GRASIM INDUSTRIES LIMITED

CIN: L17124MP1947PLC000410
Registered Office: P.O. Birlagram, Nagda-456 331, Dist. Ujjain (M.P.), India
Tel. No.: 07366-246766
Corporate Office: Aditya Birla Centre, 'A' Wing, 2nd Floor, S.K. Ahire Marg,
Worli, Mumbai - 400030, Maharashtra, India
Tel. No.: +91 22 6652 5000 / 2499 5000 | **Fax No.:** +91 22 6652 5114 / 2499 5114
E-mail: grasim.secretarial@adityabirla.com **Website:** www.grasim.com

NOTICE OF THE 76TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 76th Annual General Meeting ('AGM') of the Members of **GRASIM INDUSTRIES LIMITED** ('the Company') will be held on Friday, 25th August 2023 at 11.30 a.m. (IST) through Video Conference ('VC')/Other Audio-Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023, and the Reports of the Board of Directors and the Auditors thereon; and

- the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2023, and Report of the Auditors thereon.

2. To declare a final dividend of ₹ 10 per equity share of the Company for the financial year ended 31st March 2023.

3. To appoint a Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Dr. Santrupt Misra (DIN: 00013625), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of the Remuneration of Cost Auditor for the financial year 2023-24

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹20 Lakh (Rupees Twenty Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses, as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), for conducting audit of the cost accounting records of the Company for the financial year ending 31st March 2024, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Re-appointment of Mr. Harikrishna Agarwal as the Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals as may be necessary and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, consent of the Members be and is hereby accorded for re-appointment of Mr. Harikrishna Agarwal (DIN:09288720), as the Managing Director of the Company for a period of two years with effect from 1st December 2023 to 30th November 2025 and upon the terms and conditions, including remuneration and perquisites, as set out hereunder, with further liberty to the Board of Directors (hereinafter referred to as 'the Board', which term shall deem to include any Committee constituted or to be constituted by the Board) to alter, modify or revise from time to time, the terms and conditions of re-appointment and remuneration of Mr. Harikrishna Agarwal, as the Managing Director in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law.

A. Period:

Two years with effect from 1st December 2023 to 30th November 2025, with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

a) Basic Salary: ₹1,63,20,000 (Rupees One crore sixty three lakh twenty thousand only) per annum with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 2,40,00,000 (Rupees Two crore forty lakh only) per annum;

b) Special Allowance: ₹ 2,37,53,600 (Rupees Two crore thirty seven lakh fifty three thousand six hundred only) per annum with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 3,60,00,000 (Rupees Three crore sixty lakh only) per annum. This allowance, however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment;

c) Annual Incentive Pay: Performance Bonus linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹9,00,00,000 (Rupees Nine crore only) per annum;

d) Long-Term Incentive Compensation (LTIC) including Employee Stock Option, Restricted Stock Units, Performance Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/ or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to the Senior Executives of the Company/ Aditya Birla Group, in such manner and with such provisions as may be decided by the Board.

C. Perquisites

a) Housing: Company provided (furnished / unfurnished) accommodation and / or HRA in lieu of Company provided accommodation as per the Company's Policy;

b) House Maintenance: Reimbursement of expenses at actual pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per the Company's Policy;

c) Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per the Company's Policy;

d) Life Insurance: Life Insurance Cover as per the Company's Policy;

e) Accidental Insurance: Accident Insurance cover as per the Company's Policy;

f) Travel Expenses: Travel Expenses for self and family in accordance with the Company's Policy;

g) Club Membership: Fees of Two Clubs in India (including admission and annual membership fee);

h) Car: Two cars for use of the Company's Business, as per the Company's Policy;

i) Other Expenses: Entertainment, travelling and all other expenses incurred for the business of the Company, as per the Company's Policy;

j) Contribution towards Provident Fund and Superannuation Fund or Annuity Fund as per the Company's Policy;

k) Gratuity and/or contribution to the Gratuity Fund of the Company: as per the Company's Policy;

l) Other Benefits: Leave and related benefits as per the Company's Policy;

m) Other Allowances/Benefits and Perquisites : Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowances, perquisites as the Board may decide from time to time;

n) Any other one time/periodic retirement allowances/benefits as may be decided by the Board at the time of retirement;

o) Annual remuneration review is effective from 1st July of each year, as per the Company's Policy.

D. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

E. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of Mr. Harikrishna Agarwal, Managing Director, will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.

F. The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit under Sections 197, 198 read with Schedule V and other applicable provisions of the Act, or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

G. Any revision/change in allowance/perquisite relating to Company provided (furnished/unfurnished) accommodation and/or HRA in lieu of the Company provided accommodation/ Car or other allowances/perquisites, will be adjusted from the existing Special Allowance, subject to the ceiling limit as approved by the Shareholders and as per the policy of the Company.

H. Though considering the provisions of Section 188 of the Act, and the applicable rules and Schedule of the Act, Mr. Harikrishna Agarwal would not be holding any office or place of profit by his being a mere director of the Company's Subsidiaries/Joint Ventures/Associates, approval of the members be and is hereby granted by way of abundant caution for him to accept the sitting fees/commission paid/payable to other directors for attending the meetings of Board(s) of Directors/Committee(s) of Subsidiaries/Joint Ventures/ Associates of the Company or companies promoted by the Aditya Birla Group.

I. So long as Mr. Harikrishna Agarwal functions as the Managing Director of the Company, his office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year, during the period of his appointment, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration including the perquisites and benefits, as aforesaid, shall be paid to Mr. Harikrishna Agarwal, the Managing Director in accordance with the applicable provisions of the Act read with Rules made thereunder and after obtaining necessary approvals under Schedule V of the Act.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee will review and recommend to the Board the remuneration payable to the Managing Director during his tenure, within the overall limits as mentioned in this resolution.

RESOLVED FURTHER THAT the Board (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For **Grasim Industries Limited**

Sailesh Kumar Daga

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Place: Mumbai
Date: 26th May 2023

NOTES FOR MEMBERS' ATTENTION:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Business, set out at Item Nos. 5 and 6 in the Notice of the 76th Annual General Meeting (AGM), is annexed hereto. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') and Secretarial Standards on General Meetings, in respect of the Directors seeking re-appointment at the AGM as set out at item Nos. 3, 4 and 6 is furnished as Annexure to the Notice.

2. The Ministry of Corporate Affairs (MCA) by Circular No.14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020, Circular No. 02/2021 dated 13th January 2021 and Circular No. 2/2022 dated 5th May 2022 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI 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 ('MCA and SEBI Circulars' /'the Circulars') had permitted sending of the Notice of the AGM along with Annual Report only through electronic mode to those Members whose e-mail IDs were registered with the Company/Depositories as well as conducting the AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

3. MCA by Circular No. 10/2022 dated 28th December 2022 and SEBI vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 have extended the above exemptions till 30th September 2023.

4. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Birlagram, Nagda – 456 331, Dist. Ujjain (Madhya Pradesh), India. Since, AGM will be held through VC/OAVM facility, the route map of the venue of the AGM is not annexed hereto.

5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/Power of Attorney/Authority Letter, etc.

7. KFin Technologies Limited, the Company's Registrar and Transfer Agent ('KFinTech'/'RTA'), will provide the facility for voting through remote e-voting, for participating in the AGM through VC/OAVM facility and e-Voting (Insta-Poll) during the AGM.

8. In terms of the provisions of Section 152 of the Act, Mr. Kumar Mangalam Birla and Dr. Santrupt Misra, Directors, who retire by rotation and being eligible, offer themselves for re-appointment at the AGM.

   The details of the Directors retiring by rotation and seeking re-appointment are provided in the "Annexure" to the Notice.

9. **Dispatch of Annual Report through Electronic Mode**

In compliance with the Circulars, Notice of the AGM along with the Annual Report for the FY 2022-23 is being sent only through electronic mode to those Members, whose e-mail IDs are registered with KFinTech/Depositories. Members may note that the Notice and the Annual Report for the FY 2022-23 are available on the following websites:

Particulars	Website
Grasim Industries Limited	www.grasim.com
BSE Limited	www.bseindia.com
National Stock Exchange of India Limited	www.nseindia.com
KFinTech	https://evoting.kfintech.com

Members who have still not registered/updated their e-mail IDs are requested to register/update at the earliest:

a) Members holding shares in physical mode and who have not registered/updated their e-mail IDs with the Company are requested to register/update their e-mail IDs by sending duly filled in Form ISR-1 (Form for registering PAN, KYC details or changes/updation thereof) to KFinTech at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032. Form ISR-1 is available on the website of the Company at https://www.grasim.com/investors/investors-forms

b) Members holding shares in dematerialised mode are requested to register/update their e-mail IDs with the relevant Depository Participants.

c) The Audited Accounts of the Company and its subsidiary companies are available on the Company's website at https://www.grasim.com/investors/results-reports-and-presentations We urge Members to support this Green Initiative effort of the Company and get their email IDs registered.

10. Procedure for Inspection of Documents

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto the date of the AGM.

Members who seek to inspect such documents can send an e-mail to grasim.secretarial@adityabirla.com.

11. Instructions for remote e-Voting and e-Voting (Insta Poll) at the AGM

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services facilitated by KFinTech. The Members may cast their votes remotely, using an electronic voting system ('remote e-Voting') on the dates mentioned herein below.

II. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

III. The Members who have cast their vote by remote e-Voting prior to the AGM may also join the AGM through VC/OAVM facility, but shall not be entitled to cast their vote again. A Member can opt for only single mode of voting per e-Voting Event Number ("**EVEN**") i.e. through remote e-Voting or e-Voting at the AGM. If a Member casts vote(s) by both modes, then voting done through remote e-Voting shall prevail and vote(s) cast at the AGM shall be treated as "**INVALID**".

IV. The remote e-Voting period commences on Monday, 21st August 2023 (9.00 a.m. IST) and ends on Thursday, 24th August 2023 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on Friday, 18th August 2023, i.e. cut-off date, may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only. The remote e-Voting module will be disabled by KFinTech for voting thereafter. Once the vote on a resolution is cast by the Member, he/she will not be allowed to change it subsequently.

V. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM.

VI. Mr. Ashish Garg, Practicing Company Secretary (FCS 5181 & C.P. No. 4423) failing him Mr. Avinash Bagul (FCS 5578 & C.P. No. 19862), Partner, BNP & Associates, Company Secretaries has been appointed by the Board of Directors as the Scrutinisers to scrutinise the e-Voting (Insta Poll) during the AGM and remote e-Voting process in a fair and transparent manner.

The process and manner for remote e-Voting is as under:

VII. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 in relation to " e-Voting facility provided by the Listed Companies", the Members are provided with the facility to cast their vote electronically, through the remote e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice of the 76th AGM. The instructions for e-Voting are given herein below.

VIII. Pursuant to the aforesaid SEBI circular dated 9th December 2020 on "e-Voting facility provided by the Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.

IX. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-Voting facility.

X. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares on the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he/she is already registered with KFinTech for remote e-Voting then he /she can use his/her existing User ID and password for casting the vote.

XI. The process and manner for remote e-Voting and joining and voting at the 76th AGM are explained below:

I. Access to Depositories e-Voting system in case of individual Members holding shares in demat mode.

II. Access to KFinTech e-Voting system in case of Members holding shares in physical and non individual Members in demat mode.

III. Access to join the 76th AGM on KFinTech system and to participate and vote thereat.

I. Access to Depositories e-Voting system in case of individual Members holding shares in demat mode:

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	**A) Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** i) Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii) On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user ID and password. iii) After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv) Click on the Company name i.e. 'Grasim Industries Limited' or e-voting service provider ('ESP') i.e. KFinTech. v) Members will be re-directed to KFinTech's website for casting their vote during the remote e-voting period and voting during the AGM. **B) Users not registered under IDeAS e-Services:** i) Visit https://eservices.nsdl.com for registering. ii) Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii) Proceed with completing the required fields. iv) Follow steps given in point A **C) By visiting the e-Voting website of NSDL:** i) Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. iii) Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. iv) After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. v) Click on the Company name i.e. 'Grasim Industries Limited' or ESP name i.e. KFinTech after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period and voting during the AGM. vi) Members can also download the NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. 

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	**A) Existing user who have opted for Electronic Access to Securities Information ("Easi / Easiest") facility:** i) Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com ii) Click on New System My Easi. iii) Login to My Easi option under quick login. iv) Login with the registered user ID and password. v) Members will be able to view the e-voting Menu. vi) The Menu will have links of KFinTech e-voting portal and will be redirected to the e-voting page of KFinTech to cast their vote without any further authentication.
	B) Users who have not opted for Easi/Easiest: i) Visit https://web.cdslindia.com/myeasitoken/Home/Login for registering. ii) Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii) After successful registration, please follow the steps given in point no. A above to cast your vote.
	C) By visiting the e-voting website of CDSL: i) Visit www.cdslindia.com ii) Provide Demat Account Number and PAN iii) System will authenticate user by sending OTP on registered mobile and e-mail as recorded in the demat Account. iv) After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Grasim Industries Limited' or select KFinTech. v) Members will be re-directed to the e-voting page of KFinTech to cast their vote without any further authentication.
Individual Members login through their Demat Accounts / website of Depository Participant	i) Members can also login using the login credentials of their Demat Account through their DP registered with the Depositories for e-voting facility. ii) Once logged-in, Members will be able to view e-voting option. iii) Upon clicking on e-voting option, Members will be redirected to the NSDL/CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv) Click on options available against 'Grasim Industries Limited' or KFinTech. v) Members will be redirected to e-voting website of KFinTech for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Members facing any technical issue – NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: + 91 22 4886 7000 and + 91 22 2499 7000	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

II. Access to KFinTech e-Voting system in case of Members holding shares in physical and non-individual Members in demat mode.

(A) Members whose e-mail IDs are registered with the Company/Depository Participant(s), will receive an e-mail from KFinTech which will include details of E-Voting Event Number (EVEN), User ID and password.

They will have to follow the following process:

I. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

II. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting the vote.

III. After entering these details appropriately, click on "LOGIN".

IV. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

V. You need to login again with the new credentials.

VI. On successful login, the system will prompt you to select the "EVEN" i.e. Grasim Industries Limited'-AGM and click on "Submit"

VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the Cut-off Date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

VIII. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

IX. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

X. You may then cast your vote by selecting an appropriate option and click on "Submit".

XI. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(B) Members whose email IDs are not registered with the Company/Depository Participant(s), consequently the Annual Report, Notice of the AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/ update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and with the KFinTech by sending KYC Documents prescribed under SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 at KFin Technologies Limited, Unit – Grasim Industries Limited, Selenium Building, Tower-B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 or by sending digitally signed documents at einward.ris@kfintech.com (in case of Shares held in physical form).

ii. Upon updation of e-mail ID, Shareholders may send a request to einward.ris@kfintech.com for procuring user ID and password for e-voting.

III. Please follow all steps from (A) (I) to (XI) above to cast your vote by electronic means.

III. Access to join the AGM on KFinTech system and to participate and vote thereat.

Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFinTech. Members may access the same at https://emeetings.kfintech.com by using the e-voting login credentials provided in the e-mail received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

Procedure for joining the AGM though VC/OAVM

I. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

II. Facility for joining the AGM though VC/OAVM shall open at least 30 minutes before the commencement of the Meeting and shall be kept open throughout the AGM.

III. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

IV. Members are required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop

connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

V. Facility of joining the AGM through VC/OAVM shall be available on first come first serve basis.

Large Members (i.e., Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc., will not be subject to the aforesaid restriction of first come first serve basis.

VI. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

VII. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

VIII. Institutional/Corporate Members (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned certified true copy (PDF/JPG Format) of its board or governing body resolution or authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The scanned image of the abovementioned documents should be in the name format Corporate Name_ EVENT NO.' The said resolution/authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail ID address to scrutiniser.grasim@adityabirla.com with a copy marked to evoting@kfintech.com and grasim.secretarial@adityabirla.com

SPEAKER REGISTRATION:

IX. Members holding shares as on the Cut-off Date and who would like to express their views or ask questions during the 76th AGM may register themselves as speakers by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from Monday, 21st August 2023 (9.00 a.m. IST) to Wednesday, 23rd August 2023 (5.00 p.m. IST). Those Members who are registered as Speakers will only be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

X. Alternatively, Members may also visit https://emeetings.kfintech.com and click on the tab 'Post Your Queries' and post their queries/ views/ questions in the window provided, by mentioning their name, demat account number/ folio number, e-mail ID and mobile number. The window will be closed on Wednesday 23rd August 2023 (5.00 p.m. IST).

XI. Members seeking any information with regard to the accounts or any matter to be placed at the 76th AGM are requested to write to the Company on or before Wednesday, 23rd August 2023 through e-mail on grasim.secretarial@adityabirla.com The same will be replied by the Company suitably.

OTHER INSTRUCTIONS

a) In case of any queries, please visit Help and FAQs section available at KFinTech website https://evoting.kfintech.com For any grievances related to e-voting, please contact Mr. Ganesh Patro, Asst. Vice President, KFin Technologies Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032 Toll-free No.: 1800 309 4001.

b) In case a person has become a Member of the Company after dispatch of the AGM Notice but on or before the Cut-off Date for e-voting and all other Members who have not received User ID and Password, he/she may obtain the User ID and Password in the manner as mentioned below:

I. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
   MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:
   MYEPWD <SPACE> 1402345612345678
3. Example for Physical:
   MYEPWD <SPACE> XXXX1234567890

II. If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

III. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1800 309 4001 or write to them at **evoting@kfintech.com**.

IV. Members may send an e-mail request to: **evoting@kfintech.com**. If the Member is already registered with the KFinTech e-voting platform then such Member can use his/her existing User ID and password for casting the vote through remote e-voting.

12. Information and instructions for e-voting facility (Insta Poll) at the AGM

I. Facility to cast vote through e-voting (Insta Poll) at the AGM will be made available on the Video Conference screen and will be activated once the e-voting (Insta Poll) is announced at the AGM.

II. The 'Vote Now Thumb sign' on the left hand corner of the video screen will be activated upon instructions of the Chairman during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members shall click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

III. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility (Insta Poll) during the AGM. Members who have already cast their votes by remote e-voting are eligible to attend the AGM. However, those Members are not entitled to cast their vote again at the AGM.

Results of remote e-Voting and e-Voting (Insta Poll) at the 76th AGM

The Scrutiniser will after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman.

The Scrutiniser's decision on the validity of the vote shall be final. The result of e-voting along with the consolidated Scrutiniser's Report, will be displayed at the Registered Office of the Company and will be placed on the following websites as under:

Particulars	Website
Grasim Industries Limited	www.grasim.com
BSE Limited	www.bseindia.com
National Stock Exchange of India Limited	www.nseindia.com
KFinTech	https://evoting.kfintech.com

13. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 12th August 2023 to Friday, 25th August 2023 (both days inclusive) for the purpose of payment of dividend, approved by the Members at the AGM.

14. Dividend related Information

I. The Board of Directors has recommended final dividend of ₹ 10 per equity share of the face value of ₹ 2 each for the financial year ended 31st March 2023, subject to the approval of the Members at the 76th AGM. The record date for determining the entitlement of the Members to the final dividend for FY 2023 is Friday, 11th August 2023.

II. Subject to the provisions of the Act, dividend as recommended by the Board, if approved at the AGM, will be paid subject to deduction of tax at source, wherever applicable, to those Members or their mandates, whose names are registered in the Company's Register of Members:

a) as Beneficial Owners as at the end of the business hours on 11th August 2023 as per the lists to be furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') in respect of the equity shares held in electronic form;

b) whose names appear as Members in the Register of Members of the Company in physical form which are maintained with KFinTech on Friday, 11th August 2023.

c) equity shares that may be allotted upon exercise of stock options granted under the Employee Stock Option Scheme-2013, before the book closure date shall rank pari passu with the existing equity shares and shall also be entitled to receive dividend, if approved at the AGM.

III. In terms of the provisions of the Income Tax Act, 1961 dividend shall be taxable in the hands of Members at applicable rates of tax.

IV. a) The Company will make the payment of dividend to those Members directly in their bank accounts whose bank account details are available with the Company and those who have given their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service ('ECS')/National Electronic Clearing Service ('NECS').

b) In case, the Company is unable to pay dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/ demand draft to such Member by post.

V. Members are requested to contact KFinTech for encashing the unclaimed dividend. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Centre' page on the website of the Company, https://www.grasim.com/investors/unpaid-and-unclaimed-dividend-iepf.

The Listing Regulations provides for companies to use any of the approved electronic payment facility such as ECS, NECS or RTGS etc. for making payments to Members. The Company or KFinTech is required to maintain bank details of their Members as follows:

- for Members holding securities in dematerialised form, the Company shall seek relevant bank details from the Depositories.
- for Members holding securities in physical mode, the Company shall maintain updated bank details as provided by the Members.

15. IEPF related Information

Pursuant to Section 124 and other applicable provisions, if any, of the Act, all dividend remaining unpaid and unclaimed for a period of 7 (seven) years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF), established by the Central Government. Accordingly, unpaid and unclaimed dividend for the FY 2014-15, has been transferred to the IEPF.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), equity shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration will also be transferred to IEPF, operated by the IEPF Authority, pursuant to the IEPF rules.

In compliance with the aforesaid rules, the Company has transferred equity shares pertaining to the FY 2014-15 to the IEPF, after providing necessary intimations to the relevant Members. Details of unpaid/unclaimed dividend and equity shares for the FY 2014-15 are uploaded on the website of the Company, as well as that of MCA (IEPF) and can be accessed through the link: www.iepf.gov.in. 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. Members 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.

Members, who have so far not encashed the dividend warrant(s) for the FY 2015-16, are requested to make their claims to the Company's RTA on or before 1st October 2023, failing which the unpaid/unclaimed dividend and the equity shares relating thereto for the FY 2015-16 will be transferred to the IEPF.

The Company is in compliance with the aforesaid IEPF rules has sent individual notices to those Members whose shares are liable to be transferred to the IEPF and has also published notice in the newspapers. The Company has also uploaded full details of such unclaimed/unpaid dividend and the related shares due for transfer on the website of the Company at https://www.grasim.com/investors/unpaid-and-unclaimed-dividend-iepf

Members are requested to verify the details and lodge their claims with the Company to avoid transfer of dividend and related shares to IEPF.

16. General Information

I. Members are requested to read the 'Shareholder Information' section of the Annual Report for useful information.

II. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs, and those holding shares in physical form are requested to submit their PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers to the RTA.

The folios wherein any one of the above mentioned documents/details are not available on or after 1st October 2023, shall be frozen by the RTA.

III. If there is any change in the e-mail address already registered with the Company, Members are requested to immediately notify such change to the Company's Registrar and Transfer Agent, in respect of shares held in physical form, and to their DPs in respect of shares held in electronic form.

IV. In terms of the amendments to the Listing Regulations, with effect from 1st April 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e. NSDL and CDSL. Members are, therefore, requested to demat their

physical holding for any further transfer. Members can, however, continue to make request for various services other than transfer for securities held in physical form but the processing will be done in demat form.

V. Members who hold shares in the dematerialised form and desire a change/correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's RTA. Members are also requested to give the MICR Code of their banks to their DPs. The Company/Company's RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

VI. Members may utilise the facility extended by the RTA for redressal of queries. Members may visit http://karisma.kfintech.com and click on INVESTOR option for query registration through free identity registration process.

VII. KPRISM – Mobile service application by KFinTech:

Members are requested to note that KFinTech has launched a mobile application – KPRISM and website https://kprism.kfintech.com/signin.aspx online service to Members. Members can download the mobile application, register themselves (one time) for availing host of services viz., consolidated portfolio view serviced by KFinTech, dividend status and send requests for change of address, change/update bank mandate. Through the mobile application, Members can download annual reports, standard forms and keep track of upcoming general meetings and dividend disbursements. The mobile application is available for download from Android Play Store.

VIII. Members holding shares in physical form need to ensure that before submitting any service request, their folios are KYC compliant. If the folios of physical security holders are not KYC compliant then the security holders need to comply with SEBI Circular dated 3rd November 2021 and 16th March 2023, without which any investor service requests will not be processed. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

IX. Non-resident Indian Members are requested to inform the Company or RTA or to the concerned DPs, as the case may be, immediately:

a) the change in the residential status on return to India for permanent settlement.

b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

c) Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or KFinTech quoting their Folio number or their Client ID with DP ID, as the case may be.

X. Members who are holding shares in identical order of names in more than one folio are requested to consider consolidating the different folios into one. Post consolidation, the number of shares would remain the same.

To enable the Company, consolidate the folios, kindly send the following, under a covering letter, addressed to KFinTech:

- Share Certificate(s)
- copy of PAN Card(s) of all the Members
- Member's e-mail ID and mobile number

Upon receipt of the above documents, the Company will consolidate the holdings and issue letter of confirmation in lieu of consolidated share certificate. This will not only facilitate speedy communication but also result in faster disbursal of future dividend.

It is also recommended that Members consider converting their shareholdings in physical mode to demat mode.

XI. SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023, mandated furnishing of details of PAN, e-mail address, mobile number, bank account and nomination by holders of physical securities. Further, it is stated that folios wherein any one of the cited document/details are not furnished or made available on or after 1st October 2023, the relevant folio(s) shall be frozen by the the RTA. After 31st December 2025, the frozen folios shall be referred by RTA/ the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. The requisite forms are available on the website of the Company https://www.grasim.com/investors/investors-forms. Members are requested to get in touch with RTA in this regard.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Company has manufacturing units of diversified businesses at remote locations across the country. The cost records of these units of the Company are required to be audited by the Cost Auditor.

Based on the location of the units, market trend and current industry practices, the Audit Committee reviews the proposal for appointment and remuneration payable to Cost Auditor and recommends the same to the Board for its approval.

The remuneration of the Cost Auditor is being determined in consensus with the Cost Auditor taking into consideration the agreed scope of work for all units, the performance of the Cost Auditor and turnover of the Company.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, had approved the appointment of M/s. D.C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611) to conduct the audit of the cost records of all divisions of the Company for the financial year ending 31st March 2024, at a remuneration of ₹ 20 Lakh (Rupees Twenty Lakh Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

M/s. D.C. Dave & Co. is one of the leading Cost Accounting and Cost Audit firm in India in practice for over three decades. They provide effective cost accounting reports and strategic business mentorship. Cost Audit is conducted in line with the standards laid down by the Institute of Cost Accountants of India. M/s. D.C. Dave & Co. has been associated with the Company as its Cost Auditor since the FY 2016-17.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the Members of the Company.

Consequently, ratification by the Members is sought for the remuneration payable to the Cost Auditor for the financial year ending 31st March 2024.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested in the resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the Members of the Company vide resolution passed on 16th November 2021 through postal ballot notice dated 8th October 2021, appointed Mr. Harikrishna Agarwal (DIN: 09288720) as the Managing Director of the Company for a period of two years with effect from 1st December 2021 to hold office up to 30th November 2023.

Considering the overall experience, overseas exposure, outstanding leadership, scale of business handled, current needs of the business, present performance and potential assessment and on the basis of the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 26th May 2023, re-appointed Mr. Harikrishna Agarwal as the Managing Director of the Company for a further period of 2 years with effect from 1st December 2023 to 30th November 2025, subject to the approval of Members, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board. He will also continue to be a Key Managerial Personnel of the Company.

Brief Profile of Mr. Harikrishna Agarwal

Mr. Harikrishna Agarwal, the Managing Director of the Company, is a veteran professional in the Aditya Birla Group (ABG). He has been associated with ABG for more than four decades and has played diverse roles in the Cement, Chemicals, and Pulp & Fibre businesses across India, South East Asia, and China.

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. 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- Global Manufacturing with Pulp and Fibre Business. Mr. Agarwal is an All-India rank holder -Chartered Accountant. He has done an Executive MBA from Sasin, Chulalongkorn University, Bangkok, and Advance Management Programme (AMP) from Harvard Business School. He is also a recipient of Chairman's Outstanding Leader Award, 2012 and the "Certificate of Excellence" in 2021 for his outstanding contribution to Grasim's growth.

The remuneration and other terms and conditions of appointment of Mr. Harikrishna Agarwal as the Managing Director of the Company as set out in the resolution are subject to approval of the Members. The Remuneration as proposed is in accordance with the remuneration policy of the Company and is commensurate with the nature of qualification and experience in the similar business and the amount of remuneration drawn by his peers. So long as Mr. Agarwal acts as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

Taking into account his overall experience, overseas exposure, outstanding leadership, scale of business handled, current needs of the business, present performance and potential assessment, the Board recommends re-appointment of Mr. Harikrishna Agarwal as the Managing Director of the Company, for a period of two years w.e.f. 1st December 2023, on the terms as to remuneration and otherwise as set out in the resolution at the Item No. 6 of the Notice.

Mr. Harikrishna Agarwal is not related to any Director or Key Managerial Personnel of the Company. The disclosure relating to Mr. Harikrishna Agarwal, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out as an Annexure to the Notice.

The Board recommends the Ordinary Resolutions set out at Item No. 6 of this Notice for the approval by the Members.

Except Mr. Harikrishna Agarwal and his relatives, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, in the resolution set out at Item No. 6 of the Notice.

By Order of the Board of Directors
For **Grasim Industries Limited**

Sailesh Kumar Daga

Sailesh Kumar Daga
Company Secretary
Membership No.: F4164

Place: Mumbai
Date: 26th May 2023

Annexure

A. DISCLOSURES RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARDS ON GENERAL MEETINGS:

Name of the Director	Mr. Kumar Mangalam Birla	Dr. Santrupt Misra	Mr. Harikrishna Agarwal
Date of Birth/Age	14.06.1967/ 56 years	15.08.1965/ 57 years	15.09.1959/63 years
Date of First Appointment	14.10.1992	13.06.2020	01.12.2021
Expertise in specific functional areas	Industrialist (For detailed profile, please refer Company's website: www.grasim.com)	Human Resource Development and Personnel Management and General Management (For detailed profile, please refer Company's website: www.grasim.com)	Strategy, Finance & Commercial and Management (Detailed profile forms integral part of this Notice)
Qualification	• Chartered Accountant • MBA from the London Business School	• Post graduate degrees in: – Political Science and – Personnel Management & Industrial Relations • PhDs in: – Public Administration from India and – Industrial Relations from U.K. • Hon. D.Sc degree from Aston University, U.K. • Fellow of the National Academy of Human Resources (NAHR), USA • Hon. Fellow of the Coaching Federation of India • Fellow of Eisenhower • Fellow of Aston Business School • Fellow of AIMA • Commonwealth Scholar	• Chartered Accountant • MBA from Sasin, Chulalongkorn University, Bangkok
Terms & Conditions of appointment/ re-appointment	Non-Executive Director liable to retire by rotation	Non-Executive Director liable to retire by rotation	Executive Director not liable to retire by rotation
Remuneration last drawn (in ₹)			
– **Sitting Fees**	₹ 4.20 lakh	₹ 3.60 lakh	-
– **Commission**	-	₹ 25.00 lakh	-
– **Remuneration and Perquisites**	-	-	₹ 999.53 lakh
Remuneration proposed to be paid	Sitting fees as approved by the Board#	Sitting fees and Commission as approved by the Board	Terms and conditions of his re-appointment and proposed remuneration are specified in the resolution set out at Item no. 6 of the Notice
Shareholding in the Company as on 31st March 2023	11,76,713* shares	-	49,054 shares
Number of Board meetings attended during FY 2023	6 of 7	6 of 7	7of 7
Listed entities in which the person also holds the directorship as on date of Notice	1. Hindalco Industries Limited 2. UltraTech Cement Limited 3. Aditya Birla Fashion and Retail Limited 4. Aditya Birla Capital Limited 5. Century Textiles and Industries Limited 6. Vodafone Idea Limited$	Aditya Birla Capital Limited	None
Listed entities from which the person has resigned in past three years	Aditya Birla Sun Life AMC Limited Vodafone Idea Limited$$	None	None
Chairman/Member of the Committee of the Board of Directors of other Companies**	None	Stakeholders' Relationship Committee Aditya Birla Capital Limited – (Member)	None
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	1. Son of Smt. Rajashree Birla 2. Father of Ms. Ananyashree Birla and Mr. Aryaman Vikram Birla	None	None

#Mr. Kumar Mangalam Birla has expressed his desire of not receiving any commission from the Company.

