15/12/2051)	55.94	-
7.50% GOI 2034 (10.08.2034)	47.49	-
6.67% GOI 2035 (MD 15/12/2035)	38.22	-

b) The fair value mark- to- market (MTM) gains or losses in respect of Forward Rate Agreement outstanding as at the Balance Sheet date is stated below:

₹ in Crore

Hedging Instrument	As at 31st March, 2022	As at 31st March, 2021
7.40% GOI 2035 (MD 09/09/2035)	0.96	4.40
7.62% GOI 2039 (MD 15/09/2039)	(14.70)	(6.80)
7.73% GOI 2034 (MD 19/12/2034)	(2.27)	3.35
7.95% GOI 2032 (28.08.2032)	1.01	2.04
8.13% GOI 2045 (MD 22/06/2045)	(3.84)	(0.78)
8.24% GOI 2033 (MD 10/11/2033)	2.49	4.08
8.28% GOI (MD 15/02/2032)	2.67	2.25
8.30% GOI 2040 (MD 02/07/2040)	(1.43)	0.04
8.30% GOI 2042 (MD 31/12/2042)	(6.17)	(0.16)
8.32% GOI (MD 02/08/2032)	3.91	3.69
8.33% GOI 2036 (07/06/2036)	(7.61)	(0.70)
8.83% GOI 2041 (MD 12/12/2041)	(1.71)	1.31
8.97% GOI 2030 (MD 05/12/2030)	0.66	2.74
9.20% GOI 2030 (MD 30/09/2030)	4.70	7.78
9.23% GOI 2043 (MD 23/12/2043)	0.49	1.65
8.17% GOI 2044 (MD 01/12/2044)	(3.43)	(0.68)
7.06% GOI 2046 (MD 10/10/2046)	(1.84)	(0.43)
7.63% GOI 2059 (MD 17/06/2059)	(3.27)	-
7.72% GOI 2055 (MD 26/10/2055)	(4.00)	-
6.67% GOI 2050 (MD 17/12/2050)	(3.92)	-
6.76% GOI 2061 (MD 22/02/2061)	0.33	-
6.64% GOI 2035 (MD 16/06/2035)	(6.25)	-
6.99% GOI 2051 (MD 15/12/2051)	(0.63)	-
7.50% GOI 2034 (10.08.2034)	(0.22)	-
6.67% GOI 2035 (MD 15/12/2035)	0.09	-

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c) Movement in Hedge Reserve

₹ In Crore

Hedge Reserve Account	As at 31st March, 2022		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(34.67)	(79.27)	(113.94)
ii) Add: Changes in the Fair Value during the year and	(28.46)	53.42	24.96
iii) Less: Amounts reclassified to Revenue / Profit & Loss Account	(4.02)	-	(4.02)

₹ In Crore

Hedge Reserve Account	As at 31st March, 2021		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	0.32	(44.29)	(43.97)
ii) Add: Changes in the Fair Value during the year and	(34.67)	(33.30)	(67.97)
iii) Less: Amounts reclassified to Revenue / Profit & Loss Account	(2.00)	-	(2.00)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i) Name of the Counter party	HSBC Bank/ J.P.Morgan/ Citi Bank/ Credit Suisse/ HDFC Bank	J.P.Morgan/ Citi Bank/ HSBC Bank
ii) Hedge Designation	Cash Flow Hedge	Cash Flow Hedge
iii) Likely impact of one percentage change in interest rate (100*PV01)"		
a) Underlying being hedged	Sovereign Bonds	Sovereign Bonds
b) Derivative	Forward Rate Agreement	Forward Rate Agreement

Capital Management Objectives and Policies

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

i) To maintain the required level of stability of the Group thereby providing a degree of security to policyholders

ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders

iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets

iv) To align the profile of assets and liabilities taking account of risks inherent in the business

v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

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Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.

B. Financial Risk Management and its Policies for NBFC and HFC Businesses

Credit Risk

Credit risk is the risk that the NBFC and HFC will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The NBFC and HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC and HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC and HFC to assess the potential loss, as a result of the risks to which it is exposed and take corrective action.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

The NBFC and HFC by way of loan sanction letter and other loan securing documents agrees with its customers on collateral security to be provided by the customers in secured loan exposures that are subject to credit risk. Collateral security enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations.

Collateral security accepted could be in the form of:

a) Financial collateral in the form of pledge of equity shares, units of mutual funds, assignment of life insurance policies;

b) Current assets in the form of inventories meant for sale or receivables arising out of the sale of finished goods;

c) Fixed asset (in the form of immovable properties – real estate, Plant and Machinery, Equipment);

d) Third-party obligation (in the form of Irrevocable Unconditional Guarantee issued by Bank, Third party);

e) Risk participation from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE); and

f) Assignment of borrower's rights and interests under agreements with third parties.

In addition, we also stipulates escrow of cash flows and a Debt Service Reserve Account (DSRA) for project loans. Collateral serves to mitigate the inherent risk of credit loss in an exposure, by either improving recoveries in the event of a default or substituting the borrower.

As part of the assessment of a credit transaction the availability, adequacy and suitability of collateral for the transaction is evaluated and decided upon. The processes includes verification of the title to the collateral offered and valuation by technical experts where warranted. We accept as collateral only securities of good quality and have in place legally effective and enforceable documentation.

For guarantee's taken, the guarantor's creditworthiness is assessed during the credit assessment process of the transaction. We have collateral type specific haircuts in place which are reviewed at intervals as appropriate to the type of collateral.

The NBFC and HFC recognises that collateral can be a credit mitigant (alternative source of repayment), but does not replace or dilute the underwriting standards the company adopts to underwrite credit exposures.

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Liquidity risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC and HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Assets-Liabilities Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial liabilities as at 31st March, 2022.

Financial Liabilities

₹ in Crore

As at 31st March, 2022	Within 12 Months	After 12 Months	Total
Trade and Other Payables	255.03	-	255.03
Other Financial Liabilities	1,324.49	124.05	1,448.54
Borrowing & Debt Securities	21,347.02	39,894.61	61,241.63
Total	**22,926.54**	**40,018.66**	**62,945.20**

Financial Liabilities

₹ in Crore

As at 31st March, 2021	Within 12 Months	After 12 Months	Total
Trade and Other Payables	136.08	-	136.08
Other Financial Liabilities	415.44	33.71	449.15
Borrowing & Debt Securities	19,315.03	39,576.12	58,891.15
Total	**19,866.55**	**39,609.83**	**59,476.38**

Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial liabilities held at 31st March, 2022 and 31st March, 2021.

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Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has borrowings which are primarily at floating rate of interest and hence the Company is not significantly exposed to Interest Rate Risk.

Interest Rate Sensitivity

Since the Company manages its interest rate risk on borrowings by ensuring, at maximum, its long-term borrowings at floating rate of interest and in case of reduction in interest rate, it initiates negotiations with bankers for realigning the interest rate and/or repaying the high interest rate exposures, the interest rate change in market as such doesn't affect the Company's profitability materially.

₹ in Crore

Market Indices	Change in Interest rate	31st March, 2022		31st March, 2021	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point Down	62.63	46.67	52.59	39.24
	50 Basis Point Down	125.27	93.35	105.18	78.49
	25 Basis Point Up	(62.63)	(46.67)	(52.59)	(39.24)
	50 Basis Point Up	(125.27)	(93.35)	(105.18)	(78.49)

Capital Management Objectives and Policies

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, the Group being a Non Banking Finance Group has to maintain 15% of capital adequacy ratio of NBFC business and 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under:

Particulars	31st March, 2022	31st March, 2021
Capital Adequacy Ratio of NBFC	21.77%	22.70%
Capital Adequacy Ratio of HFC	23.94%	21.73%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March,21.