*Including shares held as Karta of Aditya Vikram Kumar Mangalam Birla HUF

$ Appointed as Director of the Company w.e.f 20th April 2023

$$ Mr Birla ceased to be the Director of the Company w.e.f. 4th August, 2021.

**Note: Pursuant to regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two committees, viz. Audit Committee and Stakeholders Relationship Committee have been considered.

For ease of participation by Members, provided below are key details regarding the AGM for reference:

Sr. No	Particulars	Details of access
1	Link for live webcast of the AGM and for participation through VC/OAVM	https://emeetings.kfintech.com by using e-voting credentials and clicking on video conference
2	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-voting credentials and clicking on 'Speaker registration'. Period of registration: Monday, 21st August 2023 (9.00 a.m. IST) to Wednesday, 23rd August 2023 (5.00 p.m. IST) https://emeetings.kfintech.com by using e-voting credentials and clicking on 'Post Your Queries'. The window will close on Wednesday, 23rd August 2023 (5.00 p.m. IST)
3	Link for remote e-voting	https://evoting.kfintech.com
4	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-voting credentials. Please refer the instructions provided in the Notice.
5	Helpline number for VC participation and e-voting	Contact KFin Technologies Limited at 1800 309 4001 or write to them at evoting@kfintech.com Contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33 Contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free number: + 91 22 4886 7000 and + 91 22 2499 7000
6	Cut-off date for e-voting	Friday, 18th August 2023
7	Time period for remote e-voting	Monday, 21st August 2023 (9.00 a.m. IST) and ends on Thursday, 24th August 2023 (5.00 p.m. IST).
8	Book closure dates	Saturday, 12th August 2023 to Friday, 25th August 2023 (inclusive of both days)
9	Link for Members to update email ID (for physical Members)	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx or send email on einward.ris@kfintech.com
10	Registrar and Transfer Agent - Contact details	KFin Technologies Limited Selenium Building, Tower-B Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddy, Telangana India - 500 032 Email ID: einward.ris@kfintech.com Toll Free/Phone Number: 1800 309 4001 WhatsApp Number: (91) 910 009 4099 RTA Website: https://ris.kfintech.com
11	Grasim Industries Limited – Contact details	A-2, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai 400 030 Tel: 022 2499 5000 Email: grasim.secretarial@adityabirla.com

ENRICHING LIVES



CONSOLIDATED REVENUES OF OVER ₹1 **TRILLION**.
USHERING A NEW ERA OF **TRANSFORMATIONAL GROWTH**.

ADITYA BIRLA
GRASIM

Integrated Annual Report 2022-23
GRASIM INDUSTRIES LIMITED



Mr. Aditya Vikram Birla
14.11.1943 - 01.10.1995

WE LIVE BY HIS VALUES.
INTEGRITY, COMMITMENT, PASSION, SEAMLESSNESS AND SPEED.

PRESENTING
OUR GROUP PURPOSE STATMENT

TO ENRICH LIVES,
BY BUILDING DYNAMIC AND
RESPONSIBLE BUSINESSES
AND INSTITUTIONS,
THAT INSPIRE TRUST.

Chairman's Letter to Shareholders



Dear Shareholders,

The foundation of our Group rests on a philosophy of trusteeship, which imagines corporations as institutions that drive collective prosperity. This philosophy has played an integral role in shaping our actions for generations, guiding us in our quest to enrich lives. Over the years, this purpose, though unstated, has been our unwavering anchor.

In FY23, we formally put to words our Group's purpose statement. At its heart is the commitment to enrich lives by building dynamic and responsible businesses and institutions that inspire trust. Every day, we strive to honour this commitment through our brands, products, services, solutions, actions, relationships, and institutions.

Our purpose statement stands both timeless and fresh against the backdrop of our extensive history. In a world of increasing opportunity, and also accelerating uncertainty, our purpose statement is meant to act as a talisman and remain at the core of our business decisions.

Our purpose offers us a unique lens with which to view the world, to bring perspective to it, and to thrive in it. Guided by this unique perspective, we navigate the evolving global landscape with resilience and foresight. As we turn our attention to the current state of the global economy, it is evident that we are charting a course through a 'new normal'.

GLOBAL ECONOMY: FINDING A NEW NORMAL

The global economy continues to pull itself out of the pandemic-triggered shock. It does so amid a complex environment marked by the ongoing conflict in Ukraine, geo-economic fragmentation, soaring interest rates, and looming risks of a banking contagion. Reflecting these concerns, the International Monetary Fund (IMF) expects global economic growth to dip from 3.4% in CY22 to 2.8% in CY23. Developed countries are predicted to experience a more pronounced deceleration, their aggregate growth stumbling to just 1.3% in CY23–the slowest pace in a decade, excluding the pandemic-impacted CY20.

> "Our enduring success amidst global uncertainties stems from our unyielding commitment to purpose, anchored in principles that are much more than just words."

On the brighter side, China's economy marches towards normalisation following the lifting of its COVID-related restrictions. Both China and India are set to significantly contribute to global economic growth in CY23, providing a much-needed stimulus as developed economies grapple with challenges.

Meanwhile, global supply chain pressures have largely normalised, helping ease commodity prices and peak inflation levels in most economies. Central banks, led by the US Federal Reserve, appear to be nearing the end of their rate-hiking phase, signalling cautious optimism for the global economy and financial markets. However, vigilance remains crucial in the face of potential risk events in this fragile environment.

INDIA: THE SHINING STAR

India's economic narrative paints a much brighter picture. With a government-led push to infrastructure investments and pragmatic policies such as the production-linked incentives scheme, private capex has seen a surge. This rise triggers a multi-year boom, providing valuable support to economic growth in the face of softening global demand.

A decadal reshaping of supply chains is underway. As global corporations start to look at countries across Asia as part of their China + 1 strategies, India is well positioned to benefit. Supported by the dynamism of its tech-based 'new economy' enterprises and the expanding digitisation across sectors, India's growth momentum continues to strengthen.

The Reserve Bank of India (RBI) projects India's economy to grow at 6.5% in FY24, demonstrating the nation's resilience amidst subdued global economic conditions. Inflation seems to have peaked globally and in India. Easing inflation, robust foreign exchange reserves, and improving bank assets' quality provide a sizeable cushion against potential destabilising events in global markets.

A key component of the rise of any industrial ecosystem is the presence of a confident and skilled workforce. This year, India surpassed China in population, and already has the largest and youngest working age population globally. The lessons learnt from the transformations of other economies through the last few decades point to the importance of this demographic dividend.

In the grand theatre of global economic evolution, India stands not as a mere spectator, but as a charismatic lead.

ADITYA BIRLA GROUP IN PERSPECTIVE

As India takes centre stage in this grand narrative, the Aditya Birla Group finds itself in a unique position to contribute to this monumental journey. Our enduring success amidst global uncertainties stems from our unyielding commitment to purpose, anchored in principles that are much more than just words.

And therefore, the articulation of purpose was just the first step. We cultivated a deep understanding of our Purpose across the depth and breadth of the Group, including the last mile. To transform Purpose from a concept to an embodied experience, approximately 600 of our senior leaders and managers took the initiative to receive training and facilitate introspective dialogues on Purpose. This facilitated their teams to internalise, personalise, and actualise our Purpose in a manner that was both unique and authentically representative of their roles within our dynamic Group.

Driven by purpose, the FY23 stands testament to the breadth and scope of entrepreneurial ventures we have embarked upon. We are exploring uncharted territories, backing our conviction with capital and talent. Our robust platform serves as a launch pad for new initiatives, allowing us to tap into opportunities across traditional and sunrise sectors.

This year, we have emphasised the implementation of our 3-year HR Strategy, guided by our Purpose Principles. This approach has enabled us to build enduring bonds with our stakeholders, including key employee segments, like early professionals, and attract high-quality talent across traditional and digital businesses.

With two-thirds of our workforce under 35, our attention is concentrated on equipping early-career employees to fulfill their evolving aspirations and needs. Through a unique programme titled 'CareerAbility', these employees have engaged in a series of self-guided learning bytes, self-assessments, psychometric evaluations, and leadership-led career guidance sessions."

As we continue to expand, our employer brand has empowered us to attract over 11,000 employees in FY23–a diverse pool of new skills and capabilities. Furthermore, our commitment to diversity is evident in the increasing representation of women in our workforce. Culture champions have been instrumental in fostering an inclusive and collaborative environment where every employee feels heard, valued, and respected.

Amidst shifting market dynamics, Learning and Leadership Development continues to be a key pillar, helping us equip over 35,000 employees with the skills necessary to drive business outcomes. Over 400 senior leaders, encompassing CEOs, CXOs, and Unit heads, have bolstered their capabilities in fields such as geopolitical analysis, interpretation of complex megatrends, inspirational leadership, and agile leadership methodologies. Our adaptability was made apparent in our diverse learning approaches, both in terms of design and implementation. Beyond the traditional classroom environment, we provided learning through various accessible forms, including bite-sized modules, self-paced curricula, and certification courses, thereby benefiting 87% of our management cadre employees.

With two-thirds of our workforce under 35, our attention is concentrated on equipping early-career employees to fulfill their evolving aspirations and needs. Through a unique programme titled 'CareerAbility', these employees have engaged in a series of self-guided learning bytes, self-assessments, psychometric evaluations, and leadership-led career guidance sessions. This diverse range of resources has been utilised more than 40,000 times.

Our commitment to the identification and cultivation of talent has remained resolute. We have recognised over 900 pivotal roles within our Group for which a robust succession pipeline is firmly in place. An avant-garde journey of learning is presently being undertaken to equip our future C-Suite leaders, encompassing roles such as CFOs, CMOs, CIOs, and CHROs, with the skills and insights required for leadership in a rapidly evolving business landscape. This focus has significantly enhanced our internal versus external hiring ratio for leadership positions.

This shift is facilitated by our integrated approach to talent identification, development, and internal mobility. Over the past three years, we have seen 14% of our employees and 27% of our talent pool members transition into new roles, bringing our vision of 'A World of Opportunities' to life and fostering enduring bonds within our organisation. This represents our steadfast commitment to talent growth and mobility, crucial for building a resilient and adaptive organisation.

YOUR COMPANY'S PERFORMANCE

FY23 was a milestone for your Company as consolidated revenues surpassed the ₹1 trillion mark. Over the past three years, your Company has achieved exceptional growth, with nearly ₹40,000 crore added to consolidated revenues, reflecting an impressive compounded annual growth rate (CAGR) of approximately 16%. With a substantial share of revenue originating from the domestic market, your Company plays a crucial role in driving India's growth narrative. Furthermore, Grasim's unwavering commitment to India is reflected in its investment of over $2 billion in the country over the past decade.

In the financial year 2023, we recorded an impressive year-on-year growth of 23% in consolidated revenue from operations, reaching an all-time high of ₹1,17,627 crore, up from ₹95,701 crore in FY2022. This robust all-round performance is noteworthy given the challenging global environment.

Your Company has a well-established and time-tested track record of incubating diverse businesses, guiding them towards leadership positions in their respective sectors, and instilling the ethos and values of the Aditya Birla Group. This approach has been demonstrated in sectors such as Cement, Viscose, Financial Services, Textiles, and Chemicals. We aim to replicate this success in our emerging Paints and B2B e-commerce ventures. Furthermore, we have been significantly investing in the Renewable business sector, with a target to reach 2 GW by 2024. Over the years, we believe our conglomerate approach has facilitated long-term value creation for our stakeholders.

FY23 was a milestone for your Company as consolidated revenues surpassed the ₹1 trillion mark. Over the past three years, your Company has achieved exceptional growth, with nearly ₹40,000 crore added to consolidated revenues, reflecting an impressive compounded annual growth rate (CAGR) of approximately 16%."

We are currently directing significant investments and efforts into two new growth areas - Paints and B2B e-commerce for building materials. These sectors were carefully chosen due to their scalability and our deep understanding of their respective ecosystems. They offer a clear path to profitability and allow us to leverage the strength and reputation of the Aditya Birla brand. The launch of these promising new ventures is on track and expected to significantly bolster our revenue streams in the years ahead.

Strength from Standalone

Standalone revenues in FY23 witnessed a robust growth of 29% y-o-y. Over the years, your Company's standalone businesses have demonstrated resilience and consistency, emerging stronger from each cyclical downturn. Our Viscose and diversified Chemicals businesses command an undisputed market leadership in India, backed by consistent capacity additions. The Viscose business, propelled by the "LIVA" brand, has created a "pull demand", now selling close to sixty million co-branded labels across the Spring-Summer and Autumn-Winter fashion cycles. Despite facing some challenges in the second half of the year due to a demand-supply mismatch and a lack of level playing field compared with FTA imports in the country, we remained profitable amid challenging market conditions.

Our Chemicals business posted its best-ever annual performance, largely attributed to the Chlor-Alkali segment. Your Company, bolstered by leadership, innovation, and cost strengths, has successfully navigated market cyclicality to its advantage. For example, over volatile cycles, your Company generated operating cash flows exceeding ₹13,000 crore over FY19-23, a noteworthy 104% increase compared to ₹6,500 crore generated over the FY2014-2018 period.

Executing our Growth Plans

Your Company is focused on its growth vision and remains committed to achieving set objectives. We plan to ramp up investments in the identified growth sectors of Specialty Viscose and Chemical Products, Paints, and B2B e-commerce over the next three to five years. In FY23, your Company executed its largest ever capital expenditure, investing over ₹4,000 crore. Approximately half of this expenditure was allocated to the construction of Decorative Paints plants. These investments will accelerate over the next two years, positioning us as a formidable contender in the decorative paints sector in terms of capacity.

The upcoming years are expected to signify a transformative growth phase for your Company. While our established businesses are set to consolidate their leading positions, our newly identified growth engines are poised to create a powerful impact.

Conclusion

In conclusion, I hold the conviction that our Purpose broadens our perspective, enabling us to pursue even greater horizons. It serves as the bedrock that propels us towards the future, emboldening us to venture into more significant commitments and pursuits.

As we grow, we expand our capacity to receive by enhancing our absorption of talent, technology, and capital. Indeed, with each stride in growth, we deftly weave in more threads of insights and capabilities, enriching the tapestry of our collective endeavour. This, in turn, enables us to increase our ability to give back, create impact, and enrich lives. This virtuous cycle is at the heart of being a successful purpose-driven organisation.

Your Company doesn't just pride itself on being a purpose-driven entity— it embodies it, living out this ethos in every endeavour, every relationship, and every venture. This commitment to purpose is what continues to steer us towards an even brighter, more impactful future.

Yours sincerely,



Kumar Mangalam Birla
Chairman

Index

INTRODUCTION

About the Report 7
Message from the Managing Director 8
Theme Introduction 12
Capital-wise Highlights 14

ABOUT GRASIM

Who We Are 16
Businesses 18
Presence 26
Governance 28
Board of Directors 32
Management Team 34

SUSTAINABILITY

ESG Framework 36
TCFD Summary Report 40

OUR APPROACH TO VALUE CREATION

Strategic Priorities 46
Business Model 48
Stakeholder Engagement 50
Materiality 52
Risk Management 56
Awards 62

CAPITAL-WISE PERFORMANCE

Financial Capital 66
Manufactured Capital 74
Intellectual Capital 84
Natural Capital 96
Social and Relationship Capital 110
Human Capital 122

ANNEXURES

GRI Content Index 132
Independent Assurance Statement 138
Sustainability Data Book 142
Financial Highlights 144
SDG Index 147

STATUTORY REPORTS

Management Discussion and Analysis 148
Board's Report 160
Report on Corporate Governance 202
Shareholder Information 233
Business Responsibility and Sustainability Report 246
CSR Report 2022-23 291

FINANCIAL STATEMENTS

Standalone Financial Statements 294
Consolidated Financial Statements 408

PURPOSE LED PRINCIPLES



Read more **64**



Read more **72**



Read more **82**



Read more **94**



Read more **108**

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

About the Report

Grasim Industries Limited proudly presents its fourth Integrated Annual Report titled "Enrich Lives" which showcases and elaborates our Purpose led principles. The report covers not only our financial performance but also our non-financial achievements through a comprehensive value- creation model.

This report aims to cover detailed information on our Company achievements, strategy, resource allocation, and utilisation, as well as our relationship with our employees, customers, and the entire value chain; our stakeholder engagement practices, and materiality assessment. There is a section on risks and opportunities and on our approach toward governance providing insights into our structure. We have also included the Business Responsibility and Sustainability Report (BRSR) as part of our commitment to responsible business practices.

SCOPE OF REPORTING

Value Creation Model

To be a future-ready organisation that creates long-term value in the field of digital transformation, we are highly dependent on different kinds of capital. The various forms of capital available to us (inputs), their efficient utilisation (value-accretive activities), our impact on them, and the value we deliver (outputs and outcomes), are all deeply interconnected.

Reporting Period

This report is released annually and is for the period 1st April 2022, to 31st March 2023.

Frameworks and Standards

The report follows the outline of the International Financial Reporting Standards (IFRS). The contents and guiding principles of Integrated Reporting <IR> Framework standards have been adhered to and the report prepared in reference to the GRI Standards 2021.

This integrated report consists of the information and data in alignment with the following:

- 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
- Companies Act, 2013 (and the rules made thereunder)
- National Guidelines on Responsible Business Conduct (NGRBC)
- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (UNSDGs)
- CDP (formerly known as Carbon Disclosure Project)
- Task Force on Climate-related Financial Disclosure (TCFD)
- Global Reporting Initiative (GRI)
- Dow Jones Sustainability Index (DJSI), S&P Global

Reporting Boundary

The report includes financial disclosures at both standalone and consolidated levels. Non-financial environment disclosures apply to our sites (as below) and social related disclosures apply to our standalone company.

Viscose Stable Fibre (VSF) – Nagda, Harihar, Kharach and Vilayat

Pulp – Harihar

Chemicals – Nagda, Vilayat, Veraval, Karwar, Rehla, Renukoot, Balabhadrapuram and Ganjam

Textiles – Rishra, Malanpur and Kolhapur

Insulators – Halol and Rishra

Viscose Filament Yarn (VFY) – Veraval and Kalyan

Board Responsibility Statement & Assurance

Our Board of Directors has assured the integrity of the facts in this report to the best of their knowledge. Our top management which includes key management employees has also examined the report for consistency, clarity, and validity of the message.

Limited assurance on certain identified sustainability indicators in this Report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. The subject matter, criteria, procedures performed and limited assurance conclusion are presented in the assurance report attached at the end of this report.

The Reviews and Audit of Historical Financial Information are carried out by BSR & Co. LLP and KKC & Associates LLP.

Materiality

This FY23 Integrated Report provides a thorough overview of all that is material to our business. Considering the essential aspects of interest of our stakeholders, it dives into the Company's performance, prospects, and ability to create sustainable and shared value. All information included in this report is firmly rooted in the economic, social, and environmental context of our operations.

Limitation

Please note that certain statements in this report on our business are forward-looking and are based on discussions about our market and financial position, business strategy, and objectives for future operations. Forward-looking statements can be identified by words such as 'anticipates', 'expects', 'intends', 'may', 'will', 'believes', 'estimates', 'outlook', and other similar terms when discussing future operational, environmental, social, and financial performance. Forward-looking statements are based on our current expectations, reasonable assumptions, and assessments of projected trends. However, they are subject to risks, uncertainties, and external factors, and actual results may differ from the projections made in these statements. We encourage readers to consider the associated risks and uncertainties while evaluating these statements. We do not undertake any obligation to update or revise these statements except as required by law.

Feedback

Share your feedback or queries on this report to:

E-mail - **grasim.secretarial@adityabirla.com**

Staying Committed for the Long-term



Dear Stakeholders,

"The future depends on what we do in present" - Mahatma Gandhi

I am delighted to present to you the Annual Integrated Report of Grasim Industries Ltd. for FY23. With our eyes firmly set on the future, Grasim Industries Limited entered a new phase of growth as it celebrated its distinguished journey of 75-years of existence last year.

The last year, my first full year as managing director of Grasim Industries, saw the Company scale new heights across various businesses. The consolidated revenue crossed a historic milestone of ₹1 trillion, reaching ₹1,17,627 crore. The Standalone revenue for the year at ₹26,840 crore was also at highest ever, driven by a robust performance in Viscose and Chemicals businesses.

Our key subsidiaries also posted robust operational performance achieving multiple milestones during the year. UltraTech Cement achieved its highest ever sales volumes crossing milestone of 100 MTPA, a first by any company in India. It has been instrumental in building some of India's critical infrastructure and remains committed to contribute towards nation building. Aditya Birla Capital clocked its highest ever revenue of ₹27,416 crore, recording growth of 23% y-o-y. The Group's finance arm, Aditya Birla Finance AUM grew by 46% y-o-y at ₹80,556 crore. Aditya Birla Renewables has increased its peak renewable power capacity at 744 MW which is targeted to reach ~2 GW in FY24.

Our illustrious legacy is firmly anchored in the ability to create global-scale businesses propelled by a synergistic combination of purpose, values, innovation, capacity building, and strategic insights. We feel very proud as independent India's first few organisations continuing to contribute towards India's industrial development with a sense of responsibility for 'Atmanirbhar Bharat'.

Milestones Achieved in FY23

Revenue

117,627
Consolidated (₹ crore)

26,840
Standalone (₹ crore)

Segmental Revenue

10,422
Chemicals (₹ crore)

2,293
Textiles (₹ crore)

Sales Volumes

711
VSF Volumes (KT)

1,145
Caustic Soda Volumes (KT)

> "We feel very proud as independent India's first few organisations continuing to contribute towards India's industrial development with a sense of responsibility for 'Atmanirbhar Bharat'."

While your Company maintains its leadership position in its existing businesses-Viscose, Chemicals and Linen and Wool textiles, entry into new high growth businesses namely Paints and B2B e-commerce are new value creating endeavours for all stakeholders.

STABILITY IN THE WORLD OF VOLATILITY

According to certain predictions, the majority of the risks associated with COVID-19 lockdowns and macro instability have passed. Post-pandemic opening up and geopolitical events led to high inflation across globe, leading to tightening of monetary policies. This is resetting future world order around low demand, and low growth rates. Clean energy transition and new trade measures are other key aspects in the new world order.

Over these years, stable Government regime and strong policy framework ushered India towards acceleration of growth and investments into manufacturing sector. India is currently undergoing a fundamental shift in income and consumption structure whereby there are expectations of per capita income more than doubling from current ~$2,500 to $5,500 levels by 2030. This would be largely driven by aspirations of young population gradually moving from low to middle income to upper and high-income levels.

The truly diversified nature of Grasim qualifies it as a 'Stronglomorate'. Backward integration and synergies within the segments help in handling the volatile global market conditions. Additionally, the countercyclical nature of these businesses gives profitability the much-needed stability. Every single one of our standalone businesses, including viscose, chlor-alkali, speciality chemicals and textiles, has consistently demonstrated higher levels of capacity utilisation. The consistency also exhibits deep understanding on demand supply situation in each of these sectors leading to timely undertaking of expansion plans.

STRENGTHENING OUR CORE BUSINESSES

Viscose



Our Viscose Staple Fiber (VSF) segment witnessed significant growth, driven by increased demand for sustainable and eco-friendly fibres. In FY23, our VSF segment recorded highest ever sales volumes of ~711,000 MT, growth of 18% y-o-y, driven by strong underlying growth in domestic markets. However, there was softness in the international markets due to poor global demand resulting higher inventories in the textile value chain. Such demand supply mismatch led to volatility in realisation further added by: i) steep decline in cotton prices and ii) imports from FTA countries. Inverted duty structure on VSF also impacted margins.

Viscose, regenerated cellulosic sustainable fibre, is the fastest-growing fibre in India as well as globally, compared to cotton and polyester. We have developed strong set of capabilities through our dedicated Research & Development. The R&D team has developed multiple indigenous breakthroughs developing improved variants of Viscose making it a truly 'Make in India' and 'Big in India' segment. The tremendous success of our brand 'LIVA' can be attributed to our relentless focus on customer centricity. Our new brand 'Navyasa' for premium category sarees, luxuriously soft and extremely light weight, crafted with nature-based eco-friendly fabrics from 'LIVA' is well accepted by the discerning customers. VSF is a preferred textile fibre in the fashion industry now looking to be a part of circular economy. However, we would need to carefully navigate raw material, energy and policy related uncertainties.

Chemicals



Chemicals business has also made commendable progress, capitalising on emerging opportunities and addressing customer needs with innovative solutions. FY23 was a strong year for our Chemicals business registering strongest ever revenue growth of 32% y-o-y posting its highest ever revenue and EBITDA of ₹10,422 crore and ₹2,271 crore, respectively. The growth was largely driven by Chlor-Alkali segment which experience stable demand and strong pricing trends. Speciality Chemicals, which

"Sustainability is an integral part of our strategy across our businesses. The Company remains aligned to ABG's commitment of becoming Net Zero by 2050. However we are building our strategy and evaluating methods on how sooner we could aim for the same."

include Epoxy resins and curing agents, as well as Chlorine derivatives, experienced normalising trends. Our capacity expansion plans across all these three sub-segments are on track. While we are doubling our capacity in our speciality Chemicals segment, majority of the capital expenditure is targeted to improve Chlorine integration. The new capacities would further solidify our leadership position as one of the largest players in the Diversified Chemicals segment.

Textiles



Our textile segment also delivered its best ever annual financial results in FY23 with the highest-ever revenue and EBITDA of ₹2,293 crore and ₹240 crore, respectively. Our Linen, Wool and Premium Cotton fabric manufacturing capabilities are taking strides under well-known brands like 'LINEN CLUB', 'SOKTAS' and 'GIZA HOUSE'. As of the year-end, our textile brands were present at 210 Exclusive Brand Outlets (EBOs) and 8,500 Multi-Brand Outlets (MBOs). The business ventured into e-commerce as a new channel, which saw 120% growth in business over two years ago, along with the launch of Brand.com (LinenClub.com) making us a D2C brand and increasing consumer touchpoints. These specialised brands are able to create their own niche and are ripe for accelerated scale through omni-channel presence across length and breadth of the country. Additionally, the business would be expanding products categories targeted across Men's and Women's categories.

SETTING THE TONE FOR THE FUTURE

For Grasim, market leadership reflects quality of business and benefits of scale. It also reflects the brand pull which we have created across various segments. We continue to add capacities which adds strength to leadership in the core standalone businesses. However, last year, we identified two scalable, high-growth opportunities in which your Company would be able to leverage its strengths. The cash flows from strong, stable and sustainable standalone businesses will enable setting up of two new businesses, namely Decorative Paints and B2B e-commerce for building materials. Over the past two years we have invested ₹2,600 crore and have commitments to further invest ₹10,000 crore spread across both these businesses over the next two years. These investments and businesses at full scale would provide Grasim additional levers of growth with high quality earnings and healthy return profile.

FOCUSED SUSTAINABILITY

Sustainability is an integral part of our strategy across our businesses. Our pulp and fibre business has secured highest category of 'Dark Green Shirt' in Canopy's Hot Button Report, for the third consecutive year. This achievement highlights our relentless efforts on improving sustainable wood sourcing practices and traceability across the value chain. Your Company remains aligned to ABG's commitment of becoming Net Zero by 2050. However, we are building our strategy and evaluating methods on how sooner we could aim for the same. Lower water and power intensity, increase usage of renewable power, controlled waste and emission factor are some of the targets aligned to long-term incentives of the management. For FY22, your Company was honoured with multiple awards for demonstrating our dedication towards Sustainability.



"As we look ahead and beyond the near term, we see strong growth opportunities in our existing core Viscose and Chemicals businesses, with a focus on the Speciality products. The new high-growth businesses viz. Paints and B2B e-commerce will take your Company to newer heights with better quality of earnings."

TECHNOLOGY AND INNOVATION

Grasim recognises the importance of technology and innovation in driving long-term growth. We have focused on digitisation initiatives, leveraging advanced analytics, automation, and artificial intelligence to enhance our operations and improve customer experiences. Our commitment to innovation has enabled us to stay ahead of market trends and deliver value-added solutions.

LOOKING AHEAD AND BEYOND

We anticipate a dynamic business environment with its own set of challenges and opportunities. Grasim Industries is well-positioned to navigate through these uncertainties and capitalise on emerging trends. We will continue to focus on operational excellence, technological advancements, and sustainable practices to drive growth and create long-term value for our shareholders. As we look ahead and beyond the near term, we see strong growth opportunities in our existing core Viscose and Chemicals businesses, with a focus on the Speciality products. The new high-growth businesses viz. Paints and B2B e-commerce will take your Company to newer heights with better quality of earnings. I am sure we are well positioned to be a key player in the country's growth journey and to create value for its stakeholders, in line with our legacy.

I would like to express my sincere gratitude to our esteemed shareholders for their unwavering trust and encouragement. I would also like to thank our customers, bankers, media, and our vendor partners for their support. I extend my appreciation to the board of directors, management team, and all our employees for their dedication and hard work in achieving these remarkable results.

As we move forward, we remain committed to value creation for all stakeholders, transparency, and sustainable growth. I invite you to read the complete Annual Report, which provides a comprehensive overview of our business performance and initiatives during the FY23.

Thank you for your continued confidence in Grasim Industries.

Onwards and upwards!

Best regards,

Harikrishna Agarwal
Managing Director

Purpose–led Business. Driven by Performance.









"Enrich lives by building dynamic and responsible businesses and institutions that inspire trust" is at the heart of everything we do, shaping our strategies and driving our decisions.

This philosophy guides our efforts to contribute positively to the communities in which we operate. Our innovative initiatives and responsible practices address societal challenges, promote inclusive growth, and foster environmental stewardship across every aspect of our business–from chemicals, viscose, textiles, and paints to cement and building materials.

Our endeavours to improve lives are motivated by our conviction in the inherent potential of our people. We are committed to helping organisations grow and change via creative thoughts, deeds, attitudes, and behaviours.

The core purpose of our Group is translated into actionable expressions and guiding principles, seamlessly integrated into our everyday lives.



Creating Consistent Value

A business runs on various enablers that give it the courage to spread its wings and achieve greater ambitions. We understand that sustainable businesses with long-term viability must use the six capitals at their disposal to generate and sustain value for their stakeholders.

Financial Capital

Financial resources that the Company already has or obtains through financing

23%
Revenue growth

107,502
Market capitalisation (₹ crore) (31st March 2023)

117,627
Consolidated revenue (₹ crore)

Read more **66**

Manufactured Capital

Tangible assets used by the Company to conduct its business activities

>85%
Capacity utilisation (VSF and Chlor-Alkali Business)

4,307
Capex expenditure (₹ crore)

Read more **74**

Intellectual Capital

Intangible, knowledge-based assets

124
R&D expenditure (₹ crore)

17
Patents granted

9
R&D centres

Read more **84**

Natural Capital

Natural resources impacted by the Company's activities

1.2 lakh
Trees planted

15%
Reduction in freshwater withdrawal intensity

17%
Reduction in energy consumption intensity

Read more **96**

Social and Relationship

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

11.05 lakh
Beneficiaries

6 / 5
School / Hospital run by Company

20%
Materials procured from local vendors

Read more **110**

Human Capital

Employee knowledge, skills, experience and motivation

24,455
Permanent employees

39%
Female addition

620,207
Total training hours

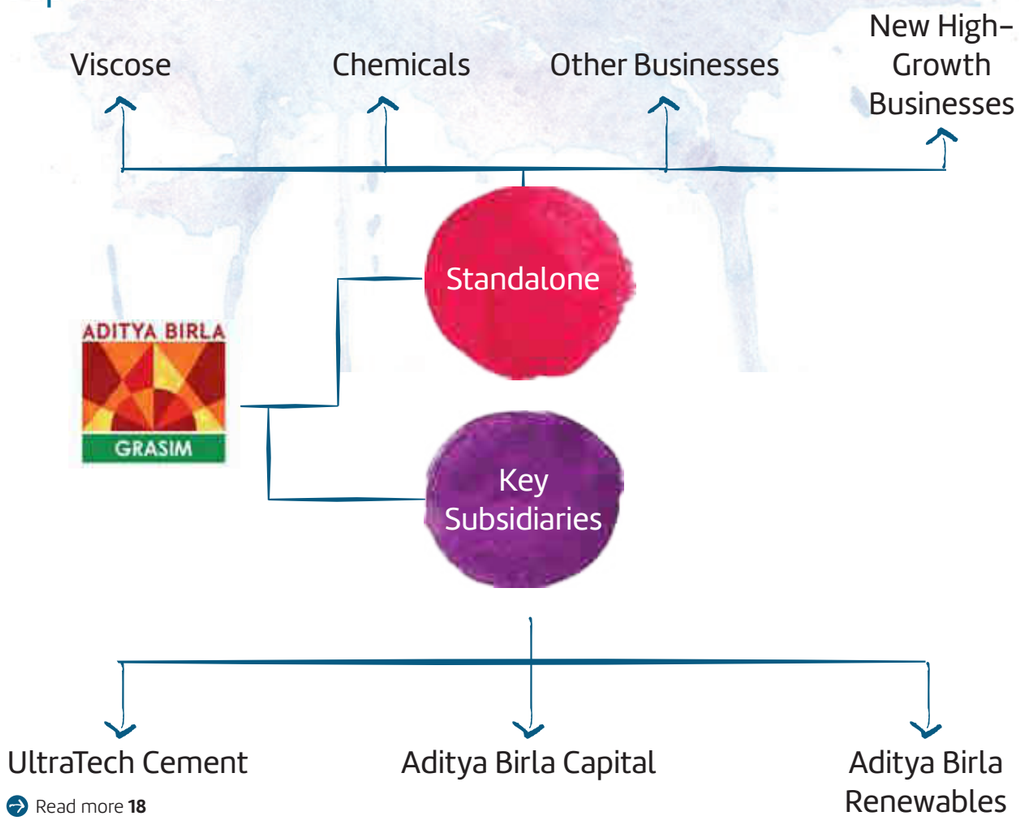
Read more **122**



Diversified in Business. Unified in Purpose.