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Derivative Financial Instruments of NBFC and HFC Business

Aditya Birla Housing Finance Limited

1 Nature and Term of Outstanding Derivative Contracts:

a) Cross Currency Interest Rate Swaps (CCIRS)

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
i) Total notional principal amount of CCIRS agreement undertaken during the Year	354.45	354.45
ii) Total notional principal amount of CCIRS agreement outstanding as on end of the Year	354.45	354.45
iii) Maturity Date of CCIRS	30th October, 2022	30th October, 2022
iv) Hedge Ratio	1:1	1:1
v) Currency Pair	USD/INR	USD/INR

b) The fair value mark to market (MTM) gains or losses in respect of CCIRS Agreement outstanding as at the Balance Sheet date is stated below:

₹ in Crore

Hedging Instrument	As at 31st March, 2022	As at 31st March, 2021
CCIRS	14.20	(3.07)

c) Movement in Hedge Reserve

₹ in Crore

Cash Flow Hedge Reserve Account	Realised	Unrealised	Total
As at 31st March, 2022			
i) Balance at the beginning of the Year	-	(12.05)	(12.05)
ii) Add: Changes in the fair value during the Year	22.29	17.22	39.51
iii) Less: Amounts reclassified to profit or loss	22.29	11.83	34.12
iv) Balance at the end of the Year	**-**	**(6.65)**	**(6.65)**
As at 31st March, 2021			
i) Balance at the beginning of the Year	-	(9.79)	(9.79)
ii) Add: Changes in the fair value during the Year	20.23	(13.77)	6.45
iii) Less: Amounts reclassified to profit or loss	20.23	(11.51)	8.71
iv) Balance at the end of the Year	**-**	**(12.05)**	**(12.05)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
i) Name of the Counter Party	State Bank of India	State Bank of India
ii) Hedge Designation	Effective	Effective
iii) Exchange Rate (USD/INR)	70.89	70.89
iv) Interest Rate (p.a.)	7.79%	7.79%

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Aditya Birla Finance Limited

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in Crore

Particulars	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
As at 31st March, 2022			
Part I			
(i) Cross Currency Interest Rate Swaps	1,413.68	-	77.71
(ii) INR Interest Rate swaps	250.00	0.19	0.28
(iii) Currency forward	0.08	-	0.01
Total	**1,663.76**	**0.19**	**78.00**
Part II			
(i) Cash Flow Hedging			
- Interest Rate derivatives	250.00	0.19	0.28
- Cross Currency Interest Rate Swaps	1,413.68	-	77.71
- Currency Forward	0.08	-	0.01
Total	**1,663.76**	**0.19**	**78.00**
As at 31st March, 2021			
Part I			
(i) Cross Currency Interest Rate Swaps	1,463.68	-	30.63
(ii) Currency forward	0.36	-	0.01
Total	**1,464.04**	**-**	**30.64**
Part II			
(i) Cash Flow Hedging			
- Cross Currency Interest Rate Swaps	1,463.68	-	30.63
- Currency Forward	0.36	-	0.01
Total	**1,464.04**	**-**	**30.64**

Note a): Hedging Activities and Derivatives

The Company is exposed to certain risks relating to its external commercial borrowings. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

Note b): Derivatives Designated as Hedging Instruments

Cash Flow Hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 1,463.68 Crore. Interest on the borrowings is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowings as per table below to cash outflows in INR with a notional amount of ₹ 1,463.68 Crore at fixed interest rate.

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Name of Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate type	Notional Amount of swap (₹)	Interest Rate Swap type
As at 31 March, 2022				
JPY Denominated (in JPY Crore) (Maturity range: September 2022 to February 2023)	1,893.66	Floating Rate Interest	1,240.90	Fixed Rate Interest
USD Denominated (in USD Crore) (Maturity March 2023)	3.00	6M USD Libor + 120 bps	222.78	Fixed Rate Interest
	1,896.66		**1,463.68**	
As at 31 March, 2021				
JPY Denominated (in JPY Crore) (Maturity range: September 2022 to February 2023)	1,893.66	Floating Rate Interest	1,240.90	Fixed Rate Interest
USD Denominated (in USD Crore) (Maturity March 2023)	3.00	6M USD Libor + 120 bps	222.78	Fixed Rate Interest
Total	**1,896.66**		**1,463.68**	

There is an economic relationship between the hedged item and the hedging instrument, as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The impact of the hedging instruments on the balance sheet is, as follows:

₹ in Crore

Particulars	Notional Amounts	Carrying Amount	Line item in the Statement of Financial position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March, 2022				
Cross Currency Interest Rate Swaps	1,413.68	(77.71)	Derivative Liability	(35.19)
Currency Forward	0.08	(0.01)	Derivative Liability	0.01
Interest Rate Swaps	250.00	0.09	Derivative Liability	0.09
Total	**1,663.76**	**(77.62)**		**(35.09)**
As at 31st March, 2021				
Cross Currency Interest Rate Swaps	1,463.68	30.53	Derivative Liability	(12.66)
Currency Forward	0.36	0.01	Derivative Liability	(0.01)
Total	**1,464.04**	**30.54**		**(12.66)**

₹ in Crore

Particulars	Notional Amounts	Accumulated fair value adjustment - Liability	Line item in the Statement of Financial position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March, 2022				
Fixed Rate NCD	250.00	(0.03)	Derivative financial instruments	(0.03)
Total	**250.00**	**(0.03)**		**(0.03)**
As at 31st March, 2021				
Fixed Rate NCD	-	-	Derivative financial instruments	-
Total	**-**	**-**		**-**

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The Impact of Hedged Items on the Balance Sheet is, as follows:

₹ in Crore

Particulars	Change in Fair Value Used for Measuring Ineffectiveness for the Year	Cash Flow Hedge Reserve as at end of the Year
As at 31st March, 2022		
Cross Currency Interest Rate Swaps	54.48	(5.70)
Total	**54.48**	**(5.70)**
As at 31st March, 2021		
Cross Currency Interest Rate Swaps	(12.66)	(25.00)
Total	**(12.66)**	**(25.00)**

₹ in Crore

Particulars	Total Hedging Gain / (Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss
As at 31 March, 2022		
Foreign Currency Denominated Floating Rate Borrowing	19.30	-
Total	**19.30**	**-**
As at 31 March, 2021		
Foreign Currency Denominated Floating Rate Borrowing	(12.66)	-
Total	**(12.66)**	**-**

Note c): Movements in cash flow hedging reserve

₹ in Crore

Particulars	Cash Flow Hedging Reserve	
	As at 31 March, 2022	As at 31 March, 2021
As at 1st April	**(25.00)**	**(12.34)**
Add/Less: Changes in Fair Value	25.79	(16.91)
Add/Less: Deferred Tax	(6.49)	4.26
As at 31st March	**(5.70)**	**(25.00)**

Note d): The following table shows the maturity profile of hedging derivatives based on their notional amounts.

₹ in Crore

Particulars	0 to 12 Months	1 to 5 Years	Total
As at 31st March, 2022			
(i) Cross Currency Interest Rate Swaps	1,413.68	-	1,413.68
(ii) Currency Forward	0.08	-	0.08
(iii) Interest Rate Swaps	-	250.00	250.00
Total	**1,413.76**	**250.00**	**1,663.76**
As at 31st March, 2021			
(i) Cross Currency Interest Rate Swaps	-	1,463.68	1,463.68
(ii) Currency Forward	0.36	-	0.36
Total	**0.36**	**1,463.68**	**1,464.04**

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ECL Risk

Impairment Assessment

The ECL model credit loss provisioning approach has now moved from incurred model. This forces entity to understand the significance of credit risk and its movement since its initial recognition. This model ensures (a) timely recognition of ECLs (b) assessment of significant increase in credit risk which will provide better disclosure and (c) ascertainment of better business ratios.

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of Significant Accounting Policies.

- An explanation of the Group's internal grading system (Note 'Definition of default and cure' below)
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default) (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' below)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' below)
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping financial assets measured on a collective basis' below)

Definition of Default and Cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month."

The Group's Internal Rating and PD Estimation Process

a. Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/ portfolio pool – (eligible customers for Ratings) and used extensively in internal decision-making.

b. It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per ABFL's internal credit rating model or valid/live external rating.

Probability of Default (PD)

PD is calculated basis likelihood that the borrower will default within one year horizon(Basis for Stage 1), For Stage 2 – it is defined as significant increase in credit risk and probability is defined as borrower's probability to default in lifetime.

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Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e. the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, its value, borrower rating and the expected proceeds from the sale (e.g. sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

Significant Increase in Credit Risk

a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.

b. Further, for large borrowers after assessing the following Risks in totality and deterioration in each factor, it is then assessed whether there is a significant increase in credit risk

    i. Industry Risk

    ii. Business Risk

    iii. Management Risk

    iv. Financial Risk

    v. Banking Conduct and Facility level Conduct.

c. Significant increase in credit risk is also gauged through Credit Rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e. lender of money) on a particular issue or type of instrument (i.e. a domestic or foreign currency: short or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument. i.e. rating signifies the risk of default of the borrower that is rated.

Grouping Financial Assets Measured on a Collective Basis

The Group calculates ECLs either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

1. Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

1. Retail Portfolio

The ECL methodology allows for individual assessment for corporates and therefore these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogenous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile etc.

Analysis of Risk Concentration

Concentration analysis are presented for portfolio pool, location, top borrower exposures, Group exposures etc. These are regularly analysed and presented for further review/action.

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C. Financial Risk Management Objectives for Other Businesses:

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, investments, and cash and cash equivalents that arises directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps that are entered to hedge foreign currency risk exposure, interest rate swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Group is exposed to and their management are given below:

Risks	Exposure Arising From	Measurement	Management
Market Risk:			
- Foreign Exchange Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts and currency swaps
- Interest Rate Risk	Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate swaps Portfolio Diversification and Duration Management for Mutual Fund Schemes
- Equity Price Risk	Investments (other than Subsidiaries, Joint Ventures and Associates which are carried at cost)	Financial Performance of the Investee Companies and its price in equity market	Investments are long term in nature and in Companies with sound management with leadership positions in their respective businesses
Credit Risk	Trade Receivables, Investments, Derivative Financial Instruments, ICDs	Ageing Analysis, Credit Rating, Counter party Credit Evaluation	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts, Long Range Business Forecast	Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities
Commodity Price Risks	Movement in prices of commodities mainly Imported Thermal Coal and Pet Coke	Sensitivity Analysis, Commodity Price Tracking	Commodity Fixed Prices Swaps/ Options

The Management updates the Audit Committee on a quarterly basis about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Group on periodical basis about various risks to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

1. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates

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relates to import of fuels, raw materials and spare parts, plant and equipment, exports, foreign currency borrowings and the Group's net investments in foreign subsidiaries/joint ventures.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

(i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31st March 2022 are not denominated in Indian Rupees. The sensitivities do not take into account the Group's sales and costs and the results of the sensitivities could change due to other factors, such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

Effect as 31st March, 2022

₹ in Crore

	USD	EUR	GBP	JPY	CAD	CNY/CNH	SEK	AUD	CHF	Others*	Total
Effect of 5% Strengthening of INR											
On Profit	(36.07)	20.85	(1.91)	35.23	(2.04)	0.00	33.01	0.17	0.02	0.01	49.27
On Equity	(4.15)	(0.46)	(1.22)	-	-	-	1.24	-	(0.10)	0.01	(4.68)
Effect of 5% Diminishing of INR											
On Profit	36.07	(20.85)	1.91	(35.23)	2.04	(0.00)	(33.01)	(0.17)	(0.02)	(0.01)	(49.27)
On Equity	4.15	0.46	1.22	-	-	-	(1.24)	-	0.10	(0.01)	4.68

* Others represents currency in Bangladeshi Taka, Kuwaiti Dinar, Sri Lankan Rupees, Mozambique New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

Effect as 31st March, 2021

₹ in Crore

	USD	EUR	GBP	JPY	CAD	CNY/CNH	SEK	AUD	Others*	Total
Effect of 5% Strengthening of INR										
On Profit	(78.60)	1.82	(1.50)	0.41	(2.03)	(5.40)	0.04	6.75	0.01	(78.50)
On Equity	(14.22)	(0.34)	(1.01)	-	-	-	-	1.02	0.01	(14.54)
Effect of 5% Diminishing of INR										
On Profit	78.60	(1.82)	1.50	(0.41)	2.03	5.40	(0.04)	(6.75)	(0.01)	78.50
On Equity	14.22	0.34	1.01	-	-	-	-	(1.02)	(0.01)	14.54

* Others represents currency in Bangladeshi Taka, Kuwaiti Dinar, Mozambique New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

(ii) Hedging Activities and Derivatives:

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Group reports periodically to its Risk Management Committee, the foreign exchange risks and compliance of the policies to manage its foreign exchange risk.

The Group has taken foreign currency floating rate borrowings, which are linked to LIBOR. For managing the foreign currency risk and interest rate risk, arising from changes in LIBOR on such borrowings, the Group has entered into Cross Currency Interest Rate Swap (CCIRS) for the entire loan liability. Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency.

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The Group assesses hedge effectiveness based on the following criteria:

(i) an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk; and

(iii) assessment of the hedge ratio.

The Group designates the forward exchange contracts to hedge its currency risk, and generally applies a hedge ratio of 1:1. The Group's policy is to match the tenor of the forward exchange contracts with the hedged item.

(a) Cash Flow Hedge

Details of Foreign Exchange Forward Contracts and Interest Rate and Cross Currency Swap Outstanding as on 31st March, 2022

Sr. No.	Type of Hedges and Risks	Foreign Currency Amount (in Crore)		Weighted Average Foreign Exchange Rate		Nominal Value (₹ in Crore)		Carrying Amount of Hedging Instrument (₹ in Crore)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	Foreign Exchange Risk								
1)	**Foreign exchange forward contracts Outstanding as on 31st March 2022**								
a	USD	1.08	1.07	73.48	76.99	79.71	82.38	0.43	(0.14)
b	EUR	0.16	0.27	87.88	87.44	14.06	23.61	(0.53)	(0.53)
c	AUD	0.44	-	58.34	-	25.67	-	0.12	-
d	GBP	-	0.24	-	105.92		25.42	-	(0.62)
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March 2022**								
a	USD *	0.01		76.68		0.60		0.54	1.31
3)	**Currency Options Outstanding as on 31st March 2022**								
a	USD								-

* It has been repaid on 31st August 2021

Details of Foreign Exchange Forward Contracts and Interest Rate and Cross Currency Swap Outstanding as on 31st March, 2021

Sr. No.	Type of Hedges and Risks	Foreign Currency Amount (in Crore)		Weighted Average Foreign Exchange Rate		Nominal Value (₹ in Crore)		Carrying Amount of Hedging Instrument (₹ in Crore)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	Foreign Exchange Risk								
1)	**Foreign exchange forward contracts Outstanding as on 31st March 2021**								
a	USD	0.45	0.67	74.38	74.51	33.68	49.62	0.03	(0.23)
b	EUR	0.33	0.09	92.53	89.77	30.11	8.22	(1.19)	(0.29)
c	CNH	0.59	0.00	11.40	1.00	6.74	0.00	(0.11)	0.00
d	SEK	-	0.04	-	81.06	-	3.32	-	0.04
e	AUD	0.44	-	58.57	-	25.90	-	(0.09)	-
f	GBP	-	0.22	-	102.59	-	22.22	-	0.22
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March 2021**								
a	USD	8.32		65.20		542.44		68.90	-
3)	**Currency Options Outstanding as on 31st March 2021**								
a	USD	20.00		72.50		1,450.00		27.83	-