Grasim, the flagship Company of the Aditya Birla Group (ABG), has evolved into a leading diversified player. Having begun our journey as a textile manufacturer in 1947, today we are the leading global producer of VSF, and the largest Chlor-Alkali, Speciality Chemicals (Epoxy Polymers and Curing Agents), VFY and Linen Textiles player in India. We are also the largest cement producer in India through our subsidiary, UltraTech Cement Limited, and a leading diversified financial services player through Aditya Birla Capital Limited. We remain committed to creating sustainable value for our 43,129 employees, ~2.47 lakh shareholders, society, and customers by embedding the Group's mission, vision, and values in the way we do business.

Group Structure



Read more **18**

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**

FY23 Key Facts

#1* **Viscose Producer**

#1* **In Chlor-Alkali**

#1* **Producer* of Epoxy Polymers & Curing Agents**

#1* **Linen Producer**

*India

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 spans across 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.

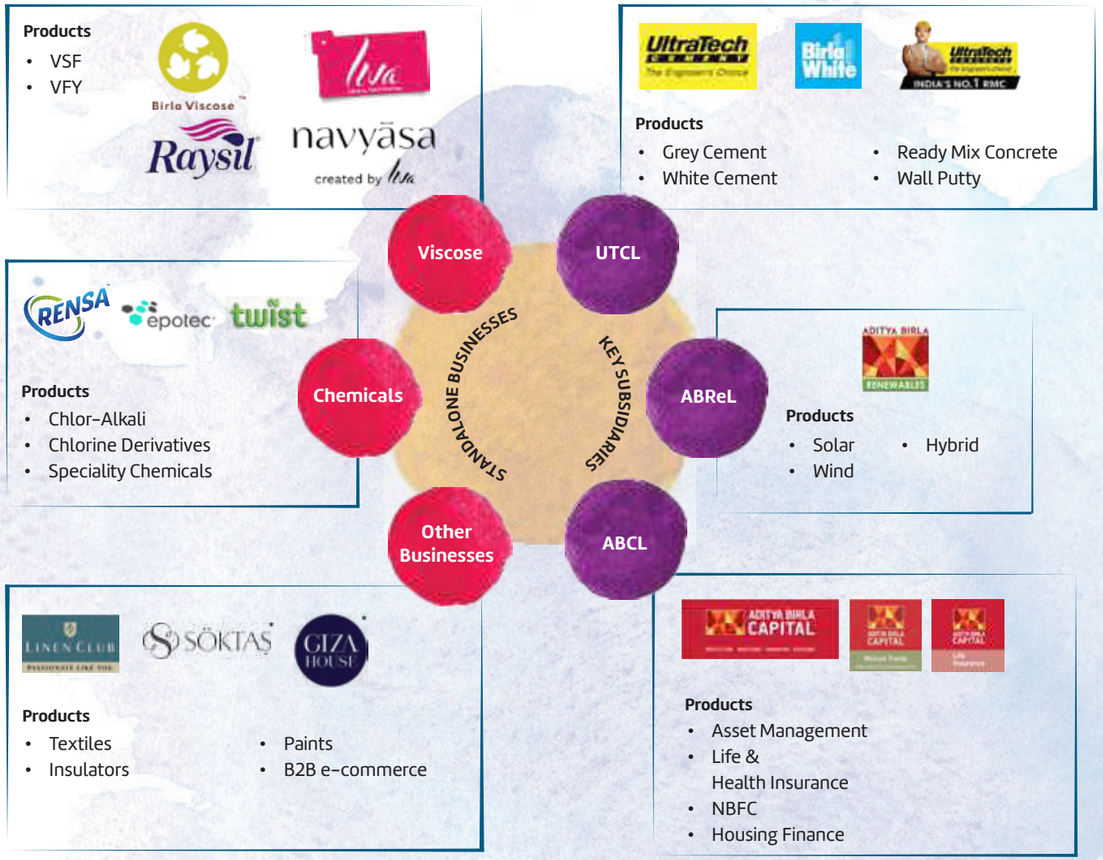
ADITYA BIRLA GROUP



Driving Diverse Opportunities

Grasim's diversified portfolio enables us to provide an extensive array of products and services to cater to the needs of our customers.

Our Businesses



*Using these brands under a license from Soktas Tekstil Sanayi Ve Ticaret Anonim Sirketi in key territories including India, Bangladesh and Nepal

Standalone Businesses

Viscose Business

Viscose Staple Fibre (VSF)



Grasim leverages more than a century history of viscose, the pioneer wood-based cellulosic fibre, to establish industry benchmarks for quality and environmentally responsible manufacturing.

Birla Viscose seamlessly blends the indulgent comfort and opulence of a natural fibre with the precise engineering of a man-made fibre. Crafted from sustainably sourced wood pulp, Birla Viscose stands out as the world's first viscose that meets the most stringent safety and purity criteria, making it not only biodegradable but also environmentally friendly. By upholding the highest standards, Birla Viscose ensures exceptional product quality, while minimising its ecological footprint. Garments enriched with Birla Viscose exhibit remarkable fluidity, lustre, softness, and drape, while providing unparalleled comfort to the wearer's skin. These sumptuous fibres inspire effortless style and elevate everyday attire with a touch of grace and elegance.

Birla Modal exemplifies the pinnacle of softness and fluidity, complemented by remarkable durability and exceptional performance. As a second-generation advancement in viscose, its production process has been refined to enhance its remarkable sheen, luxurious texture, and impeccable draping capabilities, while also augmenting its practicality. Moreover, this fibre is sourced entirely from 100% renewable natural resources, enabling it to biodegrade and seamlessly reintegrate into the environment.

Birla Excel is a third-generation fibre, the latest in the line of cellulosic fibres from Birla Cellulose. Manufactured using an exceptionally eco-friendly process, it seamlessly merges the opulent comfort of natural fibres with the meticulous engineering of man-made fibres.

Key Trends

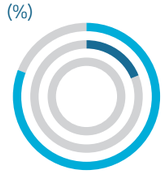
Traceability

Through blockchain-based platform GreenTrack™, Birla Viscose 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. *Scan here to explore.*

Circular Solutions

Innovators like Grasim are making inroads in the field of textile waste recycling. The process is of using pre and post-consumer cotton textile waste and following circular economy principle to convert the same into cellulose pulp that can be used for textile production. The end-to-end expertise from yarn to textile to brand has led your Company be one of the early adopters and pioneers of developing such solutions.

FY23 VOLUME MIX (%)



Standard fibre	81
Speciality fibre	19

Process

FOREST WOOD → PULP → VSF → YARN → FABRIC → GARMENT → BRAND & RETAIL

Viscose Filament Yarn (VFY)



Key Trends

Innovation

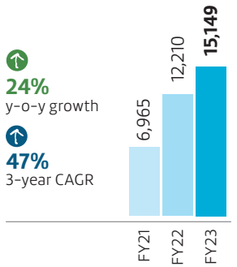
Globally, there are accelerated innovations in the categories of sustainable, high performance, fashion, exotic and technical. Grasim has been successfully pioneering new Viscose Filament Yarn products in India like monofilament, microfilament, bi-shrinkage and VFY with unique effects for different fabric weaves. During the year, we developed three new products under SSY and two new products under CSY. R&D at the core has led Grasim address market requirements providing differentiated solutions for India's textile value chain partners.

Grasim holds the distinction of being India's leading producer of Viscose Filament Yarn. Our exclusive brand, Raysil, embodies a versatile fashion yarn crafted from top-quality and imported wood pulp. Notably, Raysil is 100% biodegradable and environmentally friendly, offering a delightful feather-light sensation, vibrant hues, and a captivating natural sheen.

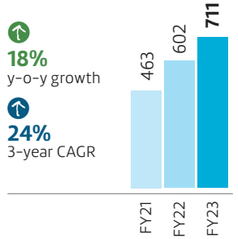
Raysil®, our distinguished brand, showcases VFY that is sourced entirely from natural origins. The extensive product range encompasses bright, and dope dyed viscose filament yarns, spanning from 20 deniers to 1,200 deniers. Renowned for its adaptability, exceptional drape, fluidity, and luminosity, Raysil® VFY is highly sought-after for the production of fabrics like georgettes, crepes, chiffons, and various other textile creations.

FY23 Performance

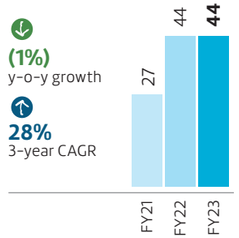
VISCOSE – REVENUE
(₹ crore)



VSF SALES VOLUME
(KTPA)



VFY SALES VOLUME
(KTPA)



Chemicals Business



Chlor-alkali Business

At our facilities located throughout India, the Chlor-alkali Business is engaged in the production of caustic soda, wide array of chlorine derivatives and speciality chemicals like Epoxy polymers and curing agents. These chemicals find application across various industries, including aluminum processing, pulp and paper manufacturing, textiles, water treatment, hydrogenated fats production, and downstream chemicals manufacturing. Our globally acclaimed product range features renowned brands which hold certifications from reputable organisations such as the National Sanitation Foundation (NSF) and Certification Authority Authorisation (CAA).

Chlorine Derivatives Business

With a substantial production capacity in Chlorine Derivatives, we cater to rapidly growing markets including Pharma, Agrochemicals, Water Treatment, Food and Feed, Plastic additives, and Industrial sectors. Additionally, we have a presence in high-value speciality products such as Chloromethanes and Phosphoric Acid. Our future plans encompass expanding our product portfolio to include Epichlorohydrin (ECH), Mono Chloroacetic Acid, Carbon Tetrachloride, as well as evaluating potential offerings like Pyrethroids, Trichloroisocyanuric Acid, Chlorinated Polymers, and Carboxy Methyl Cellulose.

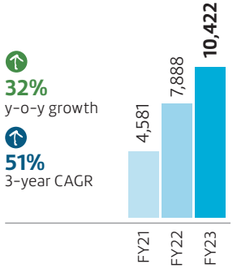
Speciality Chemicals

(Epoxy polymers and curing agents)

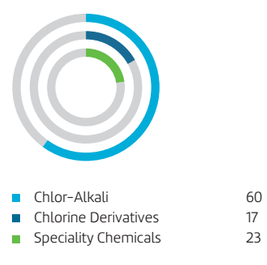
As a prominent player in the global market, our Speciality Chemicals division holds the esteemed position of being India's No. 1 and one of the top three Epoxy manufacturers worldwide. Since our establishment, we have consistently introduced a wide range of products and systems in categories such as Epoxy Resins, Curing Agents and Hardeners, and Reactive Diluents. Our dynamic and expanding portfolio effectively caters to diverse industries including Construction, Coating, Composites, Electronics, Adhesives, as well as specialised sectors like Wind, Aerospace, Automotive, Marine, and Sports. Through our renowned brands, we have garnered recognition for offering innovative products and groundbreaking solutions.

FY23 Performance

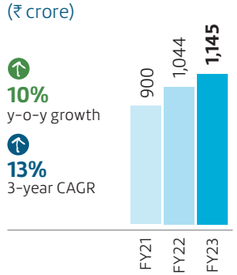
CHEMICALS REVENUE
(₹ crore)



REVENUE MIX
(%)



CHLOR-ALKALI SALES VOLUME
(₹ crore)



New High Growth Businesses

Paints Business



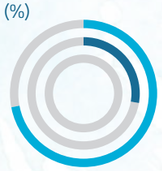
Key Drivers

- Strong housing demand on account of Government's focus on 'Housing for All' and rising aspirations are key drivers for growth in decorative paints.
- Increasing premiumisation and shortened repainting cycles are further aiding to the growth momentum.
- With population growth there would be rapid urbanisation in India which would fosters greater economic productivity and create demand for housing.
- Increasing income levels coupled with young population are aiding aspiration-led demand and growth

In the recent years, the Decorative Paints market has experienced substantial expansion, with notable changes in market dynamics. The decorative paints industry size is ~₹67K crore of which ~75% is organised sector. In FY23 organised decorative revenue grew by ~22% over FY22, to meet the market demand we are targeting a total capacity of 1,332 million litres per annum (MLPA), second largest capacity in India. The commissioning of new plants is scheduled to commence in phased manner starting from fourth quarter of FY24. As of 31st March 2023, we have already invested ₹2,592 crore in capital expenditures, which accounts for approximately 26% of the planned outlay for our Paints business.

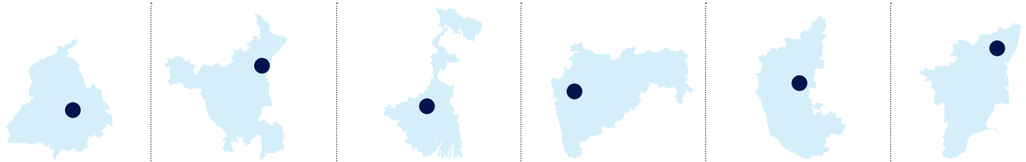
DECORATIVE PAINTS MARKET SHARE

(%)



Organised	72
Unorganised	28

Paints Manufacturing Plant Locations



Ludhiana (Punjab) | **Panipat (Haryana)** | **Kharagpur (West Bengal)** | **Mahad (Maharashtra)** | **Chamarajanagar (Karnataka)** | **Cheyyar (Tamil Nadu)**

B2B E-commerce Business



Grasim has announced its first such venture and intends to attain market leadership in B2B e-commerce for building materials. This B2B platform will transform and elevate how SMEs experience the business and enable them with more efficient procurement.

The value proposition of our Company is offering:

- Competitive pricing
- Assured quality
- Guaranteed delivery
- Financing solutions

Grasim has earmarked a capital outlay of ₹2,000 crore for the next five years to scale this high-growth opportunity.

Product Categories

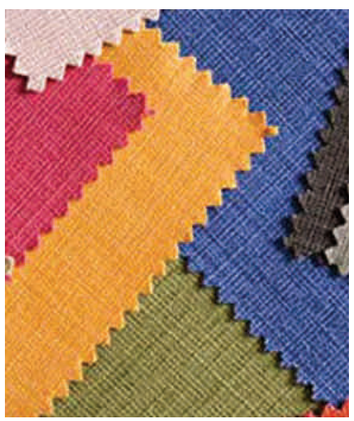
- Cement and Steel
- Sanitaryware, Tiles, Pipes and Fittings
- Paints
- Doors, Windows and Kitchen

Key Drivers

- Industry is estimated at ~$100 billion with current digital penetration of <2%
- The building material procurement segment in India has witnessed a compound annual growth rate (CAGR) of around 14% over the past three years
- Elevate MSMEs' experience by creating a B2B e-commerce platform helping efficient procurement and wide reach
- Impetus to Government's vision of 'Digital India' and 'MSMEs Empowerment'

Other Businesses

Textiles Business

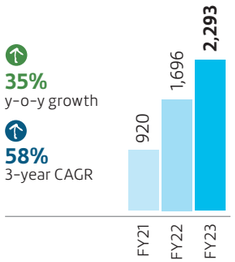


Our commitment to excellence is reflected in our sourcing practices, where we select and utilise only the highest quality wool from Merino sheep which has established us as prominent wool manufacturers on a global scale. To guarantee the superior quality of our materials, we subject them to rigorous quality assurance processes and product certification through The Woolmark Licensing Program. This ensures that both our valued consumers and partners in the value chain receive the finest fibre content in our wool tops and yarns.

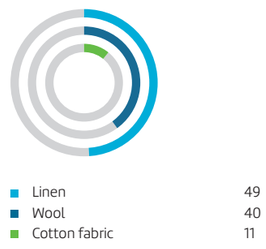
Jaya Shree Textiles stands as the largest integrated linen yarn and fabric factory in the nation, encompassing expertise in spinning, weaving, and garmenting the most exquisite linen collections. Linen Apparel business, built on an outsourced garmenting model, has grown 100% over last year. Today, Grasim is a prominent player in high quality Linen Apparel space with products available across exclusive and multi brand leading outlets in the country, online marketplaces and LinenClub.com. The Company forayed into women's wear ready-made (Linen Club Woman) with an asset-light model, in a step towards category expansion and increasing linen penetration amongst new consumer group.

FY23 Performance

TEXTILES REVENUE
(₹ crore)



REVENUE MIX
(%)



Insulators Business



Aditya Birla Insulators holds the distinction of being the largest electrical insulator manufacturer in India and ranks among the top four globally. The Company offers the widest range of insulators in India, catering to various applications such as transmission lines, substations (up to 1,200 kV voltage level), equipment, and railways. In 2019, Aditya Birla Insulators commissioned the Composite Hollow Core Insulators (CHCI) plant at Halol through a joint venture with Maschinenfabrik Reinhausen GmbH of Germany, known as Aditya Birla Power Composites Limited (ABPCL). With over five decades of technical expertise, Aditya Birla Insulators has maintained a competitive edge in the industry. Notably, it is the sole insulator manufacturer worldwide to implement bar codes for product traceability throughout the production process.

Key Subsidiaries

UltraTech Cement



UltraTech Cement serves as the comprehensive one-stop destination for all building materials, offering a diverse range of products. From grey cement to white cement, from building products to building solutions, and an extensive selection of ready-mix concretes, UltraTech Cement caters to a wide range of needs and applications. With over 100 Ready Mix Concrete (RMC) plants spread across 35 cities, UltraTech stands as the largest concrete manufacturer in India. Additionally, the Company offers a range of speciality concretes tailored to meet the specific requirements of discerning customers.

Birla White, India's leading brand in white cement, has established itself as the epitome of 'Whitest White Cement'. The production of white cement by Birla White commenced in 1988, and since then, consumers have witnessed the limitless possibilities of using white cement in various applications. Recognising the evolving aspirations and needs of customers, Birla White swiftly adapted to the changing market dynamics. This led to the development and introduction of a range of innovative surface finishing products based on white cement. The current portfolio includes WallCare Putty, Levelplast, GRC, and Textura, each serving to enhance wall care and elevate interior aesthetics.

UltraTech Cement serves as a one-stop destination for all building materials, offering a diverse range of products.

Aditya Birla Capital



Aditya Birla Capital Limited (ABCL) stands as a prominent financial services conglomerate in India, dedicated to delivering comprehensive financial solutions that cater to the evolving needs of our customers throughout their lifetime. Whether it is investing, financing, protecting, or seeking advice, we strive to provide our customers with a streamlined, reliable, and effortless experience through our unified brand and service platform.

ABCL has been a leader in adopting new Technologies in the BFSI space.

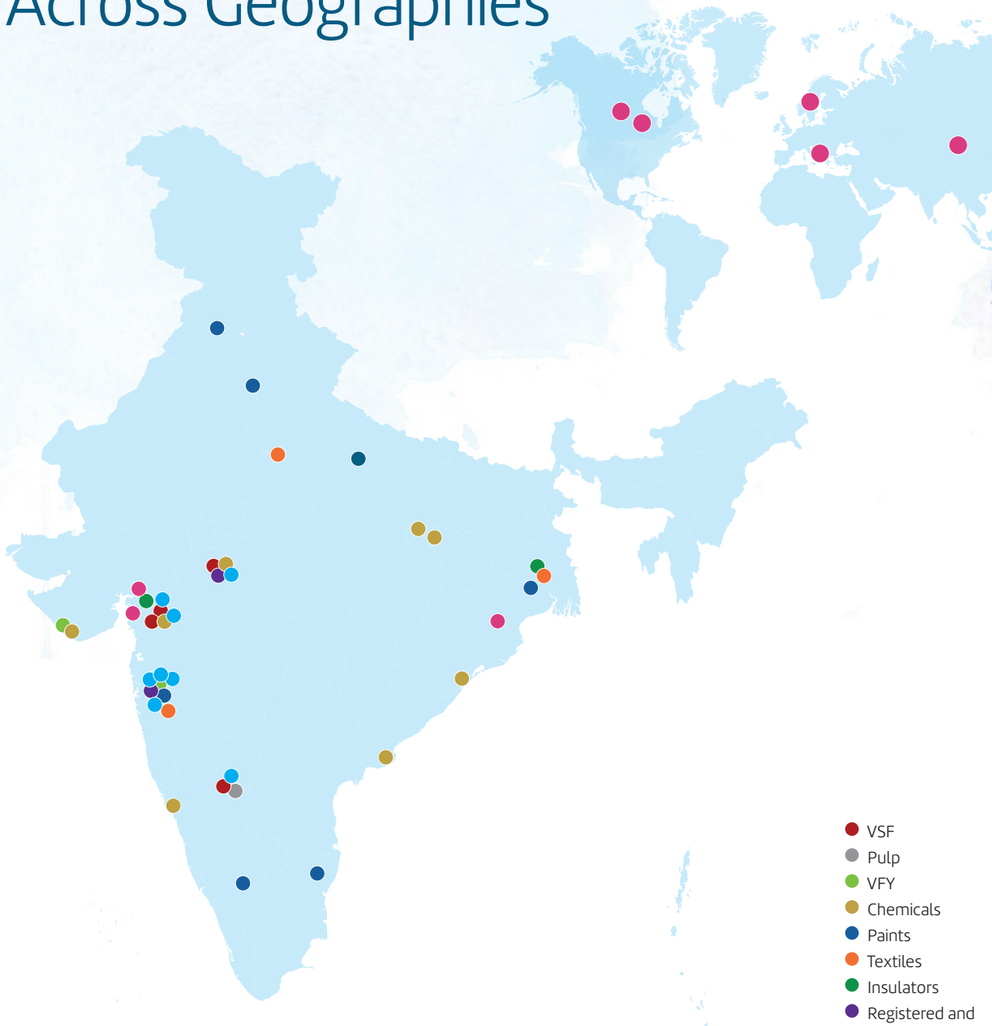
Aditya Birla Renewables



Aditya Birla Renewables is a frontrunner in the field of clean energy solutions, spearheading the industry's transition towards a more sustainable future. With over a decade of experience in executing large-scale and intricate renewable energy projects throughout India, we play a vital role in powering the nation's green transformation. Our comprehensive range of solutions encompasses solar power, wind power, hybrid power, and battery storage, covering the entire spectrum of renewable energy sources. Currently, Aditya Birla Renewables boasts a robust portfolio of approximately 7.7 GW in India, and we are resolutely progressing towards our ambitious target of achieving 2 GW in installed capacity by FY24.

ABReL plays a key role in fulfilling the Group companies' renewable energy demands and decarbonisation targets.

Operating Seamlessly Across Geographies



Map not to scale.

4 VSF Plants

9 Chemical Plants

6 Paint Plants

3 Textile Plants

2 VFY Plants

2 Insulator Plants

1 Pulp Plant

MANUFACTURING SITES

VSF (824K TPA)
Nagda, Madhya Pradesh
Kharach, Gujarat
Harihar, Karnataka
Vilayat, Gujarat

PULP (74K TPA)
Harihar, Karnataka

VFY (50K TPA)
Veraval, Gujarat
Kalyan, Maharashtra

CHEMICALS (1,311K TPA)
Nagda, Madhya Pradesh
Vilayat, Gujarat
Renukoot, Uttar Pradesh
Rehla, Jharkhand
Ganjam, Odisha
Karwar, Karnataka
Veraval, Gujarat
Balabhadrapuram, Andhra Pradesh
Vilayat, Gujarat (Speciality Chemicals)

PAINTS (1,332 MLPA)
(To be commissioned)
Panipat, Haryana
Kharagpur, West Bengal
Cheyyar, Tamil Nadu
Chamarajanagar, Karnataka
Mahad, Maharashtra
Ludhiana, Punjab

TEXTILES
Rishra, West Bengal
Malanpur, Madhya Pradesh
Kolhapur, Maharashtra

INSULATORS
Halol, Gujarat
Rishra, West Bengal

REGISTERED OFFICE

Birlagram, Nagda, Madhya Pradesh

CORPORATE OFFICE

Aditya Birla Centre, Mumbai, Maharashtra

JOINT VENTURES

AV Group NB Inc., Canada

Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey

AV Terrace Bay Inc., Canada

Aditya Group AB, Sweden

Bhubaneswari Coal Mining Limited, Odisha

Aditya Birla Power Composites Limited, Gujarat

Birla Jingwei Fibres Company Limited, China

Birla Advanced Knits Private Limited, Gujarat

R&D

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

Aditya Birla Water Application and Product Development Centre, Vilayat, Gujarat

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

Aditya Birla Cellulose Fibre Research Centre, Kharach, Gujarat

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

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

Clonal Production Centre (CPC) Harihar, Karnataka

Performance Material Research Centre (PMRC), Taloja, Maharashtra

Paints R&D Lab and Pilot Plant, Taloja, Maharashtra

Accountability Drives Performance

Responsible governance and integrity are two important values that underpin our business. These are integral to our Vision of being among the world's most trusted and successful companies. We hold ourselves to the highest standards of ethical behaviour and transparency.

We believe that sustainable governance practices are essential to fulfilling our purpose of enhancing lives and building a sustainable future for all our stakeholders. Our governance framework is built on the pillars of transparency, accountability, integrity, and fairness. The Board of Directors oversees and guides management to ensure we operate ethically and comply with all laws and regulations. The Board includes Independent Directors with diverse perspectives and expertise, enabling rigorous deliberations on key decisions.

OUR GOVERNANCE PHILOSOPHY RESTS ON SIX BASIC TENETS

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

APPROACH TO CORPORATE GOVERNANCE

Business Values and Ethics

Code of Conduct for Board Members and Senior Management

Sets out the principles to be adhered by all

Policies

Ensures meeting regulatory compliances, commitments, and stakeholder expectations

Systems and Standards

Internal requirements that guide day-to-day operations

BOARD'S ROLE

The Board of Directors plays a crucial role in guiding the Company and generating sustained value for shareholders. The Board is responsible for establishing the strategic objectives of the Company, ensuring that they align with its fundamental values and principles, and supervise the execution of the business strategy. Additionally, the Board oversees the Company's performance, evaluates its compliance and governance practices, and monitors the effectiveness of all corporate governance policies.

BOARD EXPERTISE

The Board of Grasim brings together a wealth of knowledge, perspective, professionalism, divergent thinking and experience. Our Board Members have a deep understanding of governance, technical, financial and non-financial issues. Kindly refer to page 204 of Corporate Governance Report.

BOARD RESPONSIBILITIES

The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

The Board plays a crucial role in overseeing how the management serves the short- and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed, and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe. The Board is overall responsible for the management, general affairs, strategic direction, and performance of the Company and is ably supported by the Board Committees, the CEO and MD, and the Management Committee.



STRUCTURE OF THE BOARD AND ITS COMMITTEES

The guidelines governing the selection, composition, and functioning of the Board of Directors are established by the Companies Act of 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

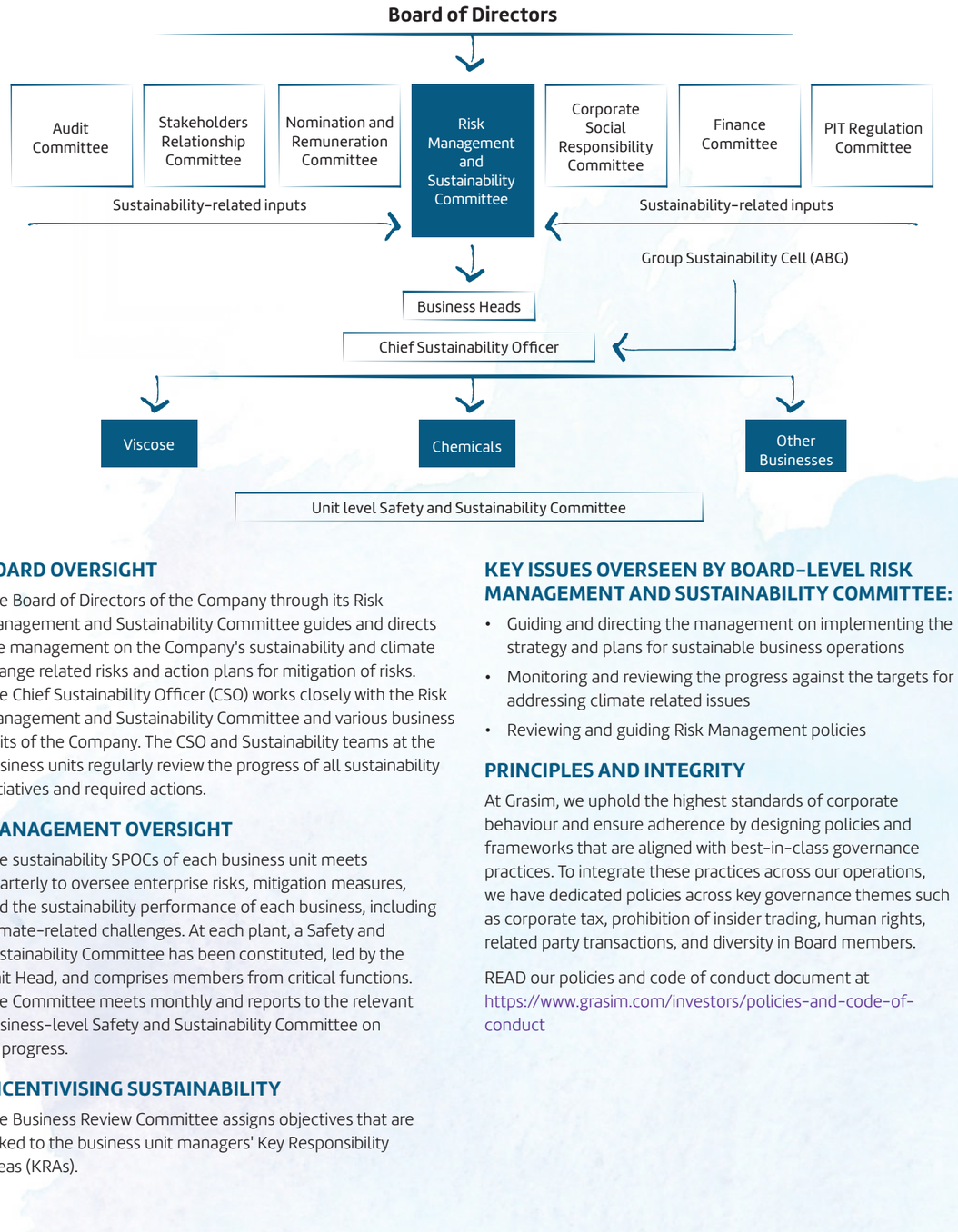
The Board and its committees fulfil their responsibilities to all stakeholders by guaranteeing transparency, fair practices and independent judgement in their decision-making.

As of 31st March 2023, the average time that Board members had served is approximately 8 years.

The election, composition and work of the Board of Directors are governed by laws and regulations. Together with its committees, the Board carries out its duties to everyone involved by ensuring openness, fair play, and unbiased thinking in its choices.