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Interest Rates Outstanding on Receive Floating and Pay Fix Contracts:

Particulars	As at	Average Contracted Fixed Interest Rates*	Nominal Amount USD Crore	Fair Value Assets (Liabilities) (₹ in Crore)
0 to 2 years	31st March, 2022	1.04%	7.00	(0.34)
0 to 2 years	31st March, 2021	5.36%	14.32	(21.51)

Cross Currency and Interest Rate Swaps:

Particulars	As at	Average Contracted Fixed Interest Rates*	Average Exchange Rate (USD/INR)	Nominal Amount USD Crore	Fair Value Assets/ (Liabilities) (₹ in Crore)
0 to 2 years	31st March, 2022	-	-	-	-
0 to 2 years	31st March, 2021	7.84%	67.53	7.32	36.86

Currency Options:

Particulars	As at	Average Exchange Rate (USD/INR)	Nominal Amount USD Crore	Fair Value Assets/ (Liabilities) (₹ in Crore)
0 to 2 years	31st March, 2022	72.52	20.00	396.68
0 to 2 years	31st March, 2021	72.52	20.00	345.78

*Includes weighted average rate for Cross Currency Interest Rate Swaps, Principal Only Swap and Coupon Swaps.

The line item in the Balance Sheet, that includes the above Hedging Instruments, is "Other Financial Assets"/"Other Financial Liabilities".

Recognition of gains/(losses) under forward exchange and interest rates swaps contracts designated under cash flows hedges:

₹ In Crore

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(Loss)	(2.26)	-	8.48	2.50

(b) Fair Value Hedge

Details of Foreign Exchange Forward Contracts Outstanding as on 31st March, 2022

Sr. No.	Type of Hedges and Risks	Foreign Currency Amount (in Crore)		Weighted Average Foreign Exchange Rate		Nominal Value (₹ in Crore)		Carrying Amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
a	USD	30.41	0.40	76.71	75.96	2,332.72	30.36	(4.59)	12.56	05-04-2022 to 30-09-2022
b	EUR	2.79	1.34	89.79	86.98	250.32	116.94	0.42	1.02	25-04-2022 to 27-09-2022
c	CHF	-	0.03	-	83.26	-	2.86	-	-	30-06-2022
d	JPY	0.50	-	0.66	-	0.33	-	-	0.02	31-05-2022
e	AUD	5.03	-	57.08	-	287.09	(0.00)	0.00	(3.79)	08-04-2022 to 24-03-2023
f	CNY/RMB/CNH	0.48	0.07	11.95	11.95	5.73	0.84	(0.00)	(0.01)	29-04-2022
g	GBP	-	0.19	-	104.50	-	20.24	0.81	-	25-04-2022 to 27-09-2022

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Details of Foreign Exchange Forward Contracts Outstanding as on 31st March, 2021

Sr. No.	Type of Hedges and Risks	Foreign Currency Amount (in Crore)		Weighted Average Foreign Exchange Rate		Nominal Value (₹ in Crore)		Carrying Amount of Hedging Instrument (₹ in Crore)		Maturity Date-Range
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
a	USD	13.51	0.42	74.75	73.76	1,009.89	30.86	(3.77)	5.24	12-04-2021 to 30-09-2021
b	EUR	0.94	0.50	91.16	76.76	85.94	38.74	0.74	2.45	12-04-2021 to 18-02-2022
c	CNH	0.66	-	11.02	-	7.25	-	0.11	0.01	30-06-2021
d	JPY	11.82	-	0.70	-	8.28	-	-	0.40	30-06-2021
e	AUD	1.26	-	57.12	-	71.88	-	-	(0.05)	15-04-2021 to 10-02-2022
f	GBP	-	0.15	-	100.41	-	15.29	(0.22)	-	20-04-2021 to 22-11-2021

2. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the prevailing market interest rates. The Group's exposure to the risk, due to changes in interest rates, relates primarily to the Group's short-term borrowings (excluding commercial papers) with floating interest rates. For all long-term borrowings in foreign currency with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate Exposure:

₹ in Crore

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Non-Interest Bearing Borrowings
INR	12,392.10	1,877.74	10,126.41	387.95
USD	3,335.29	303.59	3,031.70	-
Total as at 31st March, 2022	**15,727.39**	**2,181.33**	**13,158.11**	**387.95**
INR	21,057.50	8,797.13	11,829.51	430.86
USD	4,820.40	240.60	4,579.80	-
BHD	0.84	0.84	-	-
Total as at 31st March, 2021	**25,878.74**	**9,038.57**	**16,409.31**	**430.86**

Note: Interest rate risk hedged for Foreign Currency borrowings has been shown under Fixed Rate borrowings.

Interest Rate Sensitivities for Floating Rate Borrowings (impact of increase in 1%):

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

₹ in Crore

Particulars	31st March, 2022		31st March, 2021	
	Impact On		Impact On	
	Profit Before Tax	Equity	Profit Before Tax	Equity
INR	(18.78)	(12.22)	(87.97)	(57.23)
USD	(3.04)	(1.98)	(2.41)	(1.57)
BHD	-	-	(0.01)	(0.01)

Note: If the rate is decreased by 100 bps the Profit Before Tax will increase by an equal amount.

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The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, which is monitored on continuous basis. For foreign currency long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. These swaps are designated to hedge underlying debt obligations. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

3. Equity Price Risk

The Group is exposed to equity price risk arising from Equity Investments (other than Joint Ventures and Associates, which are carried at cost).

Equity Price Sensitivity Analysis:

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31st March, 2022, would increase/decrease by ₹ 579.20 (for the year ended 31st March, 2021 by ₹ 399.08 Crore).

4. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represents the maximum credit risk exposure.

a. Trade Receivables

Trade receivables are consisting of a large number of customers. The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

Total trade receivables as on 31st March, 2022 is ₹ 5,050.47 Crore (excluding ₹ 371.89 Crore of Insurance and NBFC/HFC Business) {31st March, 2021: ₹ 4,114.20 Crore (excluding ₹ 227.58 Crore of Insurance and NBFC/HFC Business).

Given the diverse nature of the Group's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the Group's net sales or for any of the Group's primary businesses during the current year and in the previous year. Therefore, the Group does not expect any material risk on account of non-performance by any of its counter parties.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date, wherever outstanding is for longer period and involves higher risk.

Movement of Loss Allowance:

₹ in Crore

Particulars	31st March 2022	31st March 2021
Provision at the beginning of the year:	**222.58**	**242.80**
Add: Provided during the Year	13.50	26.53
Less: Utilised during the Year	(10.96)	(11.76)
Less: Written Back during the Year	(26.22)	(0.03)
Less: Transferred to Liabilities Classified as Held for Sale	-	(33.00)
Effect of Foreign Conversion	2.91	(1.96)
Provision at the end of the year:	**201.81**	**222.58**

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b. Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparties. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/ Semi-Government Agencies/PSU Bonds/High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total non-current and current investments (excluding Investment of Insurance and NBFC/HFC Business) as on 31st March, 2022 is ₹ 23,251.83 Crore (31st March, 2021 ₹ 24,098.69 Crore).