SUSTAINABILITY GOVERNANCE

Our sustainability governance acts as an anchor to our sustainability strategy and targets. Our objective is to maximise economic value while living up to environmental and social expectations. Thus, strong profitability is crucial to continue investing in environmental and social aspects, which in turn contribute to long-term value creation.



BOARD OVERSIGHT

The Board of Directors of the Company through its Risk Management and Sustainability Committee guides and directs the management on the Company's sustainability and climate change related risks and action plans for mitigation of risks. The Chief Sustainability Officer (CSO) works closely with the Risk Management and Sustainability Committee and various business units of the Company. The CSO and Sustainability teams at the business units regularly review the progress of all sustainability initiatives and required actions.

MANAGEMENT OVERSIGHT

The sustainability SPOCs 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 comprises members from critical functions. The Committee meets monthly and reports to the relevant business-level Safety and Sustainability Committee on its progress.

INCENTIVISING SUSTAINABILITY

The Business Review Committee assigns objectives that are linked to the business unit managers' Key Responsibility Areas (KRAs).

KEY ISSUES OVERSEEN BY BOARD-LEVEL RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE:

- Guiding and directing the management on implementing the strategy and plans for sustainable business operations
- Monitoring and reviewing the progress against the targets for addressing climate related issues
- Reviewing and guiding Risk Management policies

PRINCIPLES AND INTEGRITY

At Grasim, we uphold the highest standards of corporate behaviour and ensure adherence by designing policies and frameworks that are aligned with 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 https://www.grasim.com/investors/policies-and-code-of-conduct

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 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 telephone number and an e-mail ID (both directed to the Admin and Liaison Officer), among others.

Grievance handling policy: https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf

ROLES AND RESPONSIBILITIES

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

(Officers of CSR, 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

Leading us Through



1 2 3 4 5 6 7 8 9 10 11 12 13 14

1
Mr. Kumar Mangalam Birla
Non-executive Director, Chairman
M

2
Mrs. Rajashree Birla
Non-executive Director
C

3
Mr. Harikrishna Agarwal
Managing Director
C M M M M M

4
Dr. Santrupt Misra
Non-executive Director
M M

5
Mr. Raj Kumar
Non-executive Director

6
Ms. Ananyashree Birla
Non-executive Director

7
Mr. Aryaman Vikram Birla
Non-executive Director

8
Mr. Cyril Shroff
Independent Director
M

9
Dr. Thomas M. Connelly, Jr.
Independent Director
M M

10
Ms. Anita Ramachandran
Independent Director
C C M

11
Mr. N. Mohan Raj
Independent Director
C C

12
Mr. V. Chandrasekaran
Independent Director
C M M

13
Mr. Adesh Kumar Gupta
Independent Director
M M

14
Mr. Yazdi Piroj Dandiwala
Independent Director
M

COMMITTEE DETAILS

- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Finance Committee
- Audit Committee
- Risk Management & Sustainability Committee
- Stakeholders' Relationship Committee
- PIT Regulation Committee

C - Chairperson

M - Member

60 years
Average age of Board Members

8 years
Average tenure of Board

89.5%
Average attendance rate in Board Meetings

BOARD EXPERIENCE*



- 0-10 years 71%
- >10 years 29%

BOARD AGE PROFILE



- 0-30 years 14%
- >50 years 86%

BOARD DIVERSITY



- Male 79%
- Female 21%

*on the board of Grasim Industries Limited

Guiding by Experience



1 2 3 4 5 6 7 8



9 10 11 12 13 14 15 16 17

KEY MANAGERIAL PERSONNEL

1 **Mr. Harikrishna Agarwal**
Managing Director

2 **Mr. Pavan Kumar Jain**
Chief Financial Officer

3 **Mr. Sailesh Kumar Daga**
Company Secretary

BUSINESS HEADS

4 **Mr. Kalyan Ram Madabhushi**
Pulp & Fibre Business

5 **Mr. Jayant V Dhobley**
Chemicals, Fashion Yarn and Insulators Business

6 **Mr. Kapil Agrawal**
Textiles Business

7 **Mr. Himanshu Kapania**
Paints Business

CHIEF EXECUTIVE OFFICERS

8 **Mr. Jayant Dua**
Chlor-alkali Business

9 **Mr. Rajesh Balakrishnan**
Speciality Chemicals Business

10 **Mr. Omprakash Chitlange**
Fashion Yarn Business

11 **Mr. Ajit Rajagopalan**
Insulators Business

12 **Mr. Satyaki Ghosh**
Textiles Business

13 **Mr. Rakshit Hargave**
Paints Business

14 **Mr. Sandeep Komaravelly**
B2B e-commerce Business

KEY SUBSIDIARIES

15 **Mr. K.C Jhanwar**
Managing Director
UltraTech Cement Limited

16 **Mrs. Vishakha Mulye**
Chief Executive Officer
Aditya Birla Capital Limited

17 **Mr. Rajesh Shrivastava**
Chief Executive Officer
Renewable Energy Business

PULP AND FIBRE BUSINESS

Dr. Aspi Patel
Chief Technology Officer

Mr. Anil Rustogi
Chief Financial Officer

Ms. Anupama Mohan
Chief Human Resource Officer

CHEMICALS, FASHION YARN AND INSULATORS BUSINESS

Mr. Manoj Kedia
Chief Financial Officer

Ms. Chandra Bhattacharjee
Chief Human Resource Officer

TEXTILES BUSINESS

Mr. Ashok Machher
Chief Financial Officer

Mr. K. H. Venkatachalam
Chief Human Resource Officer

PAINTS BUSINESS

Mr. Ajith Kumar
Chief Operating Officer

Mr. Shantilal Dugar
Chief Financial Officer

B2B E-COMMERCE BUSINESS

Mr. Mohana Sundaram Ganapathy
Chief Financial Officer

CORPORATE FINANCE DIVISION

Mr. Hemant K. Kadel
Senior President

Mr. Saugata Chakravarty
Chief Legal Officer

Mr. Surya Valluri
Chief Sustainability Officer

Mr. Rahul Desai
Joint President

Making Responsible Choices

We firmly believe that responsibility is the cornerstone of our sustained growth. It is, therefore, imperative for us to ensure that our business activities are closely aligned with our sustainability goals to create holistic value for all our stakeholders. With an unwavering commitment to driving lasting change, we have integrated the principles of Environment, Social, and Governance (ESG) into our business model. This integration enables us to align our business objectives with the key focus areas identified in our ESG approach. Guided by our purpose and vision, we operate with a strong sense of responsibility to achieve sustainable and consistent growth.



OUR ESG FRAMEWORK

Our commitment to integrate sustainability into our business manifests through our carefully crafted ESG framework that aims at delivering comprehensive value to both our organisation and stakeholders. We aspire to make meaningful contributions towards an ecosystem that prioritises environmental protection, societal well-being, and the establishment of a robust corporate governance structure.

At the core of our strategy for responsible investments lies our commitment to delivering lasting value. With the focus on sustainable value creation, we have identified three key pillars that underpin our engagement in significant ESG initiatives.

These strategic pillars serve as the foundation for our efforts to drive long-lasting change for each of our stakeholders. They guide our actions and help us identify the areas that are directly impacted by our business operations.

Our primary objective is to develop and implement impact-oriented projects that align with these focus areas. Through these initiatives, we aim to bring positive change in the world while simultaneously building a strong and reliable company. We recognise that our actions have the potential to shape the future and we embrace the responsibility to contribute to a more sustainable and inclusive world.

Purpose: A Commitment to Sustainable Living

Pillar 1: Environmental Stewardship

- Climate Change
- Supply Chain Management
- Energy Consumption & Emissions Management
- Water Stewardship
- Waste Management
- Product Stewardship
- Resource Management
- Biodiversity
- Environmental Compliance

Pillar 2: Socially Responsible

- Talent Management
- L&D
- Diversity & Inclusion
- Employee Well-being
- Health and Safety
- Community Development
- Suppliers and Business Partners
- Customers

Pillar 3: Resilient Business

- New Product Development
- Automation and Innovation
- Digitisation
- Economic Performance

Supported by Robust ESG Governance Framework

Pillar 1: Environmental Stewardship

We aim to achieve environmental stewardship through the active implementation of significant initiatives that are focused on driving a positive change in our surrounding environment. We also aim to adopt the concept of recycling and reusing to effectively manage the consumption of these valued resources and to leverage technological interventions across our properties to drive sustainability.

Focus Areas

CLIMATE CHANGE

Working towards carbon neutrality to combat climate change

Read more **99**

SUPPLY CHAIN MANAGEMENT

Encouraging our vendors to adhere to ESG norms in their procurement, hiring, and other business practices

Read more **80**

ENERGY CONSUMPTION & EMISSIONS MANAGEMENT

Shifting towards renewable energy and reducing our carbon footprint by adopting sustainable practices

Read more **100**

WATER STEWARDSHIP

Reducing/Reusing water and improving conservation options to promote water stewardship at our operational facilities

Read more **101**

WASTE MANAGEMENT

Fostering circularity through 3R Principles

Read more **104**

PRODUCT STEWARDSHIP

Making environmentally sustainable product choices in every category

Read more **87**

RESOURCE MANAGEMENT

Ensuring optimum resource utilisation

Read more **79**

BIODIVERSITY

Ensuring conservation of biodiversity by taking various steps

Read more **105**

ENVIRONMENTAL COMPLIANCE

Adhering to environmental rules and regulations for sustainable operations

Read more **107**

Pillar 2: Socially Responsible

As our journey towards building a sustainable organisation is not possible without the invaluable support of our employees, customers, suppliers, and surrounding communities, we make investment in the growth, development and well-being of our workforce our top priority. Moreover, we strive to uplift local communities by contributing to measures and programmes that are vital for their overall well-being.

Focus Areas

TALENT MANAGEMENT
Creating an environment that recognises and appreciates performance in the workplace
Read more **125**

LEARNING AND DEVELOPMENT (L&D)
Creating L&D opportunities for our employees through various initiatives
Read more **127**

DIVERSITY AND INCLUSION
Creating a diverse and inclusive workspace
Read more **128**

EMPLOYEE WELL-BEING
Providing a healthy and safe workplace
Read more **129**

HEALTH AND SAFETY
Ensuring zero incidents
Read more **130**

COMMUNITY DEVELOPMENT
Cultivating community development as a key focus to foster positive change
Read more **112**

SUPPLIERS AND BUSINESS PARTNERS
Cultivating good relations with suppliers and business partners
Read more **119**

CUSTOMERS
Ensuring good customer relations
Read more **121**

Pillar 3: Resilient Business

In our pursuit of sustainability, the development of a resilient business that remains dependable for all stakeholders is our key priority. Our goal is to fortify our organisation in a way that enables us to navigate through challenges and consistently generate value for our stakeholders over time.

Focus Areas

NEW PRODUCT DEVELOPMENT
Working towards new products that are more sustainable
Read more **87**

AUTOMATION AND INNOVATION
Moving towards automisation and proactively working towards innovation of new products
Read more **89**

DIGITISATION
Implementing digital and technology-driven initiatives to achieve sustainable development across our units
Read more **90**

ECONOMIC PERFORMANCE
Promoting sustainable products to improve economic performance
Read more **68**

ESG TARGETS

Goals	Business	Goals	Status
Achieve Net Zero GHG Emissions at Grasim level by 2050	CFI	Reduce GHG emission of the main product (Scope 1 and Scope 2) by 30% by FY30 (over the base year of FY17)	Initiatives are in progress on various fronts like exploration of energy-efficient technologies, improving operational efficiencies, and increasing the share of renewable energy in the overall mix
	Chlor-alkali	Increase share of renewable power to 25% by FY25	Already achieved 8% RE-power share till FY23
	VSF	Reduce GHG emission intensity by 50% by FY30 and Achieve Net Zero Emissions by FY40	Grasim's VSF business is preparing a roadmap to reduce its GHG emission as per the stated target
	Textiles	Increasing RE power share up to 70% by FY30	Installed 6.2MW roof top solar power plant and one plant is operating boiler with 100% non-fossil fuel, meeting 15% of its energy requirement through renewable route
	All businesses	Target to plant 2 lakh trees in total across multiple location in vicinity of Grasim manufacturing sites by FY24	1.2 lakh trees planted till date
Increasing circularity of re-utilisation of various materials going to waste	VSF	Grow circular products to 100,000 tonnes per year by FY24 using pre and post-consumer and alternate feedstock	Recycled VSF product named Liva Reviva is using 30% cotton textile waste replacing dissolving pulp
	VFY	Utilisation of ETP sludge as Gypsum and Cellulosic waste in co-processing for cement industries rather than landfill to be done 100% by FY25 over total disposal	Presently 43% of the ETP sludge and 53% of cellulosic waste is being diverted from disposal to co-processing in cement plants
Enhance diversity and inclusion for all business of Grasim	CFI	Increase woman employees by three times over FY19 (base year) to FY25	Women employee number increased from 142 in FY19 to 297 in FY23
	VSF	Increase women employees percentage in manufacturing units to 15% by FY25	Continuous focus on hiring and retaining women manufacturing sites
Sustainable supply chain	VSF	Assess the sustainability performance of key suppliers by FY25	Identification of critical suppliers done. Supplier Code of Conduct circulated and sign-off started. Supplier Assessment Framework established for Viscose Staple Fibre Business
Biodiversity	All businesses	Businesses to undertake the assessment studies in next three years	Biodiversity Policy has been announced for Grasim
Reduce water footprint	VSF	Reduce water consumption by 50% in VSF manufacturing process by FY25 over the baseline of FY15	VSF business has reduced water consumption by nearly 55% by end of FY23
	CFI	Reduce specific freshwater consumption of the main product by 30% by FY25 over FY17 (base year)	Multiple levers of reducing water consumption are being evaluated and work in progress on various fronts to reduce water consumption
	Textiles	Reduction in effluent discharge and maximise water recovery	Treated Effluent recycling quantity has increased from 4% in FY17 to 57% in FY23
Safety	VSF	Reduce the Lost Time Injury Frequency Rate (LTIFR) below 90% over the baseline of FY15	Grasim VSF has achieved a reduction of nearly 80% over the baseline
	CFI	Reduce LTIFR below 80% by FY25 (over the base year of FY17	LTIFR reduced from 3.77 in FY17 to 0.17 in FY23
	Textiles	Achieve Zero Fatality and reduce LTIFR	Zero Fatalities for more than 5 years, and LTI reduced from 58 in FY17 to 3 in FY23

Taskforce on Climate Related Finance Disclosures (TCFD): Summary Report

Governance

Our comprehensive governance system for long-term development not only ensures openness and responsibility at all levels of management, but it also improves our corporate image and integrity. The framework encompasses all levels of our business entities, from the Board of Directors to senior management.

ORGANISATIONAL CLIMATE GOVERNANCE STRUCTURE

Read more **30**

BOARD OVERSIGHT

We believe in good governance processes, which begin with guaranteeing Board supervision of important concerns. The Board of Directors of the Company ('Board) through its Risk Management and Sustainability Committee guides and directs the management on company's sustainability and climate change related risks and action plans for mitigation of risks.

The Chief Sustainability Officer (CSO) works closely with the Risk Management and Sustainability Committee and various business units of the Company. The CSO and Sustainability teams at the business units regularly review the progress of all sustainability initiatives and required actions.

Key Issues Overseen by Board–Level Risk Management and Sustainability Committee:

- Guiding and directing the management on implementing the strategy and plans for sustainable business operations
- Monitoring and reviewing the progress against the targets for addressing climate-related issues
- Reviewing and guiding Risk Management policies

The Business CEOs are responsible for driving the sustainability agenda across multiple business functions and verticals, defining sustainability objectives, assessing identified critical risks and other climate change-related challenges, and developing action plans, in collaboration with corresponding Business Heads.

In the implementation and assessment of climate performance, the Chief Sustainability Officer (CSO) collaborates closely with the Board level committee and various business units. On a monthly basis, the CSO conducts a management level business safety and sustainability meeting and reports to the appropriate Business Head. The Chief Sustainability Officer is also responsible for driving the sustainability agenda with selected suppliers/service providers across the value chain. There is a detailed supplier wise analysis conducted on an annual basis.

MANAGEMENT OVERSIGHT

As a part of business review process, the each business units meets quarterly to oversee enterprise risks, mitigation measures, and the sustainability performance of each business, including climate-related challenges.

At each unit/plant, a Safety and Sustainability Committee has been constituted, led by the Unit Head and comprised of members from critical functions. The Committee oversees identifying problem areas and implementing measures to enhance performance. The Committee meets once a month and reports to the relevant Business-level Safety and Sustainability Committee on its progress.

At Grasim, we rely solely on the approach of incentivising to align the interests of our leaders with our businesses' long-term viability and health. We offer incentives for initiatives related to climate protection including reducing emission, improving energy efficiency, and expanding the array of sustainable products. For driving renewable energy projects and activities, we have a Business Review committee. Furthermore, the committee assigns objectives that are tied to the Business Unit Manager's KRA.

OUR POLICIES

Grasim has adopted relevant sustainability and climate-change policies to guarantee that sustainability strategies are executed effectively and that targets are met. Below are the specifications of the risk and sustainability policies.

Energy and Carbon Policy

The policy covers the company's aspirations to reduce energy consumption and carbon emissions and develop strategies to enhance these parameters as the company acknowledges these as the most pressing challenges. We are dedicated to taking measures within our companies and supply chains, as well as collaborating with our stakeholders to reduce our energy and carbon footprint over time. Link to policy: https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf

Environment Policy

The policy specifies that Grasim's management and governance systems shall incorporate strong business practises to reduce environmental impacts and achieve a leading position in environmental responsibility. Link to the policy: https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf

Water Stewardship Policy

The policy covers the Grasim's commitment towards water conservation and responsible management. The policy also states the company to establish robust monitoring system to measure and report water performance. Link to policy: https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf

Risk Management Policy

The policy states the company's approach to effectively develop strategy for risk management towards achieving sustainable growth. Link to policy: https://www.grasim.com/Upload/PDF/risk-management-policy.pdf

Biodiversity Policy

The policy establishes the company's commitment to biodiversity preservation by adhering to all biodiversity-related laws and actively working towards conservation goals. This includes setting goals to protect species, habitats, and ecologically sensitive significant areas. Link to the policy: https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf

Strategy

OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate action failure, extreme weather, biodiversity loss, human environmental damage and natural resource crisis are identified amongst the top ten most severe risks on a global scale over the next 10 years as found in Global Risk Report 2022 by World Economic Forum. The world has witnessed global record-breaking temperatures and uncertain rainfall patterns at an unprecedented rate in the recent years. This facilitates stakeholder activism towards climate performance of organisations including changing customer demands, investor expectations, employee motivation and our leadership's outlook towards Grasim's role in the global climate agenda.

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 overviewed our strategy on different opportunities to capitalise on them effectively. The methodology of our analysis is detailed here:

1 Identification of Risks and Opportunities

1.1 We studied and analysed peer risks and opportunities, sectoral trends and international policy and regulations including:

Physical Risks
- Chronic
- Acute

Transition Risks
- Regulatory
- Market
- Technology
- Reputational

Opportunities
- Resource Efficiency
- Energy Source
- Products
- Market
- Resilience

1.2 We developed a universe of risks and opportunities for all our businesses.

2 Risk and Opportunity Analysis

2.1 We analysed the universe of transition risks with customised risk rating (risk rating = Impact x Frequency x Exposure of Indian sites), timeline of impact and SSP scenario applicability.

We also analysed opportunities with the timeline of impact and SSP scenario applicability.

2.2 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.

3 Assessing Climate Strategy of the Company

Lastly, as per the assessment outcomes, we overviewed our resilience strategies for each risk and growth strategy for each opportunity. We performed this exercise by listing our initiatives for different businesses and identifying key areas of improvement.

This assessment improved the understanding of our action plan and climate strategy at Grasim for different scenarios and time frames.

TRANSITION RISKS

Policy actions around climate change continue to evolve. Their objectives generally fall into two categories: Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change, or policy actions that seek to promote adaptation to climate change. Some examples include implementing carbon-pricing mechanisms to reduce GHG emissions, shifting energy use toward lower emission sources, adopting energy-efficiency solutions, encouraging greater water efficiency measures and promoting more sustainable land-use practices. The risk associated with and financial impact of policy changes depend on the nature and timing of the policy change.

We conducted a comprehensive transition risk scenario analysis to assess the impacts of emerging Emission Trading Scheme regulation in India as per International Energy Agency (IEA) Net-Zero Emissions (NZE) Scenario, Shared Socio-Economic Pathway (SSP) 1-1.9 scenario, and SSP 1-2.6 scenario. As a result of this study, we found that we have steep targets in Viscose business, i.e., 50% reduction in emission intensity by FY30 from baseline FY19 and achieve Net Zero Emission by FY40 is in line with the most stringent emission reduction pathways. This implies that the business will be immune to financial consequences from regulatory risks. Grasim is in the process of developing a decarbonisation roadmap in line with the SBTi recommendations. However, the businesses of Grasim are actively setting targets towards reducing their carbon footprint such as the Chemical business has targeted to reduce GHG emission (Scope1 and Scope2) of the main product by 30% by 2030 (over the base year of FY17). VSF business has committed to reduce GHG emission intensity by 50% by 2030 and achieve Net Zero by 2040.

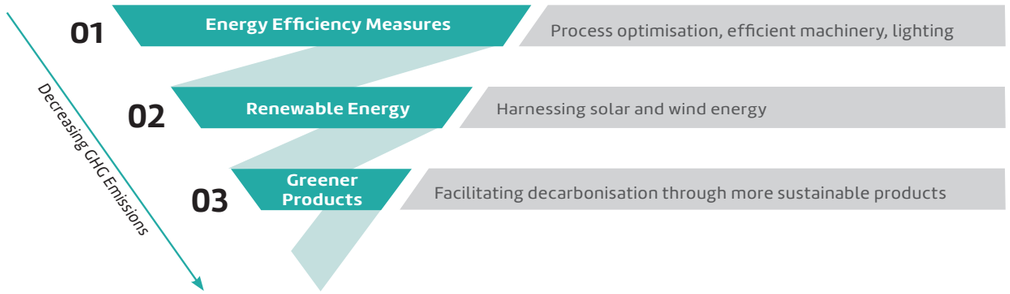
In our Chlor-alkali business, we plan to increase share of renewable power. Target is to reach 25% by FY25 for the business. In Textile, we are progressing our journey towards emission reduction to reduce the estimated carbon liability. Our Textiles business contributes very minimal amount to the total GHG emissions of Grasim. However, we aim to increase the share of renewable energy to 70% by FY30 in Textiles business. Also, all the businesses are already taking actions in line with the Aditya Birla Group's commitment to reach Net-Zero Emissions by 2050. These projects will greatly increase our resilience from regulatory risks. These projects will greatly increase our resilience towards regulatory risks.

	Resilience Measures
Market Risk	
Increased cost of raw material The high demand for coal in key sectors is causing scarcity, which could lead to price increases and lower manufacturing costs	• We are actively working towards increasing the share of renewable energy in our processes • We are focusing on optimising the fuel mix and undertaking energy efficiency measures to address this risk
Technology Risk	
Costs to transition to lower emission technology Some of our operations are energy intensive and heavily relies on electricity. Nearly 70% of the variable cost for the Chemicals business contributes to electricity cost. Lower availability of captive/exchange power may affect our operations	• We are minimising our reliance on grid electricity and using renewable power by using biomass to reduce our carbon footprint
Policy and Legal Risk	
Exposure to litigation Any default in complying to environmental regulations may attract penal provisions and impact the company at a financial and reputational level	• We are ensuring adherence to regulatory norms and also constantly monitoring any regulatory changes to ensure compliance • Regular audits are conducted to identify any gaps or findings and preventive measures taken to rectify them
Reputation Risk	
Increased stakeholder concern or negative stakeholder feedback Increased stakeholder activism can affect the company's reputation	• We actively engage with the community through regular programmes, implement grievance management procedures, sustain transparency by publicly stating our policies and performance, as well as establish various corporate social responsibility initiatives. These efforts aim to strengthen our ties with our stakeholders and foster long-term partnerships.

REDUCING OUR CARBON EMISSIONS

Our businesses are taking progressive steps in their decarbonisation journeys. Sustainability is taken into consideration in our business decisions. Our goal is to ensure in reducing carbon footprint in all the businesses, while developing sustainable products to facilitate decarbonisation in the products' lifecycle as well. Therefore, we are focusing on three major areas to reduce our carbon emissions, namely, improving energy efficiency, installing renewable energy, and developing more greener and sustainable product ranges.

Major Initiatives Towards Decarbonisation



A summary of our major initiatives:

1. Energy Efficiency

This is one area which gives us an opportunity to reduce our operational costs and carbon emissions at the same time, for a long-lasting period. We achieve energy efficiency by mainly focusing on process optimisation, replacing old and inefficient machinery, and increasing efficient lighting across all the locations. More information on each Energy efficiency initiatives can be found in 'Metrics and Targets' section.

2. Process Improvement

We are utilising organic waste to generate energy. For example, using biogas reactors aid in decreasing the consumption of fossil fuels such as furnace oil.

In addition, we are doing huge investments towards installing more efficient technologies. An investment of over ₹3.5 crore was done for emission reduction initiatives for our business and introducing large-scale emission reduction technologies like Steam Accumulator for the first time in the history of the Asian textile industry. This technology aids in the optimisation of boiler operations, lowering steam consumption in the shop floor, thereby lowering GHG emissions.

3. Renewable Energy

In FY23, we used 5.6% renewable energy across our businesses that includes biomass fuel (steam and heat generation) and solar and wind (electricity generation). For the steam and heat generation, we are utilising non-fossil fuel sources such as biomass fully and partially for the Textiles and Viscose business respectively. In addition, we have installed renewable power share of 8% and 7% for Chemical and Textiles business respectively.

4. Sustainable Product Development

Grasim has already invested about 18% of its total R&D expenditure in developing low-carbon products, lifecycle analysis and use of recycled waste. From sourcing to use phase, we ensure sustainability throughout the products' lifecycle. We have a sustainable stringent 'Wood Sourcing Policy' to ensure sustainable wood sourcing. Our viscose business fall in top category of 'Dark Green Shirt' in not-for-profit Canopy's Hot Button Report published annually on account of our continuous efforts on the conservation of ancient and endangered forests, and robust initiatives to scale circular business model in fashion industry. One of our latest innovation 'tree-free' lyocell fibre derived from bacterial cellulose grown from industrial waste has been awarded 'Cellulose Fibre Innovation of the Year' during Cellulose Fibers Conference 2023 held in Feb 2023 in Germany.

Chemical business has introduced TWIST range of phthalate free specialty blends serves as best alternative to Primary plasticisers which are added with PVC to make it softer and more flexible.

Textile business has also developed a sustainable product offering, i.e., Cavallo, which is made from linen waste and cotton. More information on each of these products can be found in 'Our Sustainable Products' section.

5. Carbon Sequestration

We also target to plant 2 lakh trees in across multiple location in vicinity of our manufacturing sites to sequester carbon dioxide.

Going forward, we also aim to explore emerging low-carbon technologies including, but not limited to green hydrogen, electric vehicles, and carbon sequestration technologies amongst others.

PHYSICAL RISKS

A brief on the climate-related physical risks for our Company:

	Resilience Measures
Acute Risk	
Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. This risk can have the following impacts: • Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions). • Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). • Write-offs and early retirement of existing assets (e.g. damage to property and assets in 'high-risk' locations). • Increased operating costs (e.g. raw material prices). • Increased capital costs (e.g. damage to facilities).	• We are aware of the potential danger that climate change poses to our plants, and have already taken proactive steps to reduce them such as conducting vulnerability study for probable natural calamities and undertake protective measures for mitigation such as raising the boundary walls of plants situated in flood-prone areas. • Identifying and implementing green technologies and sustainable products development e.g. LivaEco. • Increased usage of renewable sources of energy for operations. • Adequate Insurance Coverage to cover financial loss caused from natural calamities. • We are continuously strengthening staff welfare measures to minimise the effect of high temperatures at our facilities, in addition to 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.
Chronic Risk	
Chronic physical risks refer to longer-term shifts in climate patterns that may cause sea level rise or chronic heat waves. Further, heatwaves have a potential to reduce the workforce efficiency in hot climate. The frequency and intensity of all acute weather is estimated to increase with rising temperature as well.	• Scarcity of water may impact business operations in our Viscose and Chemical Businesses. We are taking concrete steps towards reduction in freshwater consumption by applying the 3R Principles (Reduce, Reuse, Recycle). In addition, we have implemented zero-liquid discharge plants across 9 sites (one plant commissioning). • We are also undertaking infrastructural changes such as developing reservoir closer to our plant locations as a resilience mechanism.

Physical Risk Scenario Analysis

We conducted a site-level scenario analysis to assess the acute drought, riverine flood, coastal flood, cyclone and heatwave risk and chronic changes in temperature, precipitation and sea level till 2100 under different scenarios to understand the hotspots for extreme weather events and take necessary strategic changes to increase our resilience. We began the process of identifying climate-related hazards by doing a site-specific baseline physical risk analysis and evaluating past weather occurrences. It was then linked to scenario-specific forecasts to better understand risk variability and its impact across short, medium, and long-time periods.

For detailed report please refer to, https://www.grasim.com/sustainability/sustainability-reports

A Purpose-led Strategy for Future Growth

We are constantly building on our existing strengths while reimagining our business priorities to reach new horizons of growth and opportunities.

	Leadership across businesses	Innovation	Sustainability	Capital allocation	Cost leadership
Objective	• Leadership position in all our businesses	• Focus premiumisation through innovation and speciality products	• Conserve environment by eco-friendly manufacturing processes and products offering	• Investment in core and high growth businesses maintaining financial strength	• Continuous cost optimisation through focused operational excellence
Progress made during the year	• Viscose and Chlor-alkali business achieved highest-ever volumes during the year	• Product and process innovations like Indigenous Lyocell • New Products in Speciality Chemicals and Chlorine Derivatives	• Renewable energy power-8% in FY23 (FY22 – 5%) • Fresh water consumption intensity-15% (lower y-o-y) • GHG emission intensity (Scope 1 and Scope 2)-21% (lower y-o-y)	• Highest ever capex for FY23 at ₹4,307 crore • Strong Balance sheet with Net debt/EBITDA of 0.42x and net debt/equity of 0.04x	• Among the lowest cost producer of VSF globally
Plans under Implementation	• Second-largest manufacturing capacity in Decorative Paints	• Chlorine derivatives targeting high growth markets like Pharma, Agrochemicals, water treatment, food and feed, plastic additives, industrial etc.	• Developing Roadmap for Net Zero Carbon by FY50	• Investments in capacity expansion and new products in Speciality Chemicals • Investments in high growth businesses like Paints and B2B e-commerce	• Focused energy cost reduction through higher share of renewable energy
Capitals impacted					

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

Leveraging Strengths to Augment Value

EXTERNAL ENVIRONMENT

Inputs

FINANCIAL CAPITAL
- Net Worth : **₹46,955 crore**
- Net Debt : **₹1,780 crore**
- Capex for FY23 : **₹4,307 crore**

MANUFACTURED CAPITAL
- Property, Plant & Equipment : **₹14,635 crore**
- Operational Sites : **4 VSF, 2 VFY, 9 Chemicals, 3 Textiles, 2 Insulators**
- Net Fixed Assets (incl. CWIP) : **₹19,900 crore**

INTELLECTUAL CAPITAL
- R&D Expenditure (last 3 years) : **~₹327 crore**
- No. of R&D Facilities : **9**

NATURAL CAPITAL
- Energy Consumption : **63.64 million GJ**
- Total Water Withdrawal : **54.04 million M³**
- Total ZLD Across Units : **9***
- Environmental Investments : **6%**

SOCIAL & RELATIONSHIP CAPITAL
- Total CSR Expenditure : **₹54.19 crore**

HUMAN CAPITAL
- No. of Employees on Roll : **24,455**
- No. of Employees on Contract : **18,674**
- Training hours : **620,207**

*one plant commissioning

Business Activities

VISCOSE
- Viscose Staple Fibre (VSF)
- Viscose Filament Yarn (VFY)

CHEMICALS
- Chlor-alkali
- Chlorine Derivatives
- Speciality Chemicals

TEXTILES
- Linen Yarn
- Worsted Yarn
- Fabric

INSULATORS
- Ceramic Insulators
- Polymer Insulators

PAINTS
- Decorative Paints

B2B E-COMMERCE
- Construction Materials

Strategy and Resource Allocation

VISION | MISSION | VALUES

Strategic Objectives

Leadership Across Business | Innovation | Sustainability

Capital Allocation | Cost Leadership

Read more 46

Risk & Opportunities

- Demand and price impact
- Competition risk
- New business performance
- Climate change
- Availability of natural resources-based inputs
- Price volatility of input materials and products
- Power-related risk
- Chlorine integration
- Industrial safety, employee health, and safety risk
- Competent human resources availability
- Delay in project execution
- Information technology/ cybersecurity risk
- Environmental and other regulatory risks
- Litigation risk
- Investments impairment risk
- Foreign exchange fluctuation risk
- Liquidity risk/ interest rate risk

Read more 56

Double Material Issues

- Energy consumption & GHG emissions management
- Climate change adaptation
- Water and effluents
- Waste management
- Product stewardship
- Responsible supply chain
- Innovation and R&D

Read more 52

RISK AND OPPORTUNITIES — PERFORMANCE — OUTLOOK — RISK AND OPPORTUNITIES

Outputs

FINANCIAL CAPITAL
- Total Sales VSF : **711 KT**
- Total Sales Caustic Soda : **1,145 KT**
- Total Sales VFY : **44KT**

MANUFACTURED CAPITAL
- New Asset Developed
- New Production Capacity
- Asset Valuation

INTELLECTUAL CAPITAL
- Patents Applications : **66**
- New Products Innovation : **2**
- New Product Development : **7**

NATURAL CAPITAL
- GHG Emissions : **6.34 million MT CO_2 eq (Scope 1 and Scope 2)**
- Waste Generation : **898,679 MT**
- Water Discharge : **25.64 million M³**
- Trees Planted : **1.2 lakh**

SOCIAL & RELATIONSHIP CAPITAL
- No. of CSR Beneficiaries : **1,105,750**
- No. of Education Beneficiaries : **145,341**
- Local Procurement : **20%**
- MSME Procurement : **15%**

HUMAN CAPITAL
- Women Employees : **~3%**
- Fatalities : **2**
- Loss Time Injury Frequency Rate (LTIFR) : **0.22**

Outcomes

FINANCIAL CAPITAL
- Revenue : **₹26,840 crore**
- EBITDA : **₹4,198 crore**
- PAT : **₹2,124 crore**
- DPS : **₹10** per equity share
- ND/EBITDA : **0.42x**
- Market Capitalisation : **₹107,502 crore**

MANUFACTURED CAPITAL
- Capacity Utilisation (VSF) : **88%**
- Capacity Utilisation (Chlor-alkali) : **88%**
- Net Capacity Utilisation (Speciality Chemicals) : **81%**

INTELLECTUAL CAPITAL
- Patents Granted : **17**

NATURAL CAPITAL
- Wastewater Recycled and Reused : **24.14 million m³**
- Waste Diverted from Disposal : **808,980 MT**
- Energy Intensity Reduction : **17%**
- Reduction in Fresh Water Withdrawal Intensity : **15%**
- GHG Intensity Reduction (Scope 1 and Scope 2) : **21%**
- RE Power Share at : **8%**

SOCIAL AND RELATIONSHIP CAPITAL
- **Zero** Grievances from Suppliers
- **Zero** Grievance for community
- Only Three pending customer complaints

HUMAN CAPITAL
- Percentage of Employees Trained (Safety) : **82%**
- Total Employees Trained (Skill upgradation) : **61%**
- Retention Rate : **94%**

Mapping

STAKEHOLDERS IMPACTED | **SDGs MAPPING:**

- Investors
- Vendors
- Government, Regulatory Bodies

- Customers
- Community
- Government, Regulatory Bodies

- Customers
- Community

- Investors
- Employees
- Community
- Customers

- Customers
- Suppliers

- Employees

Focused Dialogue with People

At Grasim, we believe that engagement and collaboration along the value chain sustains an organisation and makes it more efficacious in delivering value to its stakeholders. By building deep connection with our stakeholders, we identify our challenges and find solutions for mutual benefit.

Stakeholder Group / Capital Impacted / Frequency of Engagement	Key Areas of Interest	Methods of Engagement	Propositions
Employees	• Career growth and skills development • Performance management • Gender equality, Diversity and Inclusivity • Employee bargaining and organisational rights • Equitable remuneration packages, performance incentives and benefit structures • Work-Life balance • Human and labour rights • Employee relationships • Health and safety	• Team meetings • Employee satisfaction survey • Employee newsletters • Townhall meetings • Annual performance reviews • Forums • One-to-one meetings • Briefings • Portal/intranet • Family get-togethers	• Invest in advanced technology to empower employees, enabling them to upskill, streamline processes and maximise their productivity • Our online portal system enhances work organisation and security of employees • Through dedicated programmes, we foster workplace collaboration, diversity and employee well-being
Local Communities	• Socio-economic upliftment • Environmental impact in terms of carbon emissions, solid waste disposal, as well as water and effluent management • Ethical business conduct • Potential local impact	• One-to-one meetings • Site tours • Participants in local events • Corporate social responsibility (CSR)	• We forge strong community partnerships, engaging employees, supporting our supply chain and maintaining our social license
Shareholders	• Achieving revenue growth, EBITDA growth, and improved return on invested capital • Business performance • Providing fair executive compensation and incentives • Managing corporate governance and minimising non-compliance risk • Employee relationships • Ensuring sustainable operations • Regular disclosure of economic, social, and environmental performance	• Annual General Meeting • Annual Reports • One-to-one meetings • Quarterly conference calls • Surveys • Rating agency notes	• We disclose sustainability KPIs, integrate financial and non-financial factors and deliver high-value information to investors and shareholders, driving long-term value
Customers	• Continuous supply of our products • Sustainable and innovative products • Grievance redressal • Timely delivery • Customer relations and contracts • Product innovations • Proactive communication	• Customer satisfaction surveys • In-person meetings • Social media • Company and corporate websites • Product information on packaging • Customer relationship development • Customer conferences	• We prioritise strong customer relationships, listening to their needs, and delivering sustainable and innovative products and solutions • 'Mission Happiness', an engaging feedback mechanism where nearly 95% of customers provide feedback
Suppliers and Value-chain Partners	• Fair vendor selection process • Transparency in terms and conditions in the supplier contract • Payment timelines • Capacity building on ESG aspects • Grievance mechanism platform	• Supplier evaluation • Questionnaires • Contractual meetings • Tender quotations • Information requests	• Maximising value chain opportunities, integrating sustainability into procurement decisions • We share our supplier code of conduct policy and endure thorough assessment and evaluation of suppliers
Government and Regulators	• Legal and regulatory compliance • Timely responses to queries • Potential local impact • Health and safety • Environment and climate • Corporate governance	• Briefings and direct meetings • Multi-stakeholder forums • Industry associations	• Contribution to government through taxes • Taking stringent targets to align with the Indian government's Net Zero targets • Through ethical business practices, sustainability promotion, and prioritising stakeholder well-being, we establish a positive reputation and strong relationship with government and regulators
Media	• Maintaining relationships with external stakeholders. • Creating better brand reputation	• Press releases • Social media platforms like, LinkedIn, Facebook and Instagram	• Dedicated to adopting a social media-centric approach in order to provide our stakeholders with timely and accurate information. • Through various social media platforms, we ensure that our stakeholders have access to the right information when they need it
NGOs and Other Groups	• Organisation's mission and its impact on society • Engagement with donors, collaboration with third party and public relations • Human and labour rights	• One-to-one meetings • Presentations • Participation in events	• Grasim is committed to promoting the well-being of communities by partnering with capable NGOs to implement social upliftment programmes

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

● Ongoing ○ Need-based

Drawing Priorities

To achieve long-term success as a responsible and sustainable business, it is important to understand the most important matters that can influence our value-creation.

The material matters support our strategy development, reporting approach, governance and strategy development. Each focus area impacts the Company's ability to create value in the short, medium, and long term. We believe that effectively managing our material issues is crucial to attaining our strategic objectives and meeting stakeholder expectations.

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

STAKEHOLDER ENGAGEMENT SURVEY

We engaged with different set of 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

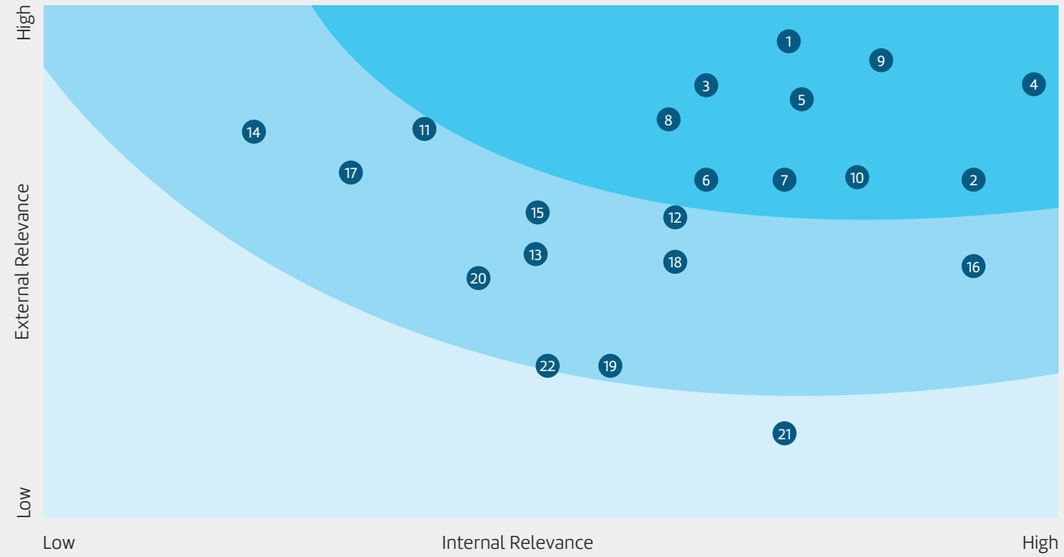
The identified topics are mapped out on the matrix reflecting the priority of the stakeholders and the management.

Recognising the significant influence of the industry on the environment and society, we place great importance on environmental and social protection. To stay abreast of industry trends, advancements, and evolving stakeholder expectations, we regularly reassess our priorities. Consequently, our material issues undergo revisions. Upon comparing the identified material topics for FY22 with those for FY23, we have observed that certain aspects have gained increased importance. Furthermore, we have consolidated some of these issues under more comprehensive categories to avoid duplication.

These revised material issues are depicted below with a revised materiality matrix. The prioritisation of the material issues is being determined in consultation with the senior management of the organisation.

High-High	High-Medium	Medium-Low
1 Energy consumption and GHG emissions	11 Air and soil pollution	21 Employee training and skill development
2 Water and effluents	12 Biodiversity and land use	22 Organisational resilience
3 Waste management	13 Customer health and safety	
4 Climate change adaptation	14 Diversity inclusion	
5 Product stewardship	15 Empowering communities	
6 Resource efficiency	16 Quality and customer satisfaction	
7 Occupational health and safety	17 Digitalisation, data privacy and security	
8 Human rights	18 Financial performance	
9 Responsible supply chain	19 Business ethics and compliance	
10 Innovation and R&D	20 Stakeholder engagement	

Materiality Assessment



Double Materiality

Financial Implication + Impact Materiality

Financial

Issues that internally impact financial performance and the company's ability to create economic value for investors and shareholders

Impact Materiality

External impact on company activities have included impacts on communities and the environment (emissions, water management, GHGs)

In the recent years, there has been an emphasis on double materiality in sustainability reporting. As a result, organisations are increasingly expected to report on their sustainability performance through a double materiality lens.

At Grasim, we recognise the importance of the double materiality approach to sustainability reporting and consider the potential impacts of our business on the wider world, thereby identifying and addressing any risks or opportunities that may arise. Our robust sustainability reporting framework considers both the internal and external impacts of our activities. Our sustainability indicators include reports on the Environmental, Social, and Governance (ESG) metrics.

FINANCIAL VERSUS NON-FINANCIAL MATERIALITY

While sustainability and environmental, social, and governance factors are typically seen as non-financial, they can still have an indirect influence on a company's finances. For example, ethical misconduct or product recalls can lead to financial penalties, and disruptions caused by pandemics or extreme weather events can hamper our manufacturing operations. These issues eventually find their way into our financial statements. However, the impact of such events on our finances can be complex and may take time to become apparent. That's why it is essential for us to take a proactive approach in assessing the potential ramifications of ESG topics.

Our double material topics have financial and non-financial implications:

1. Energy consumption & GHG emissions management
2. Water and effluents
3. Waste management
4. Climate change action
5. Product stewardship
6. Responsible supply chain
7. Innovation and R&D

We are actively working towards addressing our double material topics, focusing on minimising our impact and developing a management action plan for future progress. We are committed to implementing strategies and initiatives that reduce our environmental footprint and enhance our social responsibility. By prioritising sustainability in our operations, we aim to create a positive and lasting impact on both the environment and society. Through careful planning and dedicated efforts, we are determined to make meaningful strides toward our goals.

Mapping of Strategic Priorities with Material Issues

Strategic Priorities	FY23 Material Aspects	Capitals impacted	SDGs
Leadership Across Businesses	• Employee Training and Skill Development • Quality and Customer Satisfaction • Customer Health and Safety • Business Ethics and Compliance • Diversity Inclusion		
Innovation	• Product Stewardship • Innovation and R&D • Digitalisation, Data Privacy and Security		
Sustainability & Social Responsibility	• Air and Soil Pollution • Energy Consumption & GHG Emissions Management • Water and Effluents • Waste Management • Climate Change Adaptation • Human Rights • Occupational Health, Safety and Well-being • Biodiversity and Land Use		
Capital Allocation	• Organisational Resilience • Empowering Communities • Financial Performance		
Cost Leadership	• Resource Efficiency • Responsible Supply Chain • Stakeholder Engagement		

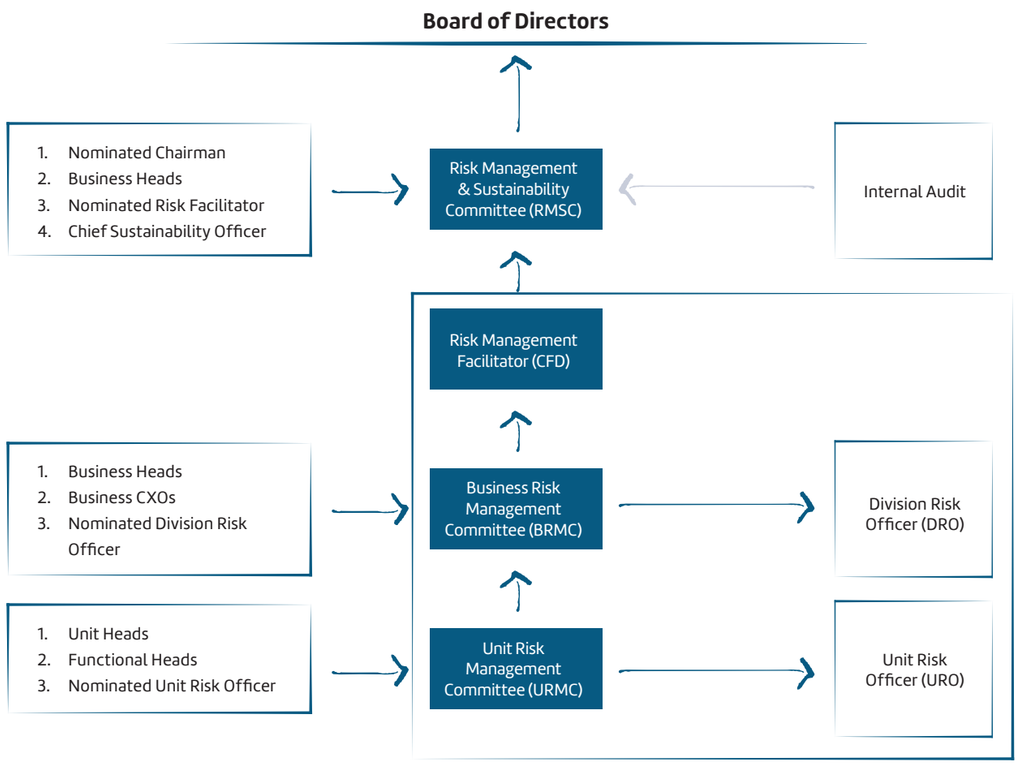
Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

Managing Risks, Improving Performance

At Grasim, we continuously foster risk management to identify and address potential threats and opportunities that may impact our commitments.

We operate in a dynamic business landscape, and the current volatile scenario requires a structured Enterprise Risk Management (ERM) process to ensure that the Company's risks are known and well-managed. We recognise that risks are inherent in businesses, and risk management is important to any business activity to achieve the goal of value creation for all its stakeholders. We have a comprehensive Enterprise Risk Management Framework to help us manage various risks which the Company may face. It comprises various steps viz. risk identification, evaluation, mitigation, monitoring, and reporting. Periodic reviews are conducted internally by the management, and key risks are presented to the Risk Management & Sustainability Committee of the Board for its review and guidance to the management.

RISK GOVERNANCE STRUCTURE



SUMMARY OF KEY RISKS IDENTIFIED

Strategic Risk	Mitigation Plan
Increased imports can affect demand and prices impacting margins	**VISCOSE** • Exploring new markets and improving penetration in existing markets. • Creating demand through consumer and trade Education and increasing awareness through branding and communication • Increasing specialty products portfolio • Continuously focusing on R&D and application development/new product development **CHEMICALS** • Increasing customer base and retaining market share by targeted customer centric approach. • Seeking safeguard protection through Industry Associations
Increased competition may result in loss of market share and impact margins	• Expanding capacity to meet growing demand and maintain market share. • Taking strategic initiatives and making continuous investments to enhance the brand equity of the products by focusing on R&D, quality, cost, timely delivery, and customer service. Increasing level of customer engagement • Implementing customer-connect initiatives to reach out end users (such as Liva brand for VSF) • Developing various customised products for customers • Entering into Long-Term Contracts to secure sales volume
New businesses' performance may be at deviation from the plans	• Business strategy has been formulated and reviewed at different levels • Competent business teams are hired and required support is provided for successful implementation of the plans • Intense market research carried out in the new lines of business and considered during planning • Business plans and industry landscape is continuously scanned and necessary actions being taken accordingly • Leveraging supply chain/brand image of Grasim • Strong parentage to support any exigencies

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

Operational Risk	Mitigation Plan
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 impacting manufacturing cost adversely	• Continuous reduction in freshwater consumption by applying the 3R Principles (Reduce, Reuse, Recycle) • Zero liquid discharge plans under implementation across plants • Creating new reservoirs closer to plant locations • 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 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
Information technology/ Cybersecurity risk: There is an inherent risk of errors, bugs, or security vulnerabilities in products and internal systems which may lead to financial loss, disruption or damage to company reputation. There can be deliberate and unauthorised breaches of security to gain access to information systems.	• Implementation of Group-level Information Security policy • Backup being done as per policy and disaster recovery system is in place • Systems are upgraded regularly with latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users educated on adherence to the policies so as to eliminate data leakages • Ensuring End user awareness (E-Learning Module and Classroom Programme). Phishing campaigns are conducted to improve vigilance and user behaviour • Annual security assessments of IT/OT networks • EDR (Endpoint Detection and Response) for Advanced Threat Hunting, Threat and Vulnerability Management, Attack Surface Reduction and Security Orchestration, Automation and Response (SOAR) for Endpoints • Vulnerability Assessment and penetration testing to assess security risk of critical IT systems • Regular patching, anti-virus update and stringent access controls • Cyber Insurance Policy taken to cover financial losses resulting from cyber events and incidents
High volatility in global prices of input materials and products	**VISCOSE** • Securing the supplies of the key raw material by setting up captive caustic soda and pulp plants • Exploring new sources and better negotiation including centralised negotiation • Focusing on cost reduction and higher efficiency on regular basis **CHEMICALS** • Securing the supplies of key raw material (Salt) by improvising on the sourcing mix between captive and third party • Increasing portfolio of value-added products and specialty chemicals • Focusing on cost competitiveness to reduce operational cost **SPECIALITY CHEMICALS** • Annual index-linked price contracts with bulk manufacturers • Diversifying supplier base • Opportunity-based spot purchases • Setting up ECH project for backward integration **TEXTILE** • Procurement of imported wool against confirmed customer orders • Reducing inventory holding to mitigate price fluctuation risk

Operational Risk	Mitigation Plan
Energy-intensive operations: Power-related risk (Reliability 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	• Minimising reliance on grid/energy exchange by setting up captive power plants • Securing coal linkage for assured supply • Increasing share of renewable power and use of biomass/lignite, etc. to reduce carbon footprint as well as operating cost • Use of energy-efficient equipment • Availing power rebates wherever applicable to reduce cost
Demand supply mismatch of chlorine: Lower consumption of chlorine may adversely impact caustic production	• Full capacity utilisation of chlorine derivatives • Increasing existing chlorine derivatives capacities, new chlorinated products development, increasing pipeline supply, ancillary industry development, etc. being planned to increase chlorine integration
Industrial safety, employee health, and safety risk: The manufacturing businesses employ labour 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 production and handling of hazardous chemicals	• Development and implementation of critical safety standards / SOPs 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 • Safety KRA introduced for all line managers • Continuous Safety Awareness campaigns/ trainings/ mock drills conducted; regular internal and external safety audits done • Virtual reality training module to train drivers on logistics safety initiated
Competent human resources availability risk: Attrition and non-availability of the required talent can affect the performance of the Company	• 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 strength by mapping internal/external talent market and accelerated hiring • Focused talent development. Ring fencing/retaining critical talent by providing adequate rewards and recognition

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

	Mitigation Plan
Compliance Risk The Company faces various litigations, legal proceedings, notices and threats etc. If these have any unfavourable outcome, it may have an adverse financial impact	• Compliance to all laws, rules and regulations and contractual obligations • Legal compliance monitoring system has been implemented • Effectively handling case with relevant authorities and following due legal course of action • In house legal experts as well as consultation with external experts • Compliance audits are regularly being undertaken
Financial Risk Investments impairment risk: Business performance of subsidiary companies and other investments could give rise to impairment charges in the future	• Investments are reviewed regularly and corrective actions are supported • Impairment testing done periodically and impairment charge taken wherever required
Foreign exchange fluctuation risk	• Exhaustive forex hedging guidelines in place and being followed • Hedging contracts entered centrally, exposures and hedging level monitored regularly
Liquidity risk/interest rate risk	• Maintain best credit rating and strong balance sheet • Maintain sufficient unutilised credit limits with banks and other lenders • Maintain adequate liquidity which can be redeemed as per requirement • Regular review of cash flows and working capital optimisation • Funding options through a mix of different debt instruments • Short-term funding through competitive CP issuance • Long-term funds tied up and sourced for capex financing

	Mitigation Plan
Emerging Risk Climate changes may lead to increase in frequency and severity of natural disasters (for e.g. drought, floods, cyclones)	• Identifying and implementing green technologies and developing sustainable products e.g. LivaEco • Implementing closed-loop technology, leading to reduced air and water emissions, improved working ambience, lower raw material consumption • Ramping up use of renewable sources of energy for Company's operations • Commitments to comply with the global environmental and sustainability norms • Vulnerability study is conducted for natural calamities and required protective measures are initiated (e.g. raising boundary wall in flood-prone sites) • Adequate Insurance Coverage to cover financial loss caused from natural calamities
Environmental and other regulatory risks (including compliance): Any default can attract penal provisions and may impact the company reputation. Increased activism by society/NGOs could also impact reputation	• 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 • Commitments to comply with the sustainability goals and 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

INTERNAL CONTROL SYSTEM

Grasim has well-established and robust internal control systems in place commensurate with the nature of its businesses, size, scale, and complexity of its operations. The internal control systems cover all business processes and are operating effectively.

We have well-laid organisational structure with clearly defined roles and responsibilities. The structure is well institutionalised, and the systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations. For various financial and commercial operations, Standard Operating Procedures (SOP) 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 internal audit firms covering all units and business operations periodically to validate the existing controls independently. Internal Auditors directly report to the Audit Committee of the Board. The Audit Committee reviews the Internal audit programme at the beginning of the year to ensure that the coverage of the areas is adequate.

The management regularly reviews Internal Audit Reports, and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. The Audit Committee reviews significant audit observations 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 periodically and provides guidance for further strengthening them.

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Social & Relationship Capital | Human Capital

Recognition of our Work

Some of the recognitions and awards received during the year include:

AWARDS

Environment (E)



Sustainable Organisation 2022 by The Economic Times.



Grasim's Vilayat site recognised for 'Excellence in Environment Management' at the CII-ITC Sustainability Awards 2022.

Social (S)



Grasim's Domestic Textile Business certified Great Workplace by Great Place to Work® Institute.



Grasim Harihar won the 'Golden Peacock Award' in Occupational Health & Safety 2022.

Governance & Reporting (G)



Awarded Gold Shield for Integrated Reporting: Manufacturing Sector at the ICAI Sustainability Reporting Awards 2021-22, by the Institute of Chartered Accountants of India.



Ranks #1 in Apparel/Textile Sector-Business World Most Reputed Companies 2022.

AWARDS



Grasim-Birla Cellulose has been declared the Winner of 'Golden Peacock Innovation Management Award' for 2022.



Grasim won the Water Stewardship category of the NW18 Sustainability100+ Award.



Grasim-Pulp & Fibre Business, SFD, Nagda won the CSR Impact Award at the Corporate Social Responsibility Summit & Award for impactful CSR projects in Agiculture and Rural Development.



Grasim won The CSR Journal Excellence Awards 2022 (1st Runner-up) in the category of Agriculture and Rural Development.



Grasim Industries Ltd won Annual Report awards in two categories: Manufacturing and Integrated.



Reporting from South Asian Federation of Accountants (SAFA) 2021.

RATINGS

Hot Button report 2022, Canopy, an environment not-for-profit, awarded Birla Cellulose with a 'Dark Green Shirt' rating

CRISIL Sustainability Report 2022 assigns 'Strong' rating to Grasim Industries and an ESG score of 63

Grasim has been upgraded to 'BBB' from 'BB' by MSCI (Morgan Stanley Capital International) in ESG Ratings for 2022



Value Maximisation

In our 75 years of history, growing in sync with a post-Independence 'Atmanirbhar Bharat' (self-reliant India), we have successfully established large-scale businesses on a global level through constant innovation, capacity expansion investments and seizing new high-growth opportunities. Our track record showcase a commendable compound annual growth rate (CAGR) of 15% in both revenue and profit after tax (PAT) on a consolidated basis since FY20. With a strong commitment to creating sustainable value, we go beyond profit-making and embrace a broader purpose that encompasses social and environmental considerations.

Our value maximisation approach sets the foundation for sustainable growth and enhances our reputation as responsible corporate citizen. We prioritise social and environmental impact alongside financial success, demonstrating our commitment to a holistic approach that benefits all stakeholders and contributes to a more sustainable and equitable future.

Financial Capital

Focusing on Sustainable Returns

We take great pride in managing our finances in a way that it delivers long-term growth and profitability. A strong balance sheet through cost optimisation and a diverse pool of cost-effective funding has allowed us to explore multiple opportunities in an ever-changing operating landscape. We have a robust financial planning process in place that examines the financial requirement for long-term operations as well as investments in current and future business sustainability and development prospects.



STAKEHOLDERS IMPACTED

- Government and Regulators
- Shareholders and Investors

MATERIAL ISSUES

- Financial Performance
- Stakeholder Engagement
- Resource Efficiency
- Business Ethics and Compliance

KEY RISKS

- Strategic Risk
- Emerging Risk
- Operational Risk
- Compliance Risk
- Financial Risk

ALIGNMENT WITH SDGs



FY23 Highlights

Revenue

117,627
Consolidated (₹ crore)

26,840
Standalone (₹ crore)

Segmental Revenue

10,422
Chemicals (₹ crore)

2,293
Textiles (₹ crore)

Segmental EBITDA

2,271
Chemicals (₹ crore)

240
Textiles (₹ crore)

OUR APPROACH

We strategically pursue financial success through diversification, robust operational performance, product innovation, market expansion, sustainability, and ESG considerations. This strategy optimises returns for our stakeholders by allocating resources to various forms of capital. We maintain financial discipline through vigilant monitoring and prudent management practices, including capital allocation, working capital optimisation, debt management, and a strong balance sheet for long-term viability.

CREATING SHAREHOLDER VALUE THROUGH RESPONSIBLE CAPITALISM

Our conglomerate combines our financial strength with business agility as each of our leading businesses generates a stable Return on Capital Employed (ROCE). Our solid financial footing is the result of prudent planning and excellent financial acumen, and it reflects in the reliable cash flow, robust balance sheet, healthy capital structure, industry-leading debt-coverage ratio, and reliable liquidity. The consistent performance has earned us the highest ratings from multiple rating agencies, reflecting our strong standalone businesses and a healthy financial risk profile.



Credit Rating

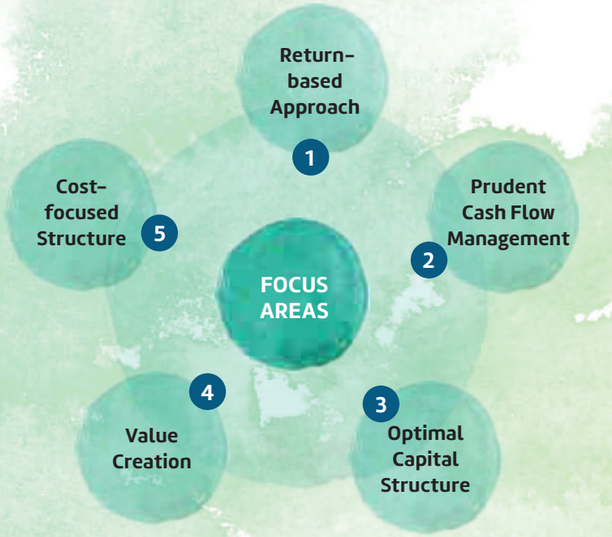
Crisil
AAA/STABLE

ICRA
AAA/STABLE

Our robust financial resources allow us to invest in expansion of our businesses and our teams so that we continue to thrive and provide superior returns for our shareholders. Diversifying resource allocation facilitates business expansion across multiple sectors, leading to comprehensive growth and yielding short-term gains and long-term amplified value.

SUSTAINED VALUE CREATION

All through our journey, our shareholders have entrusted us with their capital to support our growth story. Our primary objective has been to create long-term wealth as a reward to our clients. The company's market capitalisation has witnessed substantial growth over the last 15 years, rising from ₹20,700 crore as of 31st March 2008, to ₹1,07,502 crore as of 31st March 2023. Our goal is to maintain consistent dividend payout rewarding our shareholders.



1
RETURN-BASED APPROACH

Our competitive cost of production and value-added product mix drive our margin profile and ROCE. Our capital and resource allocation policy aims to generate consistent and strong returns for both the business and financial capital providers. By producing goods at competitive costs and offering a portfolio of value-added products, we have improved our margin profile and increased ROCE. Our primary objective is to offer resources to our expanding businesses, including standalone and subsidiary entities, in a manner that enables them to generate sufficient returns. This, in turn, creates value for all our shareholders.

2
PRUDENT CASH FLOW MANAGEMENT

We maintain a prudent equilibrium between our cash inflows and outflows to reduce dependency on money provided by other sources. We continue to generate positive cash flow and keep sufficient liquidity to satisfy both the current and the anticipated cash flow demands in the future.

3
OPTIMAL CAPITAL STRUCTURE

Our optimised debt-to-equity ratio minimises our debt costs and provides ample room for pursuing growth opportunities. We adopt a conservative approach to debt accumulation and rely heavily on internal accruals to finance our operations and growth objectives.

4
VALUE CREATION

Our priority has always been creating value for our shareholders. We have implemented several measures to maximise value creation while attaining efficiencies in various business areas.