Financial Guarantees:

The Group has given corporate guarantees of ₹ 1.70 Crore (previous year ₹ 1.70 Crore).

5. Liquidity Risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of credit facilities to meet obligations, when due. The Group's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Group's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and financial assets as on the reporting date.

₹ in Crore

As at 31st March, 2022	Less than 1 Year	1 to 5Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-term Debts)*	7,028.72	5,430.36	4,190.45	16,649.53
Trade Payables	10,638.57	-	-	10,638.57
Supplier's Credit	183.40	-	-	183.40
Interest Accrued but not Due on Borrowings	314.84	-	-	314.84
Other Financial Liabilities (excluding Derivative Liabilities)	4,927.62	48.06	2.44	4,978.12
Lease Liabilities *	193.96	725.35	854.64	1,773.95
Deferred Premium Payable *	47.95	190.94	191.20	430.09
Derivative Liabilities	22.88	-	-	22.88
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares.	10,154.58	888.38	384.88	11,427.84

* Contractual amount

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₹ in Crore

As at 31st March, 2021	Less than 1 Year	1 to 5Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-term Debts)*	8,439.57	8,171.77	9,810.35	26,421.69
Trade Payables	7,350.05	-	-	7,350.05
Interest Accrued but not Due on Borrowings	355.25	-	-	355.25
Other Financial Liabilities (excluding Derivative Liabilities)	4,091.75	11.45	0.70	4,103.90
Lease Liabilities *	188.35	763.99	937.23	1,889.57
Deferred Premium Payable *	47.82	191.14	238.95	477.91
Derivative Liabilities	15.16	2.21	-	17.37
Liquid Financial Assets				
Derivative Assets	24.60	-	-	24.60
Surplus Investments in Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares.	15,847.11	1,087.33	314.27	17,248.71

* Contractual amount

6. Commodity Price Risk Management:

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group enters into forward covers for imported coal, enter into long-term supply agreement for pet coke, identifying new sources of supply, etc. While forward covers are prevailing in the markets for coal, but in the case of pet coke no such derivative available; it has to be procured at spot prices. Additionally, processes and policies related to such risks are reviewed and controlled by the senior management and fuel requirements are monitored by the central procurement team.

4.11 CAPITAL MANAGEMENT (OTHER THAN FINANCIAL SERVICES SEGMENT) (IND AS 1)

The Group's objectives, when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders. The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Debt (Bank and Other Borrowings)	15,727.39	25,878.74
Less: Liquid Investments (Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares)	11,427.84	17,248.71
Net Debt	4,299.55	8,630.03
Owner's Equity	75,698.23	64,475.96
Net Debt to Equity	**0.06**	**0.13**

In addition the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth etc., which is maintained by the Group.

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4.12 ADDITIONAL INFORMATION DETAILS

4.12.1 Government Grants (Ind AS 20)

a) Other Operating Revenue (Note 3.1) includes incentives against capital investments received by UltraTech Cement Limited amounting to ₹ 456.43 Crore (Previous Year ₹ 233.03 Crore) under the State Investment Promotion Scheme.

b) Repairs to plant and machinery are net of subsidy received by UltraTech Cement Limited [under State Investment Promotion Scheme] ₹ 0.97 Crore (Previous Year ₹ 0.37 Crore).

c) Cost of materials consumed includes grants towards royalty expense amounting to ₹ 13.26 Crore (Previous Year ₹ 12.26 Crore).

d) Sales Tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant, and the difference between the fair value and nominal value as on the date being recognised as an income. Accordingly, an amount of ₹ 74.44 Crore (Previous Year ₹ 48.83 Crore) has been recognised as an income. Unwinding of interest is accounted as charge to the Statement of Profit and Loss. Every year, change in fair value is accounted for as an interest expense.

e) The Company has received interest-free loans in Previous Year of ₹ 15.87 Crore from a State Government, repayable in full after six years. Using prevailing market interest rate 7.45% p.a. for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 10.07 Crore. The difference of ₹ 5.80 Crore between gross proceeds and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the period of loan.

4.12.2 The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the UltraTech's wholly owned subsidiary, Gotan Lime Stone Khanij Udyog Private Limited ("GKUPL"), and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease and thereafter pass appropriate order in respect of the mining lease of GKUPL. The State Government has notified the new policy related to the transfer of new mining lease, based on which the UltraTech has requested the State Government to consider reinstatement of the mines in its favour.

4.12.3 Estimation uncertainty relating to COVID-19 global health pandemic in Aditya Birla Capital Limited (ABCL), a subsidiary of the Company:

ABCL recognizes the need to make reasonable estimation of the economic impact of this pandemic on the obligation on account of policy liabilities, recoverability of Goodwill, repayment ability of its borrowers, and to make additional provisions as considered appropriate, over-and-above, the extant provisions as per the Group's ECL policy, for expected credit losses. ABCL has segmented its portfolio basis various parameters to ascertain the likely detrimental impact on the credit risk in the portfolio, as a result of the economic fallout of COVID-19 and basis its estimates, assumptions and judgements arrived at the additional provision required to take care of the expected credit loss in its financial statements. Given the continued uncertainty over the potential macro-economic condition, the impact of economic fallout of the COVID-19 on the carrying value of assets and obligations of the Group may be different from that expected as at the date of approval of these financial statements. ABCL will continue to closely monitor any material changes to future economic conditions and suitable adjustments, as considered appropriate, will be given in the respective future period.

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4.13 The CFS are comprised of the Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest in Joint Ventures and Associates for the year ended 31st March 2022, which are as under:

Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2022	31st March 2021
Subsidiaries:				
ABNL Investments Limited	ABIL	India	100.00	100.00
Samruddhi Swastik Trading And Investments Limited	SSTIL	India	100.00	100.00
Aditya Birla Solar Limited	ABSL	India	100.00	100.00
Aditya Birla Renewables Limited	ABREL	India	100.00	100.00
Aditya Birla Renewables SPV1 Limited (74% of ABREL and 26% of UTCL)	ABRSPV1	India	88.90	88.90
Aditya Birla Renewables Subsidiary Limited (74% of ABREL)	ABRSL	India	74.00	74.00
Aditya Birla Renewable Energy Limited (74% of ABREL and 26% of UTCL)	ABReEL	India	88.90	88.90
Aditya Birla Renewable Solar Limited (74% of ABREL)	ABReSL	India	74.00	74.00
ABReL SPV2 Limited (100% of ABREL)	ABRSPV2	India	100.00	100.00
Aditya Birla Renewables Utkal Limited (74% of ABREL)	ABRUL	India	74.00	74.00
ABReL Solar Power Limited (26% of Grasim & 76 % of ABREL) (w.e.f. 31st August 2021)	ASPL	India	100.00	-
ABReL Renewables EPC Limited (100% of ABREL) (w.e.f. 9th March, 2022)	ABRELEPC	India	100.00	-
ABReL Century Energry Limited (w.e.f. 10th March, 2022) (74% of ABREL)	ABRELCEPC	India	74.00	-
Waacox Energy Private Limited (100% of ABREL) (w.e.f. 5th Jul 2021) #	WEPL	India	100.00	-
Aditya Birla Capital Limited	ABCL	India	54.18	54.21
Aditya Birla PE Advisors Private Limited (100% of ABCL)	ABPEAPL	India	54.18	54.21
Aditya Birla Capital Technology Services Limited (100% of ABCL) (formerly known as Aditya Birla MyUniverse Limited)	ABCTSL	India	54.18	54.21
Aditya Birla Trustee Company Private Limited (100% of ABCL)	ABTCPL	India	54.18	54.21
ABCAP Trustee Company Private Limited (100% of ABCL)	ABCTPL	India	54.18	54.21
Aditya Birla Money Limited (73.80% of ABCL)	ABML	India	39.93	40.01
Aditya Birla Financial Shared Services Limited (100% of ABCL)	ABFSSL	India	54.18	54.21
Aditya Birla Finance Limited (100% of ABCL)	ABFL	India	54.18	54.21
Aditya Birla Insurance Brokers Limited (50.002% of ABCL)	ABIBL	India	27.09	27.11
Aditya Birla Housing Finance Limited (100% of ABCL)	ABHFL	India	54.18	54.21
Aditya Birla Money Mart Limited (100% of ABCL)	ABMML	India	54.18	54.21
Aditya Birla Money Insurance Advisory Services Limited (100% of ABMML)	ABMIASL	India	54.18	54.21
Aditya Birla Sun Life Insurance Company Limited (51% of ABCL)	ABSLI	India	27.63	27.65
Aditya Birla Sun Life Pension Management Limited (100% of ABSLI)	ABSPML	India	27.63	27.65
Aditya Birla Health Insurance Company Limited (51% of ABCL)	ABHICL	India	27.63	27.65
Aditya Birla ARC Limited(100% of ABCL)	ABARC	India	54.18	54.21
Aditya Birla Stressed Asset AMC Private Limited (100% of ABCL)	ABSA	India	54.18	54.21
ABARC-AST-001-Trust (100% of ABCL)	ABARCT	India	54.18	54.21
ABARC-AST-008-Trust (100% of ABCL)		India	54.18	54.21
Aditya Birla Special Situation Fund -1 (100% of ABCL)	ABSSF	India	54.18	54.21
UltraTech Cement Limited (UTCL)	UltraTech	India	57.27	57.28
Dakshin Cements Limited (100% of UTCL) (struck off w.e.f. 9th April, 2021)	DCL	India	-	57.28
UltraTech Cement Lanka Private Limited (80% of UTCL)	UTCLPL	Sri Lanka	45.82	45.82
Harish Cement Limited (100% of UTCL)	HCL	India	57.27	57.28
PT UltraTech Mining Indonesia (80% of UTCL)	PUMI	Indonesia	45.82	45.82