5
COST-FOCUSED STRUCTURE

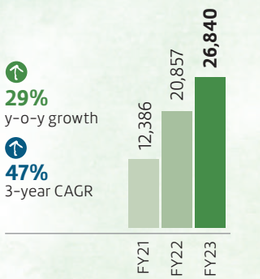
Through numerous cost-optimisation measures and backward integration, which drives efficiencies, we have achieved globally recognised cost leadership in our businesses. By controlling the supply chain for essential inputs, we are one of the cost leaders in manufacturing VSF.
We are constantly deploying and integrating new technologies into our operations. We are able to realise efficiencies that result in reduced expenses and industry-leading quality.

Standalone Financials

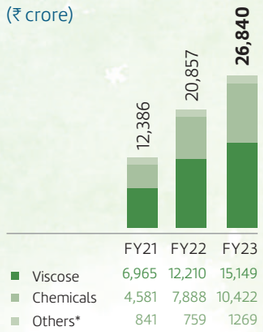
OPERATION RELATED INVESTMENTS

Raised our capital expenditure by 70% to ₹4,307 crore in the current fiscal year for our ongoing operations, compared to the previous year's expenditure of ₹2,537 crore. The capital expenditure primarily involves the creation of new capacities, modernisation of existing plants and accelerated investments in new high-growth businesses.

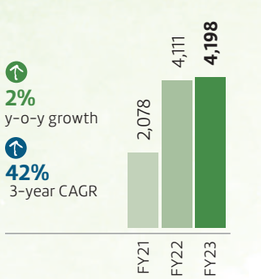
REVENUE
(₹ crore)



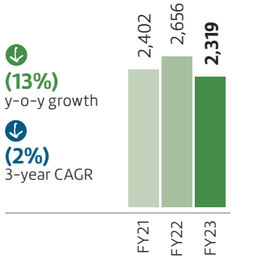
REVENUE SEGMENT WISE
(₹ crore)



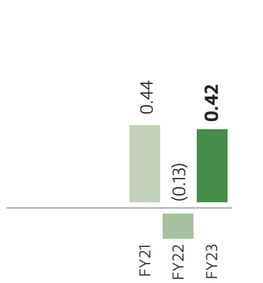
EBITDA
(₹ crore)



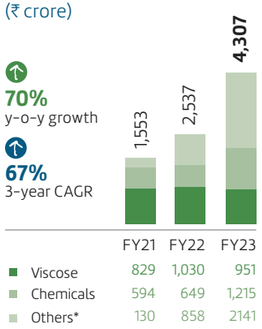
FREE CASH FLOW
(₹ crore)



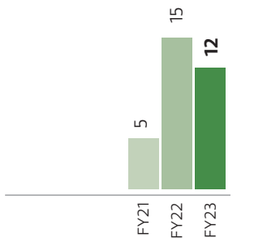
NET DEBT TO EBITDA
(X)



CAPEX SEGMENT WISE
(₹ crore)



ROAvCE#
(%)



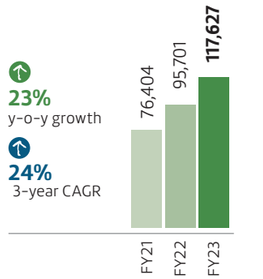
* Others include Textiles, Insulators, Paints, B2B E-commerce and other inter-segment adjustments
# Excluding standalone investments

Consolidated Financials

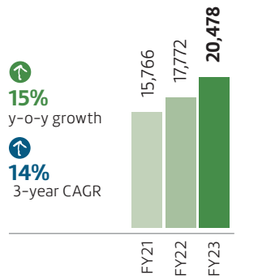
CONSISTENT GROWTH

We have shown strong and consistent revenue growth over the years. We reported a robust total revenue of ₹1,17,627 crore for FY23, spanning across all segments. Standalone businesses and strong performance across key subsidiaries drove the large contribution from the growth.

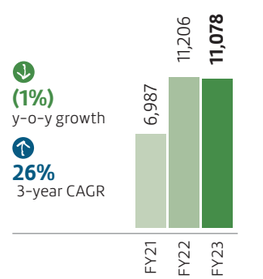
REVENUE
(₹ crore)



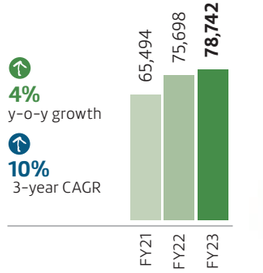
EBITDA
(₹ crore)



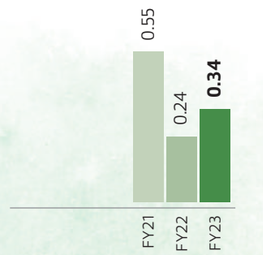
PAT*
(₹ crore)



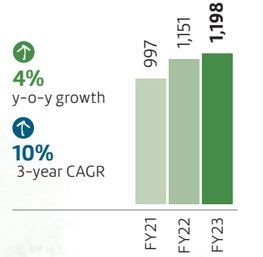
NET WORTH
(₹ crore)



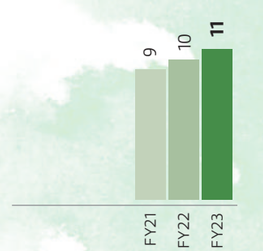
NET DEBT TO EBITDA#
(X)



BOOK VALUE
(₹ per share)



ROAvCE
(%)



* Net Profit for the period before Minority Interest
# Excluding ABCL Borrowings



Multiple Forms

At Grasim, we recognise the importance of diversity and multiplicity in a constantly evolving business landscape. We challenge the notion of a one-size-fits-all approach by focusing on providing dynamic and tailored products and solutions to disrupt traditional industries and support emerging ones.

We are committed to collaborating with partners through different operational models to achieve our goals and create sustainable growth. Engaging with stakeholders in various ways to touch as many lives as possible, our dedication to multiplicity extends beyond our partnerships, as we encourage all forms of enterprise and value diversity in all aspects of our business. It is this commitment to multiplicity that drives our success and enables us to create a positive impact on the world.

Manufactured Capital

Ramping up Responsibly



Managing our facilities based on the principles of operational excellence and a strong dedication to quality, we use advanced technology to optimise productivity and improve efficiency. At Grasim, we prioritise continuous process improvements to maximise output and effectiveness. With consistent capacity expansion and process enhancements, we have become a leader in multiple global segments, setting ourselves apart from competitors.

STAKEHOLDERS IMPACTED

- Employees
- Suppliers and Value Chain Partners
- Customers
- Shareholders and Investors

MATERIAL ISSUES

- Resource Efficiency
- Raw Material Sourcing and Product Carbon Footprint
- Responsible Supply Chain
- Occupational Health and Safety
- Product Stewardship
- Energy Consumption and GHG Emissions Management

KEY RISKS

- Strategic Risk
- Operational Risk
- Compliance Risk

ALIGNMENT WITH SDGs



FY23 Highlights

711
Viscose Staple Fibre (VSF) (KTPA)

1,145
Caustic Soda (KTPA)

88%
Capacity Utilisation (Caustic Soda)

60%
Chlorine Integration

OUR APPROACH

At Grasim, we deliver exceptional products by seamlessly integrating industry leading practices and state-of-the-art technology, enabling us to evolve sustainable manufacturing principles. Our focus on sustainability ensures that our manufacturing processes are environmentally responsible, while promoting safe working conditions across all our facilities, which proudly hold ISO 14001:2015 certification. It is a testament to our stringent environmental standards. Furthermore, we actively work towards enhancing our Higg Facility Environmental Module (FEM) score to minimise our environmental impact and optimise resource utilisation.

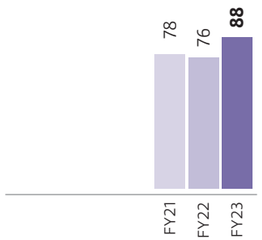
Striving Continuous Operational Excellence

Our cutting-edge facilities and advanced technology ensure maximum output and efficiency. Through continuous process improvements and de-bottlenecking, we expand our capacities across various businesses, establishing ourselves as industry leaders. Our commitment to innovation and optimisation allows us to deliver exceptional products that surpass global environment and quality standards.

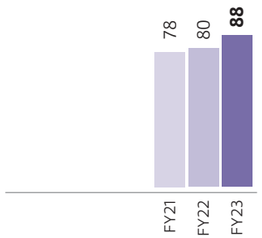


PRUDENT CAPACITY ADDITIONS – CONSISTENTLY HIGHER UTILISATIONS

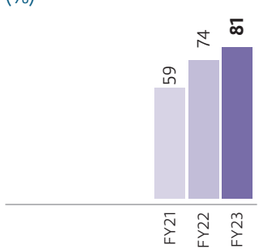
VSF (%)



CAUSTIC SODA (%)



SPECIALITY CHEMICALS* (%)



*Net basis



1 OPERATIONAL EFFICIENCY

Operational efficiency is a fundamental pillar of our success and a vital component of our business strategy enabling us to maintain a competitive edge and drive sustainable growth. Our goal is to optimise and improve our processes, to enhance efficiencies. This facilitates the delivery of top-quality products, helping us to maintain our market leadership position across segments.

With a significant presence in several segments, we can boast a large production capacity to cater to high-growth markets and industrial sectors.

Interventions

- In VSF business, we are committed to improving the mix of Speciality Fibres from the current 19%.
- In our Chemicals business, we are strategically focusing on enhancing our chlorine integration, with a target of reaching 72% integration, post the commissioning of our ongoing projects.
- In Speciality Chemicals, we are increasing our focus on the unique applications of Epoxy polymers and curing agents.

2 CAPACITY EXPANSION

Our commitment to capacity expansion is further solidified as we maintain our position as the top player in India's Viscose and Chemicals sector, with the largest production capacity of VSF, VFY, and Caustic Soda in the country. We are enhancing our operations by making significant investments in modernising our existing facilities and establishing new production units, leveraging advanced technologies, and embracing sustainable practices to ensure our continued success in the industry.

Interventions

- The demand for Caustic Soda is on a rapid and steady rise, fuelled by escalating demand from various industries. Recognising this growth potential, we have set our sights on achieving a capacity of 1,530 Metric Tonnes Per Annum (MTPA) by FY24. This will enable us to effectively cater to the growing needs of our diverse customer base.
- We take pride in being the largest producer of Speciality Chemicals (Epoxy polymers and curing agents). Our strong market presence is set to be further reinforced as we embark on doubling our production capacity to 246,000 Tonnes Per Annum (TPA) by FY24.

To read about our existing manufacturing prowess, refer to Pg **26**

3
PRODUCT STEWARDSHIP

We are deeply committed to the principles of product stewardship, ensuring the responsible management of our products throughout their lifecycle. We prioritise safety, health, and environmental impact of our products from production to disposal. Our practices include comprehensive risk assessments, adherence to regulatory requirements, and continuous monitoring of product performance.

Interventions



To delve deeper into our commitment to product stewardship, please refer to the Intellectual Capital chapter on Pg 87

4
RESOURCE MANAGEMENT

Resource management is the cornerstone of our operations. We optimise the use of resources such as energy, water, and raw materials throughout our manufacturing processes. Through innovative technologies and efficient practices, we strive to minimise waste generation and promote circularity. Our dedicated teams continuously monitor and evaluate resource consumption, implementing initiatives to reduce our environmental footprint. Additionally, we actively engage in recycling and reuse programmes to maximise resource efficiency.

Interventions

Optimising Yarn Spinning Output

Birla Cellulose, a unit of Grasim, is addressing key challenges faced by Multiple Vortex Spinning (MVS)-based mills:

CHALLENGE 1

Production of Soft Waste

The soft waste consists of fibres that cannot be reused in the spinning process and are sold at a considerably lower price compared to yarn.

Solution

We undertook multiple trials with varying MVS feed ratios, and established benchmark levels for optimal outputs. Additionally, staff training on work practices helped us reduce soft waste production by up to 44%.

CHALLENGE 2

Idle Spindle Time

Lower productivity is another major concern for MVS spinning mills, primarily due to higher spindle idle time.

Solution

To address this issue, we conducted training sessions, introduced SOPs and event charts, and provided training to floor-level operators. These efforts significantly reduced spindle idle time and increased average productivity by up to 4%.

CHALLENGE 3

Power Consumption

High power consumption and its associated costs pose a significant challenge in the MVS spinning process. Power consumption accounts for 35–45% of the total production cost from fibre to yarn.

Solution

The Company tackled this challenge by reducing the MVS waste suction blower motor speed, effectively preventing suction leakage, reducing twisting pressure, and optimising compressor output pressure. These measures led to a remarkable reduction in power consumption of up to 20%.

5
QUALITY IMPROVEMENT

By placing a strong emphasis on quality improvement across all our operations, we deliver products and services of the highest standards that not only meet but even exceed customer expectations. Through continuous research, development, and innovation, we strive to enhance the quality, performance, and reliability of our offerings. Our robust quality management systems ensure adherence to stringent industry standards and regulatory requirements. We actively engage in data-driven analysis, process optimisation, and employee training to drive a culture of continuous improvement.

Interventions

Grasim has successfully implemented the 5S Model (Sort, Set, Shine, Standardise, and Sustain) as part of its quality control initiatives. Our primary objective is to create a clean, organised, and efficient work environment that promotes productivity and minimises waste. Our employee training programmes enhance understanding and foster a culture of efficiency, quality, and continuous on-the-job improvement. This approach has resulted in increased productivity, reduced errors, and overall operational excellence.

Moreover, we actively encourage our employees to identify areas for improvement, allowing us to enhance product quality, process efficiency, and the safety of our facilities. By engaging our workforce in these improvement initiatives, we create an environment that values their expertise and actively seeks their input for optimising operations.

6 OCCUPATIONAL HEALTH AND SAFETY

At Grasim, the well-being and safety of the Company's employees are of paramount importance. We are deeply committed to maintaining a workplace that prioritises Occupational Health and Safety (OHS) at every level of our operations. To ensure the highest standards of OHS, we have implemented comprehensive policies and practices that comply with all relevant regulations and industry best practices. Our OHS management system is designed to identify, assess, and mitigate workplace hazards, thereby reducing the risk of accidents, injuries, and occupational illnesses.

Interventions

We provide regular training and awareness programmes to our employees, equipping them with the necessary knowledge and safe working skills. Our OHS training covers a range of topics, including hazard identification, emergency preparedness, safe work practices, and the proper use of Personal Protective Equipment (PPE).

To continuously improve our OHS performance, we regularly conduct audits and inspections to identify areas of improvement. We encourage employee participation through safety committees and feedback mechanisms, fostering a culture of shared responsibility for OHS.

We provide the necessary resources and support to maintain a safe and healthy work environment. This includes adequate facilities, well-maintained equipment, and regular health check-ups to monitor and address any potential risks or health concerns.

7 SUPPLY-CHAIN MANAGEMENT

Delivering high-quality products while also prioritising sustainable practices in material sourcing is our prime objective. Recognising the global concern for responsible sourcing, we have implemented transparent and best-in-class practices across our diverse range of businesses.

Within our VSF business, we have embraced a closed-loop process that minimises our environmental footprint and addresses material sourcing challenges. We ensure responsible sourcing for all input materials and services in our operations. Our sourcing strategy is carefully crafted to manage risks related to safety, environmental impact, legal compliance, ethics, human rights, and fair wages. We believe in upholding the highest standards of functionality for materials and services while also considering their impact on the environment and community.

Our policies reflect global standards and our commitment to the conservation of ancient and endangered forests, high-conservation forests, boreal forests, and biodiversity. By adopting responsible sourcing practices, we aim to contribute to a more sustainable future while maintaining the quality and integrity of our products.

Interventions

The movement of Epichlorohydrin (ECH)–the key raw material for Epoxy resin–in bulk to Hazira port, instead of drums or ISO tankers, leading to the elimination of any packaging and minimising road transportation. In bulk movement, material to the tune of 1,500 MT arrives in one go. If we move in ISO, only 25 MT comes in one parcel and the barrel is too small, a quantity of just ~200kg. For these reasons, we moved to bulk movement to Hazira port. Inland transportation too is minimised as the port is located close to our factory. So, in a nutshell, with bulk movement to Hazira, we address two problems: Reduced inland movement (as compared with ISO or container coming to Nhava Sheva port), thus reducing GHG emissions; and the elimination of packing (as would have been in barrels).

NEW BUSINESS UPDATES

Paints Business

In FY22, we announced our entry into the paints business. With effective strategies and steadfast working measures, we are set for a commercial launch in the fourth quarter of FY24. With significant developments across multiple fronts, we are well on our way to establishing a strong presence in the Decorative paints market.



Plant Construction and Statutory Approvals

Construction of the paints manufacturing plants is progressing well across all six sites. We have received the necessary statutory approvals, ensuring compliance with regulatory requirements. We will adhere to the highest standards of safety, sustainability, and environmental stewardship throughout the construction process.

Setting up of R&D Facility

Grasim's state-of-the-art research and development (R&D) facility started its operations fully and is actively engaged in developing innovative products to deliver unique and memorable customer experiences. With a focus on advanced technologies and sustainable practices, the R&D team is geared to creating paints with superior quality, durability, and aesthetic appeal.

Pan-India Go-to-Market Strategy

A comprehensive go-to-market strategy has been formulated to ensure the widest possible reach. By strategically positioning the products in both urban and rural markets, we aim to capture diverse customer segments and drive sustainable growth.

Brand Identity, Advertising and Launch Portfolio

The development of the brand identity for Grasim Paints is near completion. We aim at crafting a distinct and compelling brand image to resonate with our target audience. Concurrently, we are designing effective advertising campaigns to create awareness and generate buzz around the upcoming launch.

Capex Investments

We have allocated a planned total capital outlay of ₹10,000 crore for the Paints business. As of 31st March 2023, about ₹2,592 crore has been spent. This represents approximately 26% of the total planned investment, reflecting our commitment to ensuring a robust infrastructure and operational setup.

B2B E-commerce

A B2B E-commerce business plan is under execution for commercial launch by FY24. We have made significant advancements in the development of our B2B e-commerce business. With our well-established and expansive B2B ecosystem, we are poised to leverage this formidable strength and make a substantial impact within the market.

To ensure a seamless launch, we are proactively assembling dedicated teams across various departments, including sales, marketing, category, and operations. These teams are meticulously crafted to spearhead our initial launch in Maharashtra and Madhya Pradesh. During FY23, we successfully implemented pilot scale operations, achieving satisfactory results. This positive outcome has significantly bolstered our confidence in the imminent full-scale platform launch. Our technology work streams, specifically focused on facilitating commerce transactions, enabling credit, and optimising order fulfilment, are progressing as per plan.





Ground-Up Entrepreneurship

Our philosophy of entrepreneurship drives all our ventures. This includes taking calculated risks, being bold and pushing boundaries while seeking solutions through innovation and embracing new ideas, processes, and technologies. We are dedicated to nurturing this spirit of entrepreneurship, encouraging our employees to embrace it in all their endeavours.

As part of ABG, we love the process of growth through creation. Building new things–businesses, solutions, brands, partnerships–comes naturally to us. Fostering growth through the adoption of new ideas, processes and technologies is our passion. We have been able to achieve significant milestones and remain a leader in our industries. We believe that by fostering a culture of innovation, we can continue to create value for our stakeholders and achieve success in the years ahead.

Intellectual Capital

A Comprehensive Innovation Roadmap for Growth

Grasim embraces innovation across its entire value chain, securing its position as a market leader. Our intellectual capital enables us to adapt and maintain competitiveness in a changing world. Our intangible assets-strong brands, experienced professionals, cutting-edge infrastructure and technology, and robust processes have led to financial success and value creation for stakeholders.



STAKEHOLDERS IMPACTED

- Customers
- Value-chain Partners
- Shareholders
- Employees

MATERIAL ISSUES

- Innovation and R&D
- Opportunities in Clean Technology
- Digitalisation, Data privacy and Security
- Product Stewardship
- Quality and Customer Satisfaction

KEY RISKS

- Strategic Risk
- Operational Risk

ALIGNMENT WITH SDGs



FY23 Highlights

₹124 crore
R&D Expenditure

9
Number of R&D Facilities

17
Patents Granted

2
Product Innovation

7
Collaborations for New Product Development

313
R&D Team

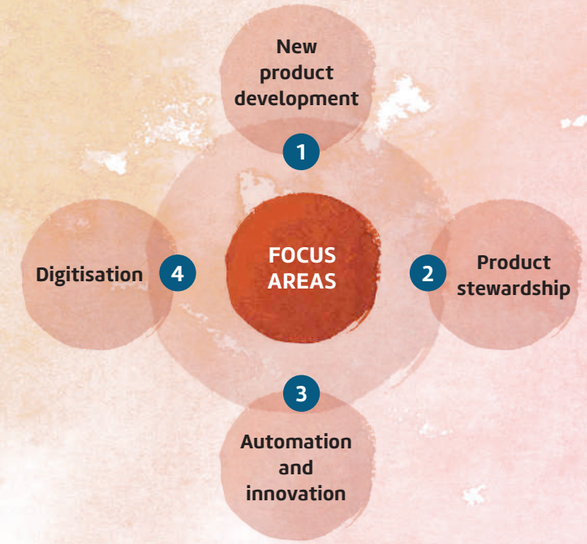
OUR APPROACH

Innovation is one of the foundations for our business strategy. We collaborate with technology companies, global research institutes, and other value chain members to create environmentally sustainable products to enhance our customers' products and provide eco-friendly solutions. The focus of our R&D facilities is to address our customers' changing needs in a dynamic and competitive business landscape. Our emphasis on R&D and innovation ensures we remain ahead of the competition and propel expansion of our various businesses.

Innovation is fostered across different verticals like process improvement, data analytics, new product development, scaling up facilities and customer support function.

Our R&D Team includes Post Doctorate, PhDs, postgraduates and graduates with varied specialisations in textiles, chemical and information technology, applied sciences, and synthetic/physical chemistry.





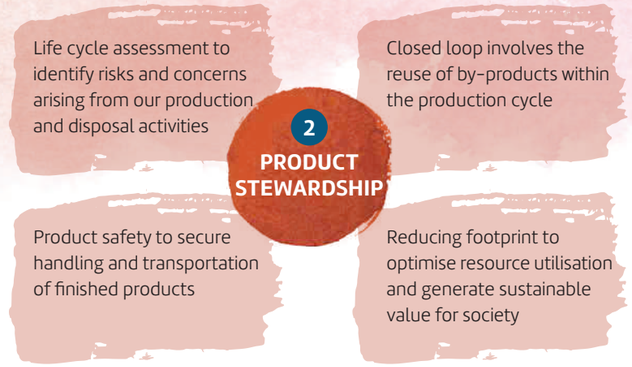
1 NEW PRODUCT DEVELOPMENT

Significant R&D advancements

- Developed a novel toughened Epoxy system for the fabrication of composite pressure vessels
- Introduced composite LPG Type 4 Cylinders in the Indian market with the commercialisation of the product
- Developed a new line of Tile Grout and adhesives and added it to the Construction Chemicals product line

Strategic initiatives across R&D

- Established an R&D division focused on construction chemicals, specifically tile grout and industrial grout
- Commercialised a variety of high-value products:
  - (i) VSF for Fire Retardant (FR) textile application
  - (ii) VSF short-cut for flushable wipes application
  - (iii) Coarse Denier Excel fibres
  - (iv) Special VSF grade eco-dry for hygiene application
- Established a state-of-the-art R&D centre for the paint segment.



Sustainable manufacturing encompasses numerous facets of sustainability, including modelling and optimisation, remanufacturing, sustainable supply chains, reverse logistics, and closed-loop supply chains. Our policy on product stewardship requires socially and environmentally responsible manufacturing, use, and management of our products throughout its lifespan. Life Cycle Assessment (LCA) are conducted at regular intervals across various products at different locations.

Partnerships

Product stewardship evolved from the responsible management of hazardous wastes to a greater emphasis on resource conservation. Product stewardship approaches have altered the relationship between the social and material realms, resulting in the emergence of industrial sectors and the formation of partnerships. Due to this, agreements have been propelled by either the government or the private sector and have involved collaboration between these two parties.

Key Partnerships

- A joint development programme has been initiated with National Chemical Labs in Pune to develop a new product and process with the 'Sustainable Chemistry' approach. This programme aims to improve our bio-based product portfolio
- A letter of intent has been established to collaborate with CSIR-CSMCRI. The project will involve working alongside the exosome startup group to develop water treatment solutions and improve product activities
- An MoU with IIT BHU to explore new types of cellulosic products
- On the advisory board of the Georgia Institute of Technology

Product and Method Innovations

At Grasim, our focus towards new product development has been across all our businesses. The emphasis on the development of new products has played a crucial role in the expansion of the market. Our proactive approach to engaging with customers and soliciting their feedback enables us to innovate our practices, as well as identify and address gaps in our products and services.

Viscose

The R&D centres are dedicated to creating innovative yarns and fabrics in collaboration with local partners. This has facilitated the development of new printing bases for commercial fabric manufacturers, the development of seasonal fabric samples using the latest and most sought-after yarns, and modifications in weaving patterns. The initiative promotes natural, sustainable, and biodegradable yarns to raise awareness about environmental sustainability.

Chemicals

In FY23, we added a few molecules towards chlorine. The new product range added to our Group is Chloromethane. Its introduction will help in the Indian value chain of Chlorine and Hydrochloric acid, and helps us in improving our utilisation rate for caustic. Due to integration levels, there is a wide opportunity for us to dive deep into new chemistries.

The partnership with Lubrizol, global leader in chlorinated polyvinyl chloride (CPVC) would be initiated this year. Lubrizol is constructing 100 KTPA at Vilayat (Gujarat) in two phases, creating single largest site capacity for CPVC resin production globally.

Focus areas for new product development:

- Value addition
- Consistency in quality
- Process improvement and innovation
- Cost and optimisation of product performance

Integrating Sustainability into Every Step of the Supply Chain

We utilise the innovation management process to create a dynamic organisation that is both resilient to near-term uncertainties and also prepared for the future. We are constantly working to enhance the sustainability of our products and procedures. This includes improving the energy and material conversion efficiencies of manufacturing processes, lowering effluent and air emissions, and boosting the productivity of its assets. We keep a close tab on our sustainability progress and evaluate how it stacks up against publicly announced goals.

CASE STUDY

The Revolutionary 'Tree-Free' Lyocell Fiber Derived from Industrial Waste

Grasim and Nanollose, an Australia-based biotechnology company, began developing the first 'tree-free' Lyocell fibre derived from bacterial cellulose grown from industrial waste in 2020. Together, we filed a patent application for high-tenacity Lyocell fibres manufactured from bacterial cellulose based on R&D efforts in January 2021. Nullarbor™ comes from *nulla arbour*, the Latin word for 'no trees'.

Bacterial cellulose is renewable and biodegradable like plant-based cellulose and is produced by natural fermentation with non-pathogenic bacteria. Bacterial cellulose, made from agricultural waste and by-products, does not damage old-growth or endangered forests as it creates pure cellulose. Microbial cellulose can be utilised in current Lyocell fibre spinning facilities. A closed-loop solvent system makes Lyocell synthesis ecologically friendly. Nullarbor fibres are stronger than wood pulp Lyocell yet retains its exquisite feel.

Grasim's R&D team created a small sample of 100% bacterial cellulose Nullarbor fibre, which was utilised in testing to make a sample 3D-knitted clothing with multiple knit patterns. The fibre performed effectively in standard industrial equipment throughout the yarn making and knitting operation.

Our pilot facility generated the first fibre batch in 2022 after successful laboratory scale testing. Using industrial yarn spinning, weaving, knitting, and dyeing equipment, numerous partners have turned this fibre into high-quality fabrics. Fibre and fabric shrinkage, colour fastness, and pilling tests have shown their outstanding quality.

In essence, Nullarbor™ is a high-tenacity Lyocell fibre generated from industrial waste bacterial cellulose or wood pulp. Nullarbor fibre is stronger and more eco-friendly than wood pulp-based Lyocell.

3

AUTOMATION AND INNOVATION

Grasim's innovation process is propelled by its core competencies. It comprises:

Synergy

- The integration of all functions in a synergistic approach involves guiding innovation and change management through a stage-gate process
- Cross-functional teams comprising marketing, manufacturing, and R&D personnel from diverse businesses collaborate on projects spanning the entire product development cycle, from ideation to market launch

Agility

- We prioritise ongoing workforce training and technological advancement to quickly adapt to rapid changes
- We are committed to enhancing our workforce, capabilities, and infrastructure to ensure our strength and readiness for the future

Consolidation

- Our accumulated experience and willingness to adopt new technology provides us with a competitive advantage
- We are continuously improving our manufacturing processes by incorporating advancements in technology such as the Internet of Things, AI/ML, Big data analytics, and digitisation

Collaboration

- We collaborate with customers, vendors, researchers, technology providers, and startups to achieve our objectives



Prime Factors

We strive for continuous innovation to enhance our products and address the needs of all stakeholders. Our primary areas of focus are:

- Developing novel value-added products and applications as a response to evolving customer demand
- Enhancing product quality via novel methodologies and minimising material usage
- Minimising effluents and emissions to promote sustainability
- Embracing the growing trend towards digitisation

Significance

Having established several advanced R&D facilities, we are steadfast on our commitment to sustainability in the long run. Our business operates in a commoditised product market and distinguishes itself from competitors through noteworthy investment in R&D.

Innovation Initiatives at the Business Level

- A strong emphasis on process consistency and efficiency has enabled the optimisation of consumption ratios for the main raw materials in the viscose process.
- Progress was made in the development of man-made cellulosic fibres (MMCFs) from textile waste; commercial production of Liva Reviva; VSF containing 30% textile waste was attained on one of the large VSF production lines

4

DIGITISATION

Grasim has evolved from a fundamental digital infrastructure to one that now incorporates cutting-edge technology based on ideas from the Fourth Industrial Revolution. The business follows three principles listed below across all its core functions including manufacturing, marketing, sustainability, safety, finance and commercial, and human resources.

Digitise → **Digitalise** → **Digital Transformation**

The above principles are important as they have helped us in navigating through this journey of digitisation in:

- Improving sales, marketing, operations, and sustainability judgements using digital dashboards
- Testing new technology that would also help us reach our goal of being part of the global lighthouse network
- Implementing industrial IoT, AI/ML and predictive modelling aggressively to improve processes and lead to quality
- Addressing safety, reliability, and financial issues in our older units, selectively replicate proven digital tools and technology



Our journey from basic infrastructure to leading with transformational changes

Basic infra	Basic digital	Digitise	Readiness of the IoT infra	Digitalise	Transformation
Covers SAP Hyperion, network connectivity, server, setups, basic applications	Covers historian (AspenTech and PI), smart dashboards, daily reports	Covers information in digital format available for ready processing	Such as Cloud, Edge Servers, LoRaWAN/ private 5G at sites for scale up	Covers improvements and automations such as predictive models, dashboards, etc.	Focuses on new ways of business operations such as blockchain-based traceability, robotics, etc.

We are currently implementing over 50 initiatives spanning enterprise resource planning or ERP (supply chain visibility, quality, contract management, and more), business intelligence and dashboard, and infrastructure/security. The key digital initiatives in FY23 span across operations, sales and marketing.

Integration of Automation and Innovation at the Business Level

To improve the effectiveness and efficiency of business processes, the manufacturing units developed and implemented the mentioned processes:



Equipment performance management system

It aims to enhance customer satisfaction by ensuring consistent production of the desired product.

Operations

Equipment Lifecycle Management programme, connected workmen, smart asset maintenance, thermography for condition check of old equipment, robotic cleaning, automated packing, warehouse management system, reliability improvement through industrial IoT and analytics, soft sensors for quality improvement, steam dashboards, and energy management system (IoT based)

Knowledge management system

The purpose of a knowledge management system is to gather applied knowledge from various sources within an organisation, both tacit and explicit, and store it in a central location for easy access by employees. The knowledge management portal is accessible to people across manufacturing units. The process flow of knowledge management is as follows:



Key Projects

Central control tower

It is a system that enables the co-ordination of logistics, dispatch, safety, logistics service providers, and customers.

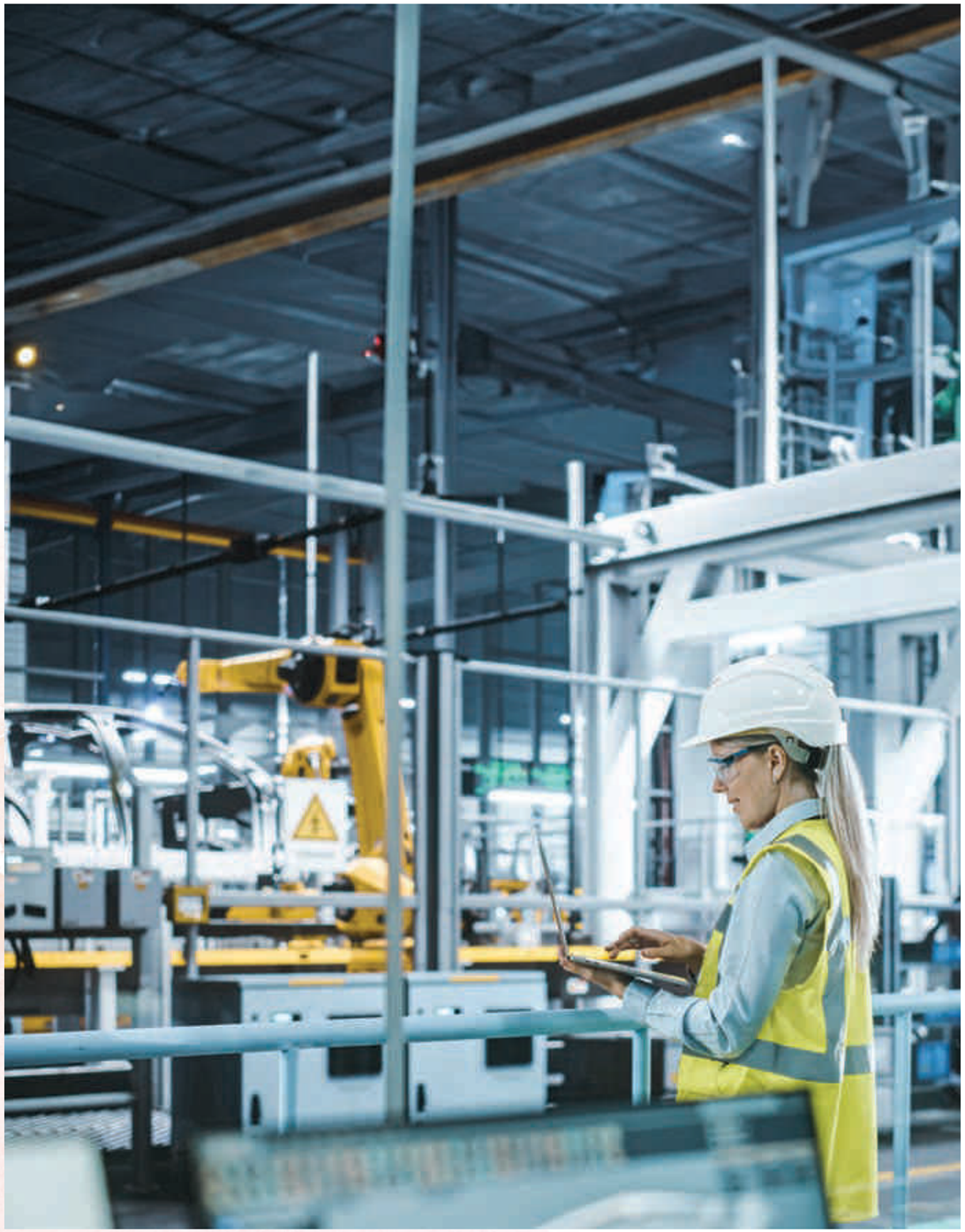


Sales and marketing

Our move towards digitalisation has covered different business segments during FY23 through our innovations, such as Digital Way of Life (DWOL), Innovation and Project Management (IPM), and Digital Data Integration (DDI 2.0).

Central manufacturing cockpit

It helps observe and evaluate manufacturing process parameters in real-time to improve process control, dependability, and safety. The system provides real-time visualisation and analysis capabilities to establish a seamless connection between the factory floor and upper management.



CASE STUDY

Grasim Sustainable Product and Process Innovation

The objective of 'Chemistry for a Greener World' is to guarantee that our merchandise, distribution networks, and resolutions are ecologically sustainable, secure, and socially accountable. We are committed to generating sustainable value for all stakeholders through various means such as product and process innovations, manufacturing excellence, partnerships, and meeting consumer needs. Through R&D and innovation, our holistic approach aims to deliver new solutions for a greener future.

In our textile business segment, we focused on the advancement of hemp fibre technology. The development was conceptualised as a prospective approach to alleviate the risk associated with the supply of flax fibre. Hemp is a multifaceted crop that can be grown for various applications, rendering it a highly sustainable option. With the help of our R&D team the quality characteristics of hemp yarn was enhanced. The outcome was achieved through a collaborative methodology that improved finish and process parameters. This approach has resulted in improved yarn imperfection level, while concurrently improving tenacity and elongation properties that are comparable to the benchmark.

The chemical business had to be shifted towards the use of less toxic Long Chain Chlorinated Paraffins (LCCP), post restriction imposed by REACH (EU) and Stockholm Convention (UN) on Short Chain Chlorinated Paraffins as persistent pollutants. To meet customer demand for diverse application, we developed a process for producing LCCPs. Through dedicated efforts of the R&D team, three LCCP variants with different chlorine contents were synthesised and characterised. The stability of the product was addressed by the stabilisers. This helped in benchmarking the product against customer specifications. Our LCCP product is compliant with REACH regulations and exhibits favourable potential for export. Post above R&D and plant efforts and attaining the quality requirements the LCCP product is being marketed as TWIST CPR and is being manufactured since FY23.



Our product TWIST series comprise of speciality blends that are free from phthalates. They are a viable substitute for primary plasticisers that are typically incorporated into PVC to enhance its flexibility and softness. The substance aids in enhancing plasticity and reducing viscosity in PVC formulations, while also fulfilling lubrication needs. The TWIST range comprises of two grades, namely TWIST FC 73, and TWIST FM-M0, along with several sub-grades that possess specific properties. These grades are utilised in the production of compounds such as wires, cables, footwear, and paver blocks, as well as plastisol products like textile auxiliaries and inks. Additionally, they are used in the manufacturing of pipes, PVC-leather coating, PVC films, and other related applications.



Force for Good

Our commitment to sustainable and ethical progress extends beyond our business boundaries, aiming to create a positive impact for a better future. With a vision focused on renewal and regeneration, we are dedicated to regreening the environment, renewing resources, rejuvenating ecosystems, and restoring our planet's former glory. As part of this vision, we are working towards an ambitious goal of achieving Net Zero carbon emissions aligned with the Group's target. We are implementing various measures to reduce our carbon footprint and enhance our environmental sustainability.

Water conservation is a key priority for us, and we have implemented initiatives to recycle and reuse water, minimise waste, and repurpose materials. Our goal is to achieve water-positive status by replenishing more water than we consume.

At Grasim, we understand our responsibility towards the planet and the communities we operate in. Our commitment revolves around achieving no net loss of biodiversity and zero waste to landfill.

We prioritise sustainability in our manufacturing processes and continuously explore opportunities to develop biodegradable and eco-friendly products. Furthermore, we offer sustainable industry solutions that empower our customers to minimise their environmental footprint. As a force for good, we take pride in our dedication to a brighter future and strive to make a positive impact in building a more sustainable world.

Natural Capital

Responsibility towards Planet and Resources

Grasim's commitment to environmental sustainability is rooted in our purpose of creating and maximising value for all, with a strong focus on future generations. We prioritise making environmentally responsible choices and actively work towards reducing our carbon footprint. Through best-in-class manufacturing processes, we minimise energy, water, and resource consumption. Leveraging technological advancements, we continuously work to reduce waste generation and embrace circular practices across our operations.



STAKEHOLDERS IMPACTED

- Government and Regulators
- Local Communities, NGOs and Other Groups
- Customers and Suppliers
- Investors and Shareholders

MATERIAL ISSUES

- Energy Consumption and GHG Emissions Management
- Water and Effluents
- Waste Management
- Climate Change Adaptation
- Product Stewardship
- Responsible Supply Chain
- Innovation and R&D
- Air and Soil Pollution
- Biodiversity and Land Use

KEY RISKS

- Emerging Risk
- Operational Risk
- Compliance Risk

ALIGNMENT WITH SDGs



FY23 Highlights

8%
Share of renewable power

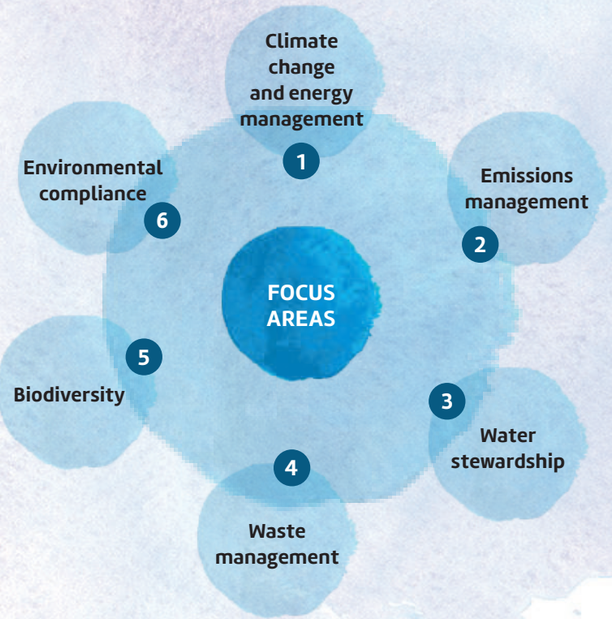
17%
Reduction in energy consumption intensity

15%
Reduction in freshwater withdrawal intensity

OUR APPROACH

Grasim leads by example, aiming for a greener future through sustainable operations and innovation. As industry pioneers, we prioritise innovation and responsible practices to safeguard the planet. Through reduced water usage and circular economy principles, we promote sustainability. Our commitment to eco-friendly products and optimised resource consumption drives value creation.





1

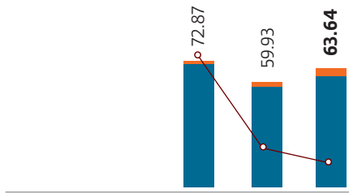
CLIMATE CHANGE AND ENERGY MANAGEMENT

In an effort to address climate change, we are working to reduce energy intensity consumption to lower the environmental impact of our operations, and we are prioritising reducing greenhouse-gas emissions through energy-efficient technologies and renewable energy sources. In order to ensure that our innovative measures work, we have enlisted the support of both our employees and stakeholders in our march toward combatting climate change.



Performance

TOTAL ENERGY CONSUMPTION



	FY21	FY22	FY23
Renewable Energy (million GJ)	2.27	3.3	3.54*
Non-Renewable Energy (million GJ)	70.60	56.62	60.10*
Energy Intensity (GJ/ Turnover (in ₹)	5,883.3	2,873.4	2,371.3

NON-RENEWABLE ENERGY CONSUMPTION
(% CONSUMPTION SEGMENT WISE)



Viscose	52
Chemicals	46
Textiles and Insulators	2

RENEWABLE ENERGY CONSUMPTION
(% CONSUMPTION SEGMENT WISE)



Viscose	70
Chemicals	25
Textiles and Insulators	5

*Indicator covered under assurance scope

Initiatives

Energy Efficiency

- Increased the efficiency of coal-based captive power plants through continuous performance monitoring and advanced process control
- Implemented measures to reduce specific energy consumption in the process and eliminate energy-intensive steps in the operational series
- Upgraded and optimised the generation of electrolysers through recoating/re-membrane
- Implemented electrolyser cell power optimiser and Life Cycle and Performance Management Systems
- Optimisation of system and equipment efficiency throughout our operations
- Proactively replaced conventional equipment with highly efficient latest-design equipment

Renewable Energy | Green Power | Alternate Fuel

- Three more sites joined the race to source RE power manufacturing units, taking the count to a total of 8 units. Increasing the share of RE power from 5% to 8% on a y-o-y basis
- Vilayat and Karwar unit of the chlor-alkali business has increased their RE-power sourcing by 9MW in total
- Harihar unit in the pulp and fibre business has successfully implemented a 10 MW green power generation system that utilises waste liquor, effectively reducing coal consumption
- The pilot trial has been successfully carried out for replacing fossil fuels like coal with low-carbon fuel or renewable fuel like agro, process waste as a fuel source

2

EMISSIONS MANAGEMENT

Climate change has a significant impact on the health of our planet. On the rebound, it affects our ability to create value. Recognising this, we are taking measures to reduce carbon footprint, we are currently working towards setting a Net Zero emissions target in sync with our Group's ambitious goals to be Net Zero by 2050. We have entered into a collaboration with subject matter experts for:

- A systems-based approach to set a decarbonisation roadmap
- Process optimisation
- Digitisation to meet GHG reduction goal

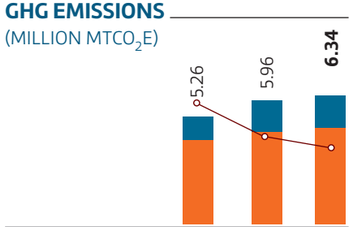


For computing Scope-1 GHG emissions, factors from Intergovernmental Panel on Climate Change (IPCC) has been considered for all sources of fuel except for CO_2 emissions from coal which considers CEA CO_2 baseline database for the Indian power sector version 13.

Performance on Carbon Emissions

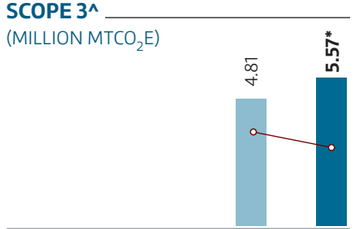
Total Emissions

GHG EMISSIONS
(MILLION $MTCO_2E$)



	FY21	FY22	FY23
Scope 1#	4.14	4.57	4.72*
Scope 2	1.12	1.39	1.62*
Emissions Intensity ($MTCO_2e$/Turnover)	423.9	285.8	236.2

SCOPE 3^
(MILLION $MTCO_2E$)



	FY22	FY23
Emissions Intensity ($MTCO_2e$/Turnover)	230.85	207.43

We believe that the first step to control emissions is to monitor. In line with that, we conducted a thorough measurement and mapping of our Scope 3 emissions covering relevant categories, as we are committed to reducing emissions across all Scopes in the upcoming years to decrease our environmental impact in FY23.

20%
Reduction in Scope 1 intensity

9%
Reduction in Scope 2 intensity

10%
Reduction in Scope 3 intensity

Business-wise Carbon Emissions

SCOPE 1
(% OF TOTAL EMISSIONS)



Viscose	58
Chemicals	41
Textiles and Insulators	1

SCOPE 2
(% OF TOTAL EMISSIONS)



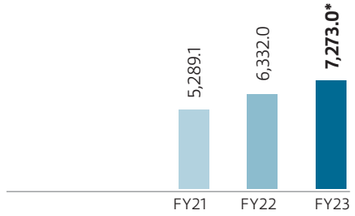
Viscose	13
Chemicals	80
Textiles and Insulators	7

*Indicator covered under assurance scope
#Scope 1 emissions doesn't include emissions from refrigerant gases
^Categories 1, 2 , 3, 4, 5, 6, 7 and 9 considered for calculation of Scope 3 GHG emissions

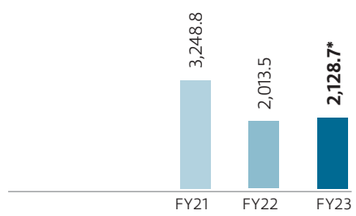
Air Emissions

In our efforts to truncate emissions to air, we are working towards improving in-house processes. We have installed Ambient Air Quality (AAQ) monitors at our facilities to help us track our emissions and comply with the regulatory norms of the pollution control board.

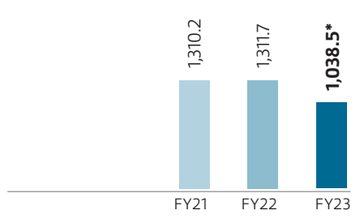
SOx
(MT)



NOx
(MT)



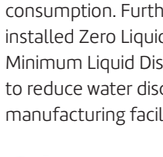
PM
(MT)



*Indicator covered under assurance scope

Business-wise Air Emissions

SOx
(% OF TOTAL EMISSIONS)



Viscose	62
Chemicals	35
Textiles and Insulators	3

NOx
(% OF TOTAL EMISSIONS)



Viscose	41
Chemicals	52
Textiles and Insulators	7

PM
(% OF TOTAL EMISSIONS)



Viscose	56
Chemicals	38
Textiles and Insulators	6

3

WATER STEWARDSHIP

Water, a vital component of our operations, is of utmost importance to Grasim. We have embraced a water stewardship approach based on three key principles: efficiency, conservation, and responsible use. Through the implementation of various measures, including conservation, treatment, and reuse, we strive to minimise water consumption. Furthermore, we have installed Zero Liquid Discharge (ZLD) and Minimum Liquid Discharge (MLD) plants to reduce water discharge from our manufacturing facilities.

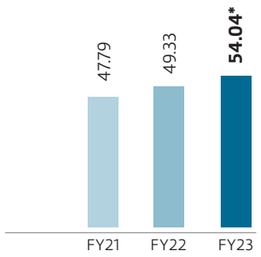
We have assumed all our plants to be in water=stressed regions based on the WRI Aqueduct Tool. We are working towards strengthening the tracking system to capture breakdown of total water withdrawal for each of the sources based on its total dissolved solids content.

9*
ZLD Plants

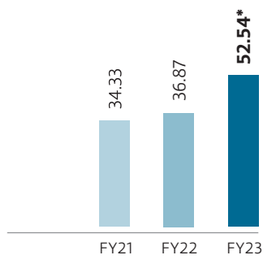
*One under commissioning

Performance

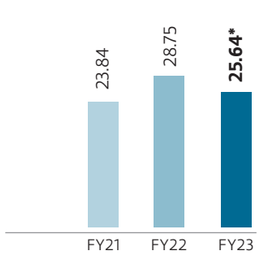
TOTAL WATER WITHDRAWAL
(MILLION M³)



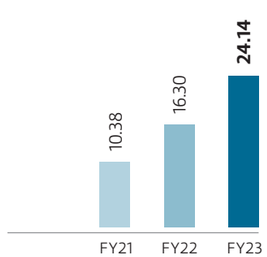
WATER CONSUMPTION
(MILLION M³)



WATER DISCHARGE
(MILLION M³)



WATER RECYCLED
(MILLION M³)



*Indicator covered under assurance scope

Business-wise Performance

WATER WITHDRAWAL
(% OF TOTAL WITHDRAWAL)



- Viscose 72
- Chemicals 23
- Textiles and Insulators 5

WATER CONSUMPTION
(% OF TOTAL CONSUMPTION)



- Viscose 67
- Chemicals 25
- Textiles and Insulators 8

WATER DISCHARGE
(% OF TOTAL DISCHARGE)



- Viscose 95
- Chemicals 4
- Textiles and Insulators 1

WATER RECYCLED
(% OF TOTAL RECYCLED)



- Viscose 87
- Chemicals 6
- Textiles and Insulators 7

Initiatives

Apart from ZLD and MLD initiatives across VSF, Textiles and Chlor-alkali business, speciality chemicals are on their journey to minimising effluent generation by plant effluent characterisation and increasing recycle-reuse of wastewater.



CASE STUDY

Reduction of Water Consumption at India's Largest VSF Manufacturing Site

BACKGROUND

Grasim Cellulose Division (GCD), Vilayat, is India's largest VSF manufacturing site at a single location. VSF is a nature-based regenerated fibre, made by chemically dissolving wood cellulose and regenerating it in the form of fibre that can be used for making textiles. This case study focuses on the implementation of a closed-loop process within the VSF manufacturing process at GCD-Vilayat.

OBJECTIVE

Our objective is to achieve 'minimum' freshwater consumption and EU-BAT certification for VSF manufacturing. To achieve this objective, we have set a target that surpasses the norms of statutory, regulatory, and industry standards.

INTERVENTION

To reiterate our commitment to becoming environmentally sustainable, we have in the past five years made significant investments to improve processes and systems. This facility is compliant with the European Union Best Available Technology (EU-BAT) standards. Several initiatives have been implemented to reduce our environmental impact, including:

1. Installation of RO systems to recover and reuse up to 70% of processed water from various effluent streams
2. Influent and effluent characterisation, closed-loop backwashing, pinch for washing, utilising RO reject for once through quenching
3. Expansion and upgradation of ETP and process improvisation

These initiatives demonstrate our commitment to sustainability and our efforts to continuously improve our environmental performance.



RESULTS

We have significantly reduced our water consumption, thanks to our pioneering measures. Our overall water intensity has been reduced by 70% from the baseline FY16, in a phase-wise manner.

GCD-Vilayat Units' exemplary performance in environmental management has been recognised with the 'Excellence in Environment Management' award at the CII-ITC Sustainability Awards 2022, and the ET-Promising Plant Award 2022 bestowed upon GCD, Vilayat.

On the environmental front, VSF has been found to use marginal land, and, yet has a high yield, which is advantageous over natural fibres that require arable land needed for food crops. Additionally, our efforts are in absolute alignment with UN SDG 6 by increasing freshwater availability and UN SDG 12 through responsible consumption. The efforts have also resulted in orders from several global fashion brands that have committed to using only sustainable and low-carbon fibres. On the business front, reducing external dependency and related interruptions has led to improved product consistency and customer satisfaction.

CONCLUSION

These efforts are resulting in a significant positive impact on the environment and business.

4

WASTE MANAGEMENT

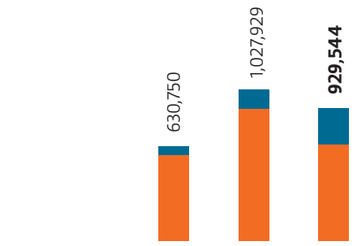
Grasim considers waste management as a crucial aspect of the business. We continuously work towards waste categorisation, seeking utilisation options, minimising waste generation at the source, and investing in cleaner technology for waste reduction. We involve our employees and stakeholders through awareness programmes to promote best waste management practices.

Our sustainability strategy focuses on achieving circularity by innovating and upgrading our products and processes to extract value from waste streams. We prioritise safety and compliance in waste disposal, ensuring minimal to no environmental impact.

The systems are being strengthened to track the bifurcation of total waste being diverted from disposal between onsite and offsite, which has not been disclosed for the current financial year.

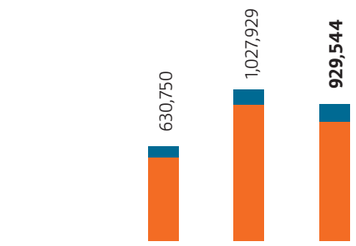
Performance

TOTAL WASTE DISPOSED
(MT)



	FY21	FY22	FY23
Non-Hazardous Waste	571,052	894,063	659,025
Hazardous Waste	59,698	133,866	270,519

TOTAL WASTE DIVERTED
(MT)



	FY21	FY22	FY23
From Disposal	555,937	923,163	808,980
To Disposal	74,813	104,766	120,564

BUSINESS-WISE WASTE
(% OF TOTAL WASTE)

Non-Hazardous



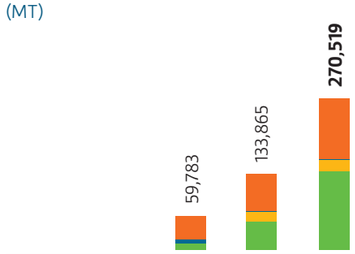
Viscose	39
Chemicals	57
Textiles and Insulators	4

Hazardous



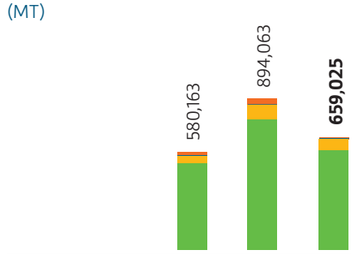
Viscose	22
Chemicals	77
Textiles and Insulators	1

HAZARDOUS WASTE
(MT)



	FY21	FY22	FY23
Landfills	42,244	66,477	109,766
Incineration	7,214	870	1,175
Other Recover Options	56	16,797	20,011
Recycled and Reused	10,269	49,721	139,567

NON-HAZARDOUS WASTE
(MT)



	FY21	FY22	FY23
Landfills	23,607	37,418	9,602
Incineration	188	0.44	21
Other Recover Options	44,352	86,451	67,685
Recycled and Reused	512,016	770,194	581,717



Initiatives

Circularity

We go beyond waste recycling by prioritising transparency and traceability in the textile value chain. Our focus is on research, development, and innovative solutions, exploring alternative feedstock options for a sustainable future in the industry. By closing the loop in man-made cellulosic fibres (MMCF) and advancing textile-to-textile recycling, we aim to revolutionise sustainability practices and promote circularity. We utilise two primary approaches: mechanical and chemical recycling. While mechanical recycling has limitations, chemical recycling technologies offer efficient handling of bulk textile waste and can produce fibres of equal or superior quality to virgin materials.

Extended Producer Responsibility

Grasim fully embraces extended producer responsibility (EPR) for plastic waste as a core principle in our sustainability strategy. We have obtained brand owner registration and submitted an EPR Plan aligned with Central Pollution Control Board of India (CPCB) guidelines. To ensure goal achievement, we have set year-wise percentage-based targets defined by the CPCB as milestones for our progress. We collaborate with CPCB-registered plastic waste processors for recycling rigid and flexible plastics, earning EPR Credits through the CPCB's online portal. Our objective is to minimise waste generation, conserve resources, and protect the environment for future generations.



5

BIODIVERSITY

At Grasim, we prioritise the conservation and enhancement of biodiversity. Our policies and practices are designed to minimise the impact of our operations on biodiversity while promoting its conservation and restoration. We undertake initiatives such as afforestation and reforestation programmes to restore degraded ecosystems and create wildlife habitats. We actively engage with local communities to raise awareness about the importance of biodiversity conservation and the protection of ecology and wildlife.

Additionally, we support the establishment of community-focused farms to enhance the local ecosystem and improve livelihoods while supporting local fauna. During the year, we planted 1.2 lakh trees bringing up our cumulative total by crossing 7 lakh trees. We aim to plant 70 thousand more trees in the next financial year.

Biodiversity Policy https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf



1.2 lakh
Trees planted

Initiatives

Natural Resource Development

Grasim's biodiversity initiative focuses on forestation using the Miyawaki method to improve the environment. Partnering with Dr. R K Nair, a renowned forest creator, we obtained a two-acre plot of land in Bharuch, Gujarat, for plantation. Following the Miyawaki method, we created nine trenches and installed sprinklers for effective irrigation. Exceeding initial estimates, we planted 30,020 saplings and an additional 10% of shrubs to enhance biodiversity. Using organic manure and the 1x1 metre cage method for monitoring, we ensured healthy sapling growth and transparency. We engaged local women in the plantation process, promoting skill development and generating employment. To support the saplings, bamboo sticks were installed, and wild grass was used for mulching.

Our initiative included planting around 80 different species of native saplings, fostering a diverse ecosystem.

After a year of nurturing, we are pleased to see significant sapling growth, demonstrating the project's success. Our efforts contribute to natural resource conservation, foster biodiversity, and create a sustainable environment for future generations.







Olive Ridley Turtle Conservation

We are dedicated towards biodiversity conservation. Towards this, we have undertaken commendable efforts in the realm of Olive Ridley Turtle Conservation. With a deep commitment to preserve the nesting grounds of these magnificent creatures, we have invested ₹1.2 crore towards the implementation of a comprehensive wildlife conservation plan. In collaboration with the Forest Department, we actively assisted in procuring field kits for Olive Ridley Sea Turtle Conservation. Furthermore, we have established a fruitful partnership with powerboat drivers to monitor wildlife activities, ensuring the safety and well-being of the endangered turtles.

Our involvement in this cause extends beyond financial support. We actively engage with forest department officials and scientists, lending our expertise for site studies and research. Additionally, we organise annual beach-cleaning activities, promoting a clean and safe environment for nesting turtles. Recognising the importance of minimising human impact, we also work towards modifying the direction and intensity of streetlights to prevent the disorientation of sea turtles.

Canopy Hot Button Report

We are proud to announce that for the third consecutive year, we have achieved the highest category, known as the 'Dark Green Shirt,' in Canopy's esteemed Hot Button Report 2022. This accomplishment is a testimony to our ongoing dedication to conserving ancient and endangered forests and to our robust efforts to promote circular business models within the fashion industry.

The Hot Button Report is a first of its kind report, enabling fashion brands and retailers to thoroughly assess the forest management practices of MMCF suppliers. It focuses on their commitment to eliminating fibre from ancient and endangered forests in the production of rayon and viscose, as well as their leadership in developing sustainable solutions.

Our placement in the top category of the latest report reflects our unwavering commitment to improving sustainable wood-sourcing practices, conserving forests, fostering innovation, developing next-generation fibre solutions, and enhancing transparency throughout the value chain.

Grasim is proud to be recognised as a leader in sustainable sourcing and forest conservation. We remain committed to promoting responsible practices and contributing to the preservation of our planet's invaluable forest ecosystems.



6

ENVIRONMENTAL COMPLIANCE

We prioritise environmental compliance across all aspects of our operations, implementing stringent measures to meet regulations and guidelines. From responsible sourcing to waste management and emissions control, we actively reduce our ecological footprint. Regular audits and assessments help us identify areas for improvement and ensure ongoing compliance. Our dedicated team of environmental experts continuously monitors, evaluates, and implements best practices that surpass legal requirements.

By integrating environmental compliance into our core business strategies, we strive for sustainable growth while preserving natural resources. Our commitment to environmental responsibility benefits local communities, biodiversity, and a healthier planet for future generations.





Enduring Bonds

We strongly uphold the belief that our success extends beyond the production of goods and services. Our primary focus lies in cultivating enduring bonds with our stakeholders.

We understand that fostering enduring bonds requires mutual trust, respect, and a shared commitment to growth. Our relationships with stakeholders, including employees, customers, suppliers, investors, and communities, are built on trust and shared values. By prioritising these relationships, we aim to create a culture of collaboration and mutual success. As we look towards the future, we remain steadfast in our commitment to building long-lasting relationships with our stakeholders.

Our aim is to forge relationships that withstand the trials of time, remaining steadfast yesterday, today and tomorrow.

Social and Relationship Capital

Enriching Lives for Sustained Growth

At Grasim, we strongly believe that acting responsibly and contributing to the well-being of society is integral to good business practices and value creation. We understand the significance of engaging with our stakeholders, including the community, suppliers, and customers. By nurturing these relationships, we build trust, enhance our credibility, cultivate a positive reputation, foster customer loyalty, and generate favourable outcomes for all.



STAKEHOLDERS IMPACTED

- Customers
- Communities
- Suppliers

MATERIAL ISSUES

- Empowering Communities
- Customer Health and Safety
- Supply Chain Management

KEY RISKS

- Strategic Risk
- Operational Risk
- Compliance Risk

ALIGNMENT WITH SDGs



FY23 Highlights

₹54.19 crore
CSR Expenditure

11.05 lakh
Lives Benefited

340 Villages
Reach

OUR APPROACH

At the core of our priorities is the creation of an inclusive, transparent, and culturally sensitive environment that promotes compassion and care in society. We actively engage with communities in our impact zones, working to improve their well-being and uplift their lives. By cultivating a strong and dependable supplier network and fostering long-lasting customer relationships, we ensure that we meet the diverse needs of our customers. We have established a reliable distribution network to deliver high-quality, innovative products and solutions to our valued customers.





1

COMMUNITY DEVELOPMENT

Our goal to uplift communities spans across 9 states, 15 districts and more than 340 villages in India. We focus on several aspects through which we can contribute and assist communities. In FY23, our efforts benefitted around 11.05 lakh people, at a total expenditure of ₹54.19 crore.

Focus Areas
- Education
- Healthcare
- Sustainable livelihood
- Infrastructure development
- Social development

Education

Grasim runs six company schools with around 5,833 students. Our work in education is multi-dimensional. Our endeavour is to enhance quality education by forming collectives, capacity-building sessions, networking, strengthening schools and anganwadi centres, as well as the formation of Anand Ghar and joyful learning homes.

145,341
No. of Beneficiaries

Initiatives

Project Shishya: Provision of special English classes in government schools	**Education Support Shala:** Pravesh (new enrolment) programme in government schools
Project Star: Felicitation of students who are star toppers of the year	**Project Shiksha:** Scholarships to girl students
Project Gyanrajan: Distribution of study material	Provision of smart classes through advanced digital boards for primary schools
Support for the celebration of national days and special school events	

CASE STUDY

Creating Joyful Learning Experiences

Anand Ghar – We launched the Anand Ghar initiative with a primary focus to provide joyful learning experience for school-going children. Here are some key accomplishments of this initiative:

Sponsorship of Events

We sponsored and conducted various events to engage and inspire children. These events aim to make learning fun and interactive, fostering a positive environment that encourages curiosity and growth.