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2022	31st March 2021
PT UltraTech Investments Indonesia (100% of UTCL)	PTUII	Indonesia	57.27	57.28
UltraTech Cement Middle East Investments Limited (100% of UTCL)	UCMEIL	UAE	57.27	57.28
Star Cement Co. LLC, Dubai (100% of UCMEIL)	SCCLD	UAE	57.27	57.28
Star Cement Co. LLC, Ras-Al-Khaimah (100% of UCMEIL)	SCCLRAK	UAE	57.27	57.28
Al Nakhla Crusher LLC, Fujairah (100% of UCMEIL)	ANCL	UAE	57.27	57.28
Arabian Cement Industry LLC, Abu Dhabi (100% of UCMEIL)	ACIL	UAE	57.27	57.28
UltraTech Cement Bahrain Company WLL, Bahrain (formerly known as Arabian Gulf Cement Co WLL) (100% of UCMEIL)	UTCBC	Bahrain	57.27	57.28
Bhagwati Lime Stone Company Private Limited (100% of UTCL)	BLCPL	India	57.27	57.28
Gotan Limestone Khanij Udyog Private Ltd. (100% of UTCL)	GKU	India	57.27	57.28
PT UltraTech Cement Indonesia (99% of PTUII)	PTUCI	Indonesia	56.70	56.70
PT UltraTech Mining Sumatera (100% of PTUII)	PTUMS	Indonesia	57.27	57.28
UltraTech Nathdwara Cement Limited (100% of UTCL)	UNCL	India	57.27	57.28
Smooth Energy Private Limited (struck off w.e.f. October 26, 2021)	SEPL	India	-	57.28
Bahar Ready Mix Concrete Limited (struck off w.e.f. November 2, 2021)	BRMCL	India	-	57.28
Merit Plaza Limited (100% of UNCL)	MPL	India	57.27	57.28
Swiss Mercandise Infrastructure Limited (100% of UNCL)	SMIL	India	57.27	57.28
Krishna Holdings PTE Limited (55.54% of UNCL and 44.46% of MHL)	KHPL	Singapore	57.27	57.28
Bhumi Resources PTE Limited (100% of UNCL)	BHUMI	Singapore	57.27	57.28
Murari Holdings Limited (100% of UNCL)	MUHL	British Virgin Islands	57.27	57.28
Mukundan Holdings Limited (100% of UNCL)	MHL	British Virgin Islands	57.27	57.28
Star Super Cement Industries LLC (51% by MUHL and 49% by MHL)	SSCILLC	UAE	57.27	57.28
Binani Cement (Tanzania) Limited (100% of SSCILLC)	BCTL	Tanzania	57.27	57.28
BC Tradelink Limited, Tanzania (100% of SSCILLC)	BCTL	Tanzania	57.27	57.28
PT Anggana Energy Resources (Anggana), Indonesia (100% of BHUMI)	PTAER	Indonesia	57.27	57.28
Binani Cement (Uganda) Limited (100% of SSCILLC)	BCUL	Uganda	57.27	57.28
3B Binani Glassfibre Sarl (3B) (upto 31st March, 2022) (100% of UNCL)	3B	Luxembourg	-	57.28
Project Bird Holding ll Sarl (merged with 3B w.e.f. 12th April, 2021) (100% of 3B)	PBHIIS	Luxembourg	-	57.28
3B-Fibreglass Srl (upto 31st March, 2022)(100% of 3B)	3BFS	Belgium	-	57.28
3B-FibreGlass Norway as (upto 31st March, 2022) (100% of PBHIS)	3BFN	Norway	-	57.28
Tunfib Sarl (upto 31st March, 2022) (67% of 3B)	TS	Tunisia	-	38.38
Goa Glass Fibre Ltd. (upto 31st March, 2022) (100% of 3B)	GGFL	India	-	57.28
Joint Venture Companies (JVs):				
AV Group NB Inc.	AVNB	Canada	45.00	45.00
Birla Jingwei Fibres Company Limited	BJFC	China	26.63	26.63
Bhubaneswari Coal Mining Limited	BCML	India	26.00	26.00
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	ABEST	Turkey	33.33	33.33
Birla Advanced Knits Private Limited	BAKPL	India	50.00	0.00
Aditya Group AB	AGAB	Sweden	33.33	33.33
AV Terrace Bay Inc.	AVTB	Canada	40.00	40.00
Aditya Birla Power Composites Limited	ABPCL	India	51.00	51.00
Aditya Birla Sun Life Trustee Company Private Limited (50.85% of ABCL)	ABSTPL	India	27.55	27.55

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest % 31st March 2022	Grasim's Ownership Interest % 31st March 2021
Aditya Birla Wellness Private Limited (51% of ABCL)	ABWPL	India	27.63	27.65
Bhaskarpara Coal Company Limited (47.37% of UTCL)	BCCL	India	27.14	27.14
Aditya Birla Sun Life AMC Limited (51% of ABCL)*	ABSAMC	India	-	27.65
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSAMC)	ABSAMCD	UAE	-	27.65
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	ABSAMCS	Singapore	-	27.65
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)	ABSAMCM	Mauritius	-	27.65
Associates:				
Aditya Birla Science & Technology Co. Private Ltd.	ABSTCL	India	49.50	49.50
Madanpur (North) Coal Company Private Ltd. (11.17% of UTCL)	MCCPL	India	6.40	6.40
Aditya Birla Sun Life AMC Limited (50.01% of ABCL)*	ABSAMC	India	27.10	-
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)	ABSAMCM	Mauritius	27.10	-
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSAMC)	ABSAMCD	UAE	27.10	-
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	ABSAMCS	Singapore	27.10	-
Renew Surya Uday Pvt Ltd (W.e.f. 25th November 2021)	RUSPL	India	26.00	-
Waacox Energy Private Limited (49% of ABREL) (upto 4th Jul 2021)	WEPL	India	-	49.00
Aditya Birla Idea Payment Bank (under liquidation w.e.f. 18th September, 2019)	ABIPB	India	-	-

* w.e.f. 7th October, 2021 Aditya Birla Sun Life AMC Limited ceases to be Joint Venture and has became an associate. (Refer note 2.39)

4.14 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTION FOR PREPARATION OF CFS AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

Year Ended 31st March 2022

₹ in Crore

Sr. No	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss #		Share in Other Comprehensive Income (OCI) #		Share in Total Comprehensive Income (TCI) #	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
A	**Parent**								
	Grasim Industries Limited	41.85%	48,615.79	27.23%	3,051.27	98.12%	3,219.07	43.28%	6,270.34
B	**Subsidiaries**								
	Indian								
1	UltraTech Cement Limited (incl. Subsidiaries)	43.41%	50,432.21	65.45%	7,334.26	1.46%	47.83	50.96%	7,382.09
2	Aditya Birla Capital Limited (incl. Subsidiaries)	33.23%	38,606.39	11.80%	1,321.93	-0.63%	(20.63)	8.98%	1,301.31
3	Samruddhi Swastik Trading and Investment Limited	0.05%	60.65	0.01%	1.32	0.00%	-	0.01%	1.32
4	ABNL Investments Limited	0.09%	109.88	0.01%	0.64	0.04%	1.35	0.01%	1.99
5	Aditya Birla Renewables Limited(incl. Subsidiaries)	0.36%	416.25	0.06%	6.32	0.09%	2.91	0.06%	9.24
6	Aditya Birla Solar Limited	0.09%	103.53	0.08%	8.57	0.00%	(0.00)	0.06%	8.57
	Subtotal (B)	**77.24%**	**89,728.91**	**77.39%**	**8,673.05**	**0.96%**	**31.46**	**60.08%**	**8,704.51**

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₹ in Crore

Sr. No	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss #		Share in Other Comprehensive Income (OCI) #		Share in Total Comprehensive Income (TCI) #	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
C	**Associates**								
	Indian								
1	Aditya Birla Science & Technology Company Private Limited	0.02%	28.50	0.04%	4.46	0.00%	0.00	0.03%	4.46
2	Madanpur (North) Coal Company Limited	0.00%	0.88	0.00%	0.01	0.00%	-	0.00%	0.01
3	Renew Surya Uday Pvt Ltd	0.01%	15.47	0.00%	0.16	0.00%	-	0.00%	0.16
4	Aditya Birla Sun Life AMC Limited (Refer Note 2.39 (A) (2)	4.82%	5,595.15	2.92%	327.32	0.04%	1.32	2.27%	328.64
5	Waacox Energy Private Limited (Upto 4th July 2021)	0.00%	-	0.00%	0.33	0.00%	-	0.00%	0.33
	Subtotal (C)	**4.85%**	**5,640.00**	**2.97%**	**332.28**	**0.04%**	**1.32**	**2.30%**	**333.61**
D	**Joint Ventures**								
	Indian								
1	Bhubaneswari Coal Mining Limited	0.14%	167.89	0.15%	17.12	0.00%	0.03	0.12%	17.15
2	Aditya Birla Wellness Private Limited	0.01%	10.73	0.01%	1.08	0.00%	0.03	0.01%	1.11
3	Aditya Birla Sun Life Trustee Company Private Limited	0.00%	0.66	0.00%	0.03	0.00%	-	0.00%	0.03
4	Bhaskarpara Coal Company Limited	0.01%	6.54	0.00%	0.01	0.00%	-	0.00%	0.01
5	Aditya Birla Power Composites Limited	0.02%	18.01	-0.01%	(1.63)	0.00%	-	-0.01%	(1.63)
6	Birla Advanced Knits Pvt Ltd	0.01%	14.87	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
	Foreign								
1	AV Group NB Inc.	0.65%	752.69	0.06%	6.33	0.84%	27.66	0.23%	33.99
2	Birla Jingwei Fibres Company Limited	0.06%	66.57	0.10%	10.67	0.12%	4.02	0.10%	14.69
3	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.00%	0.64	0.00%	0.08	-0.01%	(0.20)	0.00%	(0.12)
4	Aditya Group AB	0.32%	370.95	0.28%	30.90	-0.10%	(3.39)	0.19%	27.51
5	AV Terrace Bay Inc.	0.00%	0.62	-0.00%	(16.41)	0.07%	2.14	-0.10%	(14.27)
	Subtotal (D)	**1.21%**	**1,410.17**	**0.43%**	**48.05**	**0.92%**	**30.29**	**0.54%**	**78.34**
	Consolidation Adjustements and Eliminations (E)	-25.15%	(29,220.16)	-8.02%	(898.36)	-0.04%	(1.35)	-6.21%	(899.71)
	TOTAL (A+B+C+D+E)	**100.00%**	**116,174.71**	**100.00%**	**11,206.29**	**100.00%**	**3,280.80**	**100.00%**	**14,487.09**

Before Non-Controlling Interest

Note: Figures provided above are net of intercompany eliminations

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

Year ended 31st March 2021

₹ in Crore

Sr. No	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss #		Share in Other Comprehensive Income (OCI) #		Share in Total Comprehensive Income (TCI) #	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
A	**Parent**								
	Grasim Industries Limited	41.88%	42,947.86	12.95%	905.00	94.79%	4,588.91	46.45%	5,493.91
B	**Subsidiaries**								
	Indian								
1	UltraTech Cement Limited (incl. Subsidiaries)	43.08%	44,180.40	78.14%	5,459.32	0.35%	16.96	46.30%	5,476.28
2	Aditya Birla Capital Limited (incl. Subsidiaries)	36.14%	37,064.77	8.99%	628.03	1.46%	70.63	5.91%	698.66
3	Sun God Trading and Investment Limited	0.01%	6.36	0.00%	0.04	0.02%	0.96	0.01%	1.00
4	Samruddhi Swastik Trading and Investment Limited	0.06%	59.33	0.03%	1.89	0.00%	-	0.02%	1.89
5	ABNL Investments Limited	0.10%	101.57	0.04%	2.95	0.01%	0.37	0.03%	3.32
6	Aditya Birla Renewables Limited	0.29%	297.54	-0.08%	(5.62)	-0.04%	(2.02)	-0.06%	(7.64)
7	Aditya Birla Solar Limited	0.09%	94.96	0.29%	19.93	0.00%	-	0.17%	19.93
8	Aditya Birla Renewables SPV1 Limited	0.07%	71.62	0.14%	9.56	-0.01%	(0.67)	0.08%	8.89
9	Aditya Birla Renewables Subsidiary Limited	0.03%	29.07	0.07%	4.67	0.00%	-	0.04%	4.67
10	Aditya Birla Renewables Utkal Limited	0.01%	5.83	0.01%	0.84	0.00%	-	0.01%	0.84
11	Aditya Birla Renewables Energy Limited	0.01%	12.65	0.00%	0.24	-0.02%	(0.73)	0.00%	(0.49)
12	Aditya Birla Renewables Solar Limited	0.00%	0.16	0.00%	(0.33)	0.00%	-	0.00%	(0.33)
13	ABReL SPV 2 Limited	0.00%	(0.48)	-0.01%	(0.47)	0.00%	-	0.00%	(0.47)
	Subtotal (B)	**79.88%**	**81,923.78**	**87.61%**	**6,121.05**	**1.77%**	**85.50**	**52.48%**	**6,206.55**
C	**Associates**								
	Indian								
1	Aditya Birla Science & Technology Company Private Limited	0.02%	24.04	0.06%	4.54	0.00%	0.03	0.04%	4.57
2	Madanpur (North) Coal Company Limited	0.00%	0.86	0.00%	0.01	0.00%	-	0.00%	0.01
3	Waacox Energy Private Limited	0.03%	31.78	0.02%	1.38	0.00%	-	0.01%	1.38
	Subtotal (C)	**0.06%**	**56.68**	**0.08%**	**5.93**	**0.00%**	**0.03**	**0.05%**	**5.96**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2022

₹ in Crore

Sr. No	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss #		Share in Other Comprehensive Income (OCI) #		Share in Total Comprehensive Income (TCI) #	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
D	**Joint Ventures**								
	Indian								
1	Bhubaneswari Coal Mining Limited	0.15%	150.74	0.32%	22.47	0.00%	(0.09)	0.19%	22.38
2	Aditya Birla Sun Life AMC Limited	5.33%	5,467.82	3.66%	255.85	0.02%	0.75	2.17%	256.60
3	Aditya Birla Wellness Private Limited	0.01%	9.62	0.00%	(0.06)	0.00%	0.02	0.00%	(0.04)
4	Aditya Birla Sun Life Trustee Company Private Limited	0.00%	0.63	0.00%	0.06	0.00%	-	0.00%	0.06
5	Bhaskarpara Coal Company Limited	0.01%	6.53	0.00%	0.01	0.00%	-	0.00%	0.01
6	Aditya Birla Power Composites Limited	0.02%	15.75	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
	Foreign								
1	AV Group NB Inc.	0.70%	718.70	-0.55%	(38.13)	1.77%	85.83	0.40%	47.70
2	Birla Jingwei Fibres Company Limited	0.05%	51.88	-0.22%	(15.52)	0.05%	2.63	-0.11%	(12.89)
3	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.00%	0.99	0.00%	0.06	0.00%	(0.11)	0.00%	(0.05)
4	Aditya Group AB	0.33%	343.43	-0.59%	(40.96)	1.29%	62.56	0.18%	21.60
5	AV Terrace Bay Inc.	0.01%	14.89	0.00%	-	0.31%	14.89	0.13%	14.89
	Subtotal (D)	**6.61%**	**6,780.98**	**2.63%**	**183.66**	**3.44%**	**166.48**	**2.96%**	**350.14**
	Consolidation Adjustements and Eliminations (E)	-28.42%	(29,147.70)	-3.28%	(228.94)	0.00%	-	-1.94%	(228.94)
	TOTAL (A+B+C+D+E)	**100.00%**	**102,561.60**	**100.00%**	**6,986.70**	**100.00%**	**4,840.92**	**100.00%**	**11,827.62**

Before Non-Controlling Interest

$ AVTB is not consolidated as the Company's share of losses has exceeded the Company's interest in the said investment as per Ind AS 28.

4.15 DISTRIBUTION MADE AND PROPOSED (IND AS 1):

₹ in Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash Dividend Declared and Paid on Equity Shares:	592.26	263.19
Final dividend for the year ended on 31st March, 2021: ₹ 5 per share and Special Dividend ₹ 4 per share of face value of ₹ 2 each (31st March, 2020: Final dividend ₹ 4 per share of face value of ₹ 2 each)		
Proposed Dividend on Equity Shares#:	658.32	592.26
Final dividend for the Year ended on 31st March, 2022: ₹ 5 per share and Special Dividend of ₹ 5 per share of face value of ₹ 2 each (31st March, 2021: Final dividend ₹ 5 per share and Special Dividend ₹ 4 per share of face value of ₹ 2 each)		

Proposed dividends on equity shares are subject to approval of Annual General Meeting, and are not recongnised as a liability as at 31st March.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

4.16 OTHER STATUTORY INFORMATION

(i) - Relationship with Struck Off Companies

Financial Services Segment	Name of the Company	Nature of Transaction with Struck Off Company	Balance Outstanding as on 31st March 2022	Relationship with Struck Off Company
Life Insurance	Aligarh Locks Private Limited	Receivable	0.03	Policy Holder
Life Insurance	Atharv Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Columbia Asia Neighborhood Hospitals Pri Vate Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Debnath Engineering Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	GAAP Solutions Private Limited	Payable	0.07	Group Master Policyholder
Life Insurance	GBS Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Hariom Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Jayalakshmi Constructions Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Keller Ground Engineering India Private Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Lintas India Limited	Payable	0.13	Group Master Policyholder
Life Insurance	Mahalaxmi Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Pragati Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Sahayata Trademart Private Limited	Payable	β	Policy Holder
Life Insurance	Sika (India) Limited	Payable	β	Policy Holder
Life Insurance	Micro Focus Limited	Payable	-	Vendor
Life Insurance	Perfect Services Private Limited	Payable	-	Agent
General Insurance Broking	Rainbow Automotive Pvt Ltd	Payable	β	Vendor
General Insurance Broking	Dimple Motors Pvt Ltd	Payable	β	Vendor
General Insurance Broking	Vintage Motors Pvt. Ltd	Payable	β	Vendor
General Insurance Broking	The Riders Zone Pvt Ltd	Payable	β	Vendor
Housing Finance	Maark Vision Architects Private Limited	Receivable	3.25	Loan to Customer
Housing Finance	Sandhya Hotels Private Limited	Receivable	5.24	Loan to Customer
NBFC	Maxin Hydro Dynamic India Private Limited	Receivable	0.04	Loan to Customer
NBFC	Emirate Fashions Private Limited	Receivable	0.10	Loan to Customer
NBFC	Thanco Natural Foods Private Limited	Receivable	0.20	Loan to Customer
NBFC	Bee Luxe Private Limited	Receivable	0.09	Loan to Customer
NBFC	Alaric Healthcare Private Limited	Receivable	0.08	Loan to Customer
Stock and Securities Broking	Ceeplast Trading Company Private Limited	Receivable	β	Customer
Stock and Securities Broking	Chaturbhuja Securities Private Limited	Receivable	β	Customer
Stock and Securities Broking	Doniv Enterprises Private Limited	Receivable	β	Customer
Stock and Securities Broking	Orion Media Private Limited	Receivable	β	Customer
Stock and Securities Broking	Pusha Steels Limited	Receivable	β	Customer
Stock and Securities Broking	Gurukul Commosales Private Limited	Receivable	β	Customer

Note: Figures of ₹ 50,000 or less have been denoted by β.

(ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) As on 31st March, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2022

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vii) The Scheme of Arrangements has been approved by the Hon'ble National Company Law Tribunal (NCLT) in terms of sections 230 to 232 of the Companies Act, 2013. Effect of such Scheme of Arrangements has been accounted for in the books of account of the Company 'in accordance with the aforesaid Schemes' and 'in accordance with accounting standards'.

(viii) The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

4.17 Previous years' figures have been regrouped/rearranged wherever necessary to conform to the current year classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1st April, 2021.

4.18 AUTHORISATION OF FINANCIAL STATEMENTS:

The consolidated financial statements for the year ended on 31st March, 2022 were approved by the Board of Directors on 24th May, 2022.

Signatures to Notes '1' to '4'

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

Vikas R Kasat
Partner
Membership No.: 105317

Mumbai
Dated: 24th May 2022

For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No.: 324982E/E300003

Jayesh Gandhi
Partner
Membership No.: 037924

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Ashish Adukia
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Mumbai
Dated: 24th May 2022

Grasim Industries Limited

Registered Office:
Birlagram, Nagda - 456 331,
Madhya Pradesh

Corporate Office:
Aditya Birla Centre,
'A' Wing, 2nd Floor,
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