Infrastructure Development

Recognising the importance of well-equipped learning spaces, we have actively worked on strengthening 27 anganwadis and 37 schools by improving their infrastructure. This includes the establishment of better libraries and support for computer education, creating an enriched learning environment for the children.



Model Anganwadis

As part of our efforts to promote quality early childhood education, we have successfully established 68 model anganwadis. These model centres serve as benchmarks for excellence, implementing innovative teaching methods and providing a holistic learning experience for young children.

Through the Anand Ghar initiative, we are committed to providing children with access to quality education, nurturing their talents, and empowering them for a brighter future.

CASE STUDY

Promoting Sports through Rural Education



Project Aarohan

We recognise the significant role that sports play in the holistic development of individuals, and our initiative is dedicated to promoting the importance of sports among school-going children in rural regions of the country. We aim to provide the necessary infrastructure and equipment to enable these children to develop their sports skills. Here are some notable achievements resulting from our efforts:

Selection and Admission to DLSS School

Through our initiative, 27 students have been selected at the state level and have gained admission to the District Level Sports School (DLSS). This achievement is a testament to their talent and dedication, as well as the support provided by Project Aarohan.

Medals at State-level Competitions

Among the 27 selected students at DLSS, four have excelled in state-level competitions. These exceptional athletes have brought pride to their communities by winning medals. Their accomplishments include one gold medal, one silver medal, and two bronze medals.

These outcomes exemplify the positive impact of Project Aarohan, as it not only provides opportunities for talented children in rural areas but also helps them achieve recognition and success in the field of sports. Our initiative is dedicated to nurturing and supporting these young athletes, enabling them to reach their full potential, and contributing to the overall sporting landscape of our nation.

Healthcare

Grasim runs five hospitals with support from Grasim Jan Seva Trust, setting up around 1.8 lakh outpatient departments (OPDs). Healthcare facilities are provided to all those who require assistance, with a special focus on children/ senior citizens/women and marginalised people.

587,741

No. of beneficiaries

Initiatives

Project Niramaya We arranged Mobile Medical Camps in slum areas, which carried out free check-ups and provided medical assistance.	**Project Prayas** Under this initiative, we provided bedside assistant training to young girls from the community to learn more about hygiene and an opportunity for employment generation at Hospitals and clinics.
Project Roshni We arranged and supported the eye screening and cataract operation camp in collaboration with Rotary Club and local hospitals.	We set up menstrual awareness camps, in which carried out the distribution of sanitary napkins and menstruation cups.
We set up health awareness camps, including TB and blood donation and Pulse Polio.	We provided drinking water through the piped water supply, RO plants, and Tanker Water supply.
We ran awareness and Swatchhata Abhiyan programme in nearby villages.	We conducted a programme on setting up a nutritional garden and provided seed kits to help the villages grow their own vegetables.

CASE STUDY

Grasim's Quality Healthcare Services in Madhya Pradesh

Grasim aims to address the healthcare needs of the community, ensuring accessibility to essential medical services and promoting a healthier and happier society.

Grasim provides quality healthcare services to 350+ villages in Madhya Pradesh. The Indu Bhai Parikh Memorial Hospital in Nagda is a trusted institution, offering affordable and high-quality healthcare to the community.



Our initiatives focus on preventive, curative, reproductive child, and quality healthcare. We prioritise health awareness, check-ups, treatments, surgeries, and specialised services for women and children. Through our commitment to accessible and affordable healthcare, we aim to improve the well-being and quality of life for rural communities in Madhya Pradesh.

CASE STUDY

Empowering the Underprivileged for Inclusive Impact



Project Shaksham

Our project aims to provide support to the underprivileged and marginalised disabled members of our community. Here are some of the initiatives we have undertaken:

Artificial-limb Fitment Camp

Since 1995, we have been organising an artificial-limb fitment camp in partnership with the Karnataka Marwari Youth Federation. This camp, located in Harihar, has benefitted a total of 4,288 individuals to date. Through this initiative, we provide artificial limbs to those in need, helping them regain their mobility and, eventually, independence.

Livelihood-improvement Programme for the Disabled

We have also implemented a livelihood-improvement programme that focuses on enhancing the livelihood opportunities of differently abled individuals. In collaboration with 15 different villages, we have supported 224 people by providing them with essential tools, kits, and assets. These resources enable them to carry out their current occupations more effectively, empowering them to lead more productive lives.

By implementing these initiatives, Project Shaksham strives to make a positive impact on the lives of the underprivileged and marginalised members of our community, promoting inclusivity and empowerment.

Sustainable Livelihood

Grasim is working towards enabling society, including marginal and small farmers, with a sustainable livelihood through resilient and sustainable agricultural practices, women empowerment, animal husbandry, and development programmes for socio-economic development. The initiative also includes institutional building through the village development committee and knowledge-sharing sessions, including field trips.

190,525

No. of beneficiaries

Initiatives

Women Empowerment

Through the formation of Self-Help Groups (SHGs), Enterprise Development, and Farmer Producer Organisations (FPOs), we aim to foster self-reliance, economic independence, and social empowerment for women. By forming SHGs, supporting diverse enterprises, and facilitating market linkages, we strive to create a conducive environment for women to thrive as entrepreneurs and contribute to their families' and communities' socio-economic development.

Animal Husbandry

Through various activities such as breed-improvement programmes, vaccination campaigns, training and counselling sessions, fodder and nutrition management programmes, and creating drinking water tanks for the cattle, our initiative focuses on improving livestock quality and well-being.

CASE STUDY

Promoting Sustainable Agriculture



Project Satvik

Recognising the heavy reliance on agriculture for livelihood in rural India, we understand the challenges faced by using chemical fertilisers. These fertilisers not only escalate input costs but also degrade soil quality and contribute to environmental pollution. To address these concerns, we have initiated a project to promote organic farming practices.

Our approach involved supporting farmers in transitioning from chemical fertilisers to organic alternatives, specifically using vermicompost. By adopting organic fertilisers, farmers experienced a reduction in input costs while also improving soil quality. To ensure the successful implementation of this transition, we provided comprehensive training to 236 farmers, resulting in 100 of them registering for organic farming practices.

Over a period of five years, the farmers who embraced organic farming practices witnessed notable improvements. They observed a significant reduction in input costs, witnessed enhanced soil quality, and experienced a 15-20% increase in production and income.

Project Satvik aims to create sustainable agricultural practices that not only benefit the farmers but also contribute to environmental conservation and the overall well-being of the community. By promoting organic farming, we strive to enhance agricultural productivity, preserve soil health, and provide a healthier and more sustainable future for rural India.

Infrastructure Development

Grasim is working on the development of infrastructure in and around the operational areas for community development. These infrastructural developments are focused towards bringing ease of life and empowerment to the communities.

116,549

No. of beneficiaries

Initiatives

- Development of village ponds
- Construction of cloth washing platforms
- Infrastructure support to public health centres (PHCs) and panchayats
- Setting up door-to-door garbage collection facilities



CASE STUDY

Transforming Villages by Enhancing Infrastructure





Project Nirman

Our initiative focuses on creating better infrastructure and developing model villages. Here are the key components and accomplishments of our project:

New School Buildings and Anganwadis

We prioritise the construction of new school buildings and anganwadis in the target villages. These facilities provide better learning environments for children and support early childhood education.

Village Connecting Roads and Road Repairs

We work towards improving village connectivity by constructing new roads and repairing existing ones. This enables better transportation, and access to essential services, and promotes economic activities in the area.

Building Community Hall and Bathing Steps

We build community halls to serve as gathering spaces for various social and cultural activities. Additionally, we construct bathing steps to ensure safe and convenient access to water bodies for the villagers.

Installations of Streetlights

We install streetlights to enhance safety and security in the villages, especially during the evening and night hours.

Constructing and Installing Cement Benches

To provide comfortable seating arrangements, we construct cement benches in public spaces, enabling villagers to rest and socialise.

Currently, we are supporting 50 model villages as part of Project Nirman. Having successfully completed and handed over 30 model villages, we are showcasing our commitment to creating sustainable and well-developed communities.

Through Project Nirman, we aim to transform villages by creating better infrastructure and improving the overall quality of life for residents.

Social Development

Grasim is working for the welfare of societies through several other means. We try to support all sections of society and touch upon their needs.

65,594

Number of beneficiaries

Initiatives

Under our initiative 'Samaj Utthan', we carried out several activities such as

- Providing food to mentally disabled people at orphanages and other required support to differently abled people
- Mass marriages
- Blankets distribution
- Relief support in disturbed areas
- Support in historical fairs
- Provide support in spreading awareness of E-Governance models and government schemes.
- Support in village celebrations
- Distribution of national flags to celebrate 'Har Ghar Tiranga' from August 13th–15th; August 2022 for the 75th year of 'Azadi Ka Amrit Mahotsav'
- Distribution of cricket kits
- Fire and safety training for ITI and high school students

CASE STUDY

Grasim's Plantation Initiative at Vilayat



Objective

To contribute to the preservation and expansion of the environment through tree plantation under our project, Grasim Forest.

Achievements

To date, we have successfully planted 20,450 trees using various traditional and panchvati methods. This reflects our commitment to sustainable environmental practices. This initiative has engaged approximately 300 volunteers, including our own employees, school children, women, village panchayat members, leaders, and community members. Their active participation showcases the collective effort towards a greener future.

Partnerships

We have collaborated with various institutions for the successful implementation of our plantation initiative. These include primary schools, village panchayats, VIKAS-NGO, and the Forest Department. Together, we are working towards creating a positive impact on the environment.

This initiative is driven by Grasim's dedication to environmental conservation and community engagement. Through tree planting efforts and collaborative partnerships, we strive to foster a sustainable ecosystem and inspire others to take part in creating a greener and healthier environment.

2

SUPPLIERS

Grasim places high value on supply-chain management, which is backed by effective and reliable systems and processes. This approach allows seamless execution to ensure effective management of a diverse range of suppliers and partners.



Managing a Resilient Supplier Network

1. Supplier Registration

A vendor registration form is provided during the onboarding process to collect all necessary information, such as certifications, financial health, and ESG parameters.

2. Supplier Evaluation

An evaluation is conducted basis the information received in the vendor registration form.

3. Supplier Onboarding and Engagement

Conducting regular interactions with suppliers on various matters including training and awareness sessions on ESG issues, understanding their concerns and responding promptly through various communication channels such as emails, in-person meetings, etc.

In our supplier selection process, about 10% weightage is given to ESG criteria, compared to other factors such as price, quality, and delivery time, as a yardstick to ensure integration of sustainability into supplier selection criteria. About 5% of the total weightage is allocated to health and safety considerations in our supplier-screening process.

During the onboarding process, our suppliers are required to acknowledge and sign the Supplier Code of Conduct. This document specifies the critical commitments expected from our suppliers, which include an extensive list of important standards. These standards are crucial for fostering a fair and inclusive working environment. In addition, the Supplier Code of Conduct includes environmental parameters such as products and materials manufactured in a sustainable manner. The Supplier Code of Conduct also ensures that suppliers follow fair business practices and maintain ethical conduct.

Critical Supplier Identification

The products provided by our suppliers are crucial in defining the operations of our business, preserving our competitive advantage, and achieving overall market success. Therefore, it is critical that we thoroughly evaluate key suppliers throughout our supply chain processes. We conduct assessments of our suppliers every year. These assessments are done through on-site visits, online surveys, among other methods.

We categorise critical suppliers as per the following:

(i) High-volume suppliers: Encompassing raw materials, engineering materials, and service providers

(ii) Non-substitutable suppliers, including single-source vendors

(iii) High-risk suppliers, including suppliers with risks related to environment, safety, and compliance

Supplier Sustainability Evaluation

We place a strong emphasis on supplier evaluations, considering not only quality but also sustainability aspects. As part of our commitment to sustainability, we actively engage and support our suppliers in conducting an annual self-assessment exercise to identify potential risks and enhance their dedication to sustainable practices. During this process, we collect the responses from our suppliers and thoroughly evaluate their performance based on established criteria. Using this evaluation, we assign ratings to each supplier and provide them with valuable feedback. This evaluation exercise is conducted on a yearly basis, allowing our suppliers the opportunity to improve their systems and processes.



Sustainability is at the core of our supply chain strategy. We prioritise reducing our carbon footprint by increasing rail transport usage and minimising emissions from road transport. Responsible sourcing is a key focus, especially in our Pulp and Fibre business.

We exclusively source wood from sustainably managed forests, adhering to globally recognised standards such as FSC®, SFI®, and PEFC™. Our detailed Wood Sourcing Policy ensures traceability and validation of wood sources through internal mechanisms and stringent checks.

We collaborate with global brands to trace raw material sources, with 'Forest to Fashion' being a ground-breaking project in the apparel industry for supply-chain mapping.

In our vendor development process, we prioritise local vendors and engage communities from vulnerable and marginalised groups. In the reporting year, 20% of our materials were procured from local vendors.

Wood Sourcing Policy: https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf

20%

Materials procured from local vendors

Supplier Engagement and Grievance Redressal

We use a variety of strategies to address the needs of our vendors and suppliers to improve and streamline our interactions with them. We hold meetings with our suppliers regularly, including with those from MSMEs. Additionally, we provide training sessions on a wide range of subjects, including environmental, social, and governance matters. Our publicly accessible Grievance Redressal Policy provides a channel for suppliers to submit their concerns via email.

Grievance Handling Policy: https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf



3

CUSTOMERS

In an ever-evolving digital world, we recognise the importance of meeting the emerging needs of our customers. Grasim is dedicated to addressing the evolving requirements and expectations of different customer groups, including B2B (business accounts), B2C (individual consumers), and B2ECA (emerging corporate accounts). We achieve this by offering differentiated products, services, and solutions that cater to their specific needs.

Product Information Communication

To ensure that our customers have comprehensive knowledge about our products, we have implemented two information systems in our production plants:

The Molecular Product System

It provides detailed information to customers about our products.

Traceability System

Based on blockchain technology, it offers complete transparency across the value chain.

Additionally, we provide a neutral platform for customers to access information about our products, facilitating informed decision-making.

Effectiveness of Customer-Centric Strategies

The customer-centric strategies implemented by Grasim are measured through the Channel Partner Loyalty programme, Lakshya. This programme allows dealers to achieve targets and earn points, which can be redeemed for various benefits. The Lakshya programme has contributed with expansion of our product basket size. This demonstrates the positive impact of customer-centricity on our business growth.

Customer Satisfaction Index

At Grasim, customer satisfaction is measured using the net promoter score (NPS), a scale from 1 to 10 that gauges the likelihood of customers recommending us. Our dedicated NPS calling team conducts monthly calls to collect feedback and ratings from customers across various departments. The team records the scores and comments, with special attention given to key accounts. This valuable information is then shared with the sales representative and zonal sales head, allowing us to track and address customer concerns promptly.

Customer Feedback and Grievances Redressal

We prioritise prompt and efficient resolution of customer feedback and grievances. We have implemented two effective systems to handle customer complaints:

1. Mission Happiness

This digital system collects independent feedback from all value chain partners, ensuring compliance and satisfaction. Our commitment to this mission for over three years reflects our dedication to continuous improvement and customer satisfaction.

2. Customer Technical Team (CTS)

Our digitised CTS team manages sales-related grievances, quality concerns, and logistics issues, ensuring quick and efficient resolutions. The average turnaround time for resolving grievances is one month, thanks to the implementation of these systems.

We follow a systematic approach to address customer complaints, validate concerns, conduct investigations, and share Action Taken Reports. Monthly customer complaint summaries are discussed in management committee meetings, promoting ongoing improvement and customer-centricity. Through all these steps, we strive to address customer grievances promptly, enhance satisfaction, and deliver high-quality products and services.

Customer Privacy and Data Protection

At Grasim, customer privacy and data protection are of utmost importance. We adhere to an Information Security Policy that ensures the safeguarding of customer data. Additionally, our ISO 27000 certification validates our commitment to maintaining customer privacy and data protection standards.

Information Security Policy: https://www.grasim.com/Upload/PDF/information-security-policy.pdf

Human Capital

Growth-conducive Work Environment

Our commitment to our team is central to our Company's purpose, our business practices, and brand experiences. We uphold human rights, nurture a culture of sharing and caring, and provide opportunities to our people to grow personally and professionally.



STAKEHOLDERS IMPACTED

- Customers
- Employees
- Communities

MATERIAL ISSUES

- Employee Health and Safety
- Diversity Inclusion
- Human Rights
- Talent Management
- Employee Training and Development
- Employment Opportunities

KEY RISKS

- Strategic Risk
- Operational Risk
- Compliance Risk

ALIGNMENT WITH SDGs



FY23 Highlights

24,455*
Permanent employees^

1,317*
Total female employees^

14,926
Employees upskilled^

18,674*
Non-permanent employees^

53*
Specially abled employees^

0.22
LTIFR^

^Including workers

OUR APPROACH

Our workforce is our most valuable asset as the growth and success of the company depends on the contribution of our people. Our goal is to create a meritocratic organisation that empowers employees to take the right business decisions, by providing an open, safe and motivating work environment. We commit to fostering people by creating an environment that encourages learning and growth while enabling us to build a next-generation organisation—with a focus on promoting innovation, delivering business value, and driving thought leadership.





1 TALENT MANAGEMENT

Our remarkable growth can be directly attributed to the success in not only attracting but also retaining highly skilled individuals who are effectively engaged in roles that align with their strengths. Our comprehensive training programme plays a pivotal role in reskilling and upskilling our employees, equipping them for future roles and establishing a robust talent pipeline. We uphold fair and equitable policies and practices that have garnered the trust of our employees in terms of their career development. This trust forms the foundation of our investment in our employees, and they are confident that we will provide them with ample opportunities for learning and growth, thus enabling us to collectively achieve our objectives.

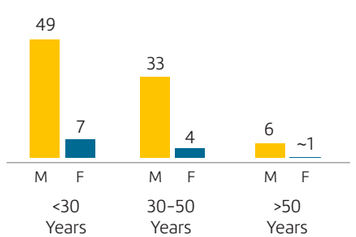


TOTAL NUMBER OF PERMANENT EMPLOYEES BY GENDER

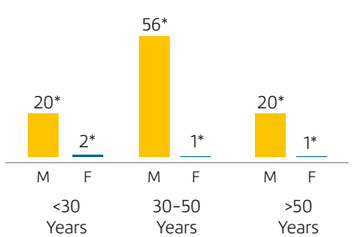
23,647*
Male^

808*
Female^

NEW EMPLOYEES HIRED BY AGE
(PERMANENT EMPLOYEES AND WORKERS)
(%)



WORKFORCE BY AGE
(PERMANENT EMPLOYEES AND WORKERS)
(%)



*Indicator covered under assurance scope
^Including workers

Key offerings

Long-term Incentive Plan

To engage and retain talent pool employees, it is crucial to evaluate their development needs and MDP projects every four months. Additionally, we offer a Long-Term Incentive Plan (LTIP) for JB 5 and above band employees and top-talented employees to incentivise them to stay.

Exploring Our Job Bands

The talent pool has expanded significantly this year with the inclusion of JBs 10 and 11, leading to a substantial increase in the number of employees.

Accelerating Careers

To manage talent effectively, efforts are always on to accelerate career progression within the organisation. These measures ensure that the company can retain its valuable employees and maintain a skilled workforce.

Full stack Project

We have a bouquet of four business models. Businesses like VSF often struggle to identify and recruit potential employees from a general pool. To address this, we launched the full stacking initiative last year to train multi-skilled technical leaders from within the company. These full stack employees gain experience in all departments, through specific programmes to become proficient in each area within set timeframes. The goal of the initiative is to mitigate risk of competent technical people and those from the leadership, leaving.

POORNATA Portal

In our internal job portal 'POORNATA', we do not restrict the hiring of employees to a particular domain. Instead, we offer them the opportunity to switch to another domain through resume updation and features like 'Job I LIKE', 'Job Preference', and 'Opportunities'. These tools assist employees in identifying their purpose and career goals, thereby enabling them to make informed career decisions. Through POORNATA, we believe in empowering our employees to explore different career paths and achieve their full potential.

Internal Recruitment System (IRS)

Our employee-first philosophy means that internal talent has priority over external candidates when applying for open positions; vacancies across different locations are initially posted on the internal portal. Consequently, we have observed a considerable amount of movement of employees across different business units and departments and at various levels over the past three years.

Accelerating Manufacturing Leadership Programme

Aditya Birla Group (ABG) has been focused on developing talent to establish a suitable pool of leaders capable of fulfilling our growth objectives. As a part of our strategic workforce planning (SWP) initiative, we have implemented the Step Up—Accelerated Manufacturing Leadership Programme to enhance our talent pipeline. This meets the distinct requirements of both our businesses and individuals. Its key principles are listed below:

Integrated approach

Builds role-based, functional/technical skills and leadership/managerial skills

Individualised/customised programme

Common curriculum for all combined with individually customised technical/ functional development plan

Individual and business ownership

Guided learning through faculty/mentors through a self-sustained mode-owned by the individual and business/units

Multiple learning methods

A mix of classroom, immersions, study tours, e-learning, shadowing, projects, and mentoring

Outcome

This programme equips participants with essential skills for developing and implementing functional strategies. It enables informed decision-making on personnel, machinery, processes, and the environment, while fostering proactive and sustainable problem-solving. Emphasising cooperation across departments, it enhances participants' abilities in leadership, communication, and shaping employee relations. By developing competent strategists, problem solvers, team leaders, and effective communicators, the programme drives business success and cultivates a positive work environment.

Engaging Talent Pool

We have implemented an internal talent segmentation process that involves a system-generated potential rating, which can be adjusted by the manager, if necessary, accompanied by appropriate reasons. The modified rating is then reviewed by the manager's manager. This rating process takes into account both potential and performance ratings.



2

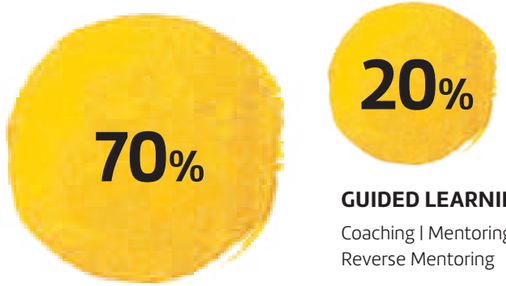
LEARNING AND DEVELOPMENT

As the workplace and business environment evolve, companies that develop employees' skills for the long-term will be best prepared to respond to emerging trends and opportunities and attract the best talent. We employ a wide range of Learning and Development (L&D) approaches to develop its people.

The programme includes workshops, seminars, e-learning modules, on-the-job training, coaching, and mentoring.

L&D Framework

We believe in providing learning opportunities that focus on competence-based training, managerial and leadership skills, and investing in the development of a talent pool and critical role holders. The management development plan (MDP) is created in partnership with an employee's manager and aims to enhance skills and address developmental areas of employees to prepare them for more challenging roles.



ON-THE-JOB LEARNING

Projects I Customer Visits I Plant Visits I Secondments

GUIDED LEARNING

Coaching I Mentoring I Reverse Mentoring

FORMAL LEARNING

Instructor-led Training I Virtual Classroom Simulations I Assessment

The MDP is a valuable tool that improves employee performance, enhances employability, and supports career development. We have developed a structured process flow that includes goal setting, mid-year reviews, and annual appraisals. All trainings are aligned with digital, safety, quality, ABG Values, Purpose, and Sustainability. The MDP is divided into four parts. The first part has employees discussing the MDP with their manager and getting approval for their goals. Next, MDP goals are established in alignment with PMS goals, while considering all available resources and ensuring comprehensive learning frameworks. The employee development framework consists of several components.

At Grasim, we have an iLearn policy which is related to the education policy. This policy prioritises learning and growth by supporting mid-career professionals, enhancing expertise, and developing specialised skills.



L&D Programmes

Our management shares information on career growth and development initiatives being taken to enhance skills of employees. To facilitate collaboration and knowledge-sharing, we have implemented various platforms for employees, such as:

'Succeeding Together' e-Module	TechX	Back to School	Samarthya	Focus 50	Blend and Grow
FLEX Programme	Gyanoday Virtual Campus	Ignite Academy	WISE	Finance Conclaves	Finance 360

We recognise the importance of retaining top talent and providing opportunities for growth and development. By implementing these initiatives, we aim to create a supportive and collaborative work culture that promotes employee engagement and satisfaction.

Learning Evolution

- Assessments were conducted for both staff and workmen to determine their technical and upskilling development needs.
- Employees can receive feedback under the 360-degree collective feedback system based on the need from MDP if they are part of the talent pool, or manager feedback captured during the Vibe survey.



Employee Retirement Assistance Programme

Grasim has nurture new talent as well as talent which is nearing its retirement age. Grasim has a dedicated programme "ENLPR" on providing transition assistance to its retiring employees. The session is conducted with spouse over a three-day across three broad categories: Mindset, Health and Legal and Asset Management. Such programme helps employees orient themselves post-retirement life by planning better and manage change associated with retirement.

3

DIVERSITY AND INCLUSION

Across Grasim, our practices reflect a promise to be an inclusive business. We are an equal-opportunity employer when it comes to attracting, retaining, and developing new talent. These all help drive a respectful and inclusive workplace for our colleagues, better products for our customers, and engagement with our communities. Women empowerment is a core belief at Grasim, with initiatives such as employee referral campaigns and partnerships with vendors to source women candidates. Infrastructure and surveys monitor progress, resulting in increased gender diversity from 2% to 3% from the previous year. Gender sensitisation workshops and a Diversity Council promote inclusivity throughout the organisation, involving senior leadership.

Promoting Diversity and Inclusivity

Grasim is committed to equal employment opportunities for individuals with disabilities. Our policy ensures that all employees are treated without distinction. We provide job opportunities, training, and development programmes, and ensure workplace accessibility. Safety and hygiene are prioritised, with adherence to WASH practices. We align with the Enrich initiative supported by the ABG group, aiming to build responsible businesses and institutions that inspire trust. Gender diversity and inclusivity for women are also key focuses in our continuous efforts.

Discrimination-free Workplace

As a responsible organisation, we prioritise a discrimination-free workplace, treating all employees with respect, dignity, and fairness regardless of personal characteristics. Our Code of Conduct policies prevent discrimination and promote diversity and inclusion. We foster a culture of respect and empathy, valuing unique perspectives and contributions. Training sessions educate employees on human rights, discrimination awareness, and reporting incidents. We have a zero-tolerance policy for values violations and sexual harassment. Equal pay and inclusive policies, including women-friendly initiatives and Prevention of Sexual Harassment (POSH) training, are top priorities for us.

11%

Total women hired in FY23

POSH Policy: https://www.grasim.com/Upload/PDF/POSH-policy.pdf



Initiatives

Be Unstoppable

- Women employees joined Be Unstoppable Online Community for Women ABGites to be a community.
- Women accessed inspiring content and participated in the WOW Ink Series to motivate others with their success stories.

Coffee Sessions and Workshops

- Coffee-with-CEO sessions organised for women managers.
- Gender diversity workshops held for Head of the Departments and Functional Heads.
- CEO's address to women, inspiring them to work towards equality in terms of contribution and quality sharing.

Promoting Diversity

- Targets set for hiring women in non-production and non-sales roles.
- More hiring of women for shopfloor roles.
- Unprecedented rise in women's employment from previous years.

Collaborative Sessions

- Women's Day celebrated with tailor-made sessions and fun.
- Wonder Women campaign showcasing success stories of women at ABG.
- Women's Wellness Initiative launched in August 2021 covering physical, spiritual, emotional, financial, and intellectual wellness.

Enrich

- The aim of this initiative is to promote companionship among workmen residing near the unit premises. They will be paired with companions who are graduate engineer trainees (GETs) between the ages of 25 and 30. The goal is to encourage the sharing of experiences, interests, hobbies, and foster bonding through conversations, knowledge exchange, and more. This initiative is aligned with our Group Purpose.

4

EMPLOYEE WELL-BEING

Empowerment and well-being of employees are of utmost importance and there is a strong belief that motivated employees are a key to organisational success. Regular employee engagement programmes are conducted to ensure strong bonding between the employees and the Company.

We offer a comprehensive employee benefits package, including health insurance, retirement plans, financial incentives, subsidised meals, transportation, and assistance programmes. To foster engagement, we provide regular feedback, recognition, satisfaction surveys, sports tournaments, cultural events, and wellness programmes. Grasim supports women with maternity leave, childcare leave, flexible working options, and Mediclaim coverage. Monthly programmes cover topics like PCOD, breast cancer awareness, safety, and mindfulness. We also provide preventive healthcare through the Wellness Assurance Policy for management employees in India.

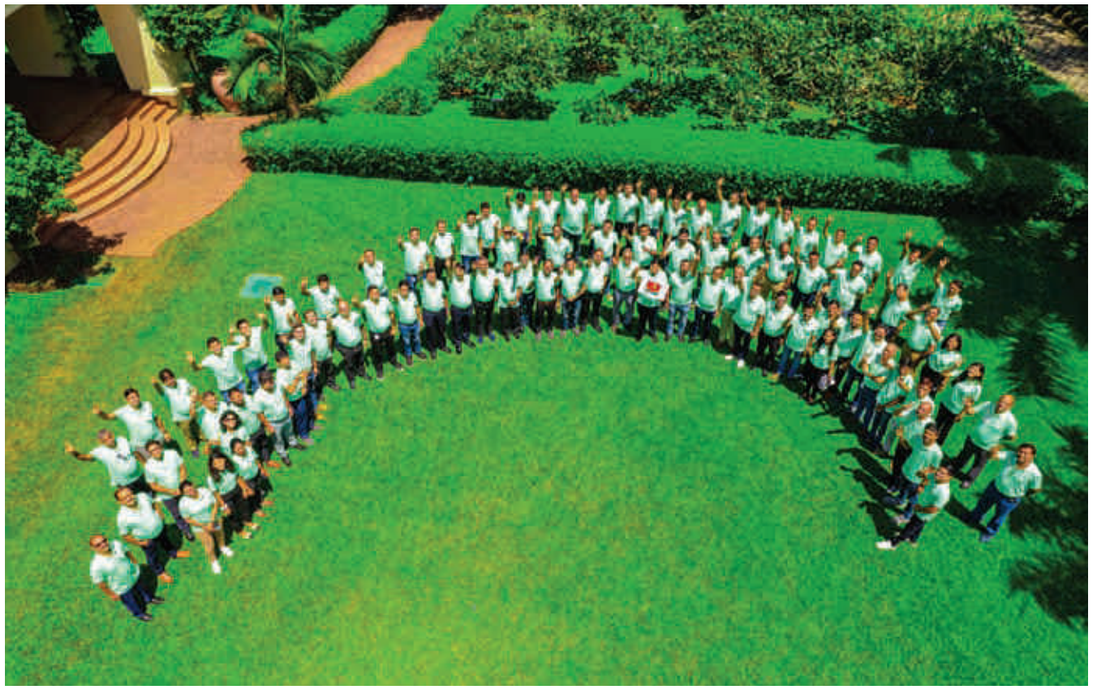
Employee Survey

We regularly conduct both the Vibes and the Pulse Survey to gauge employee satisfaction and assess the effectiveness of business development measures.

Employee Volunteerism

We have introduced the employee volunteering pilot project in Vadodara and Mumbai, the aim of this programme was to create the structured volunteering opportunities for employee segments. Through this programme our employees were able to reach out to differently abled people and help them with entrepreneurial and job readiness workshops. The topics included essentials for setting up a business, financial literacy—concepts such as income, expenditure, savings, banking, investment and loans, and development of entrepreneurial skills (setting of goals, risk taking, problem solving, creative thinking, and more). It also involved a motivational movie screening, session, and worksheets on resume writing and personality development.

Also, our team engaged with children through storytelling sessions, fun learning, and mural painting on environmental themes. These initiatives benefit both the children and our volunteers, fostering purpose, teamwork, and personal fulfilment. They also enhance our company's reputation and social impact. By contributing their time and expertise, our employees make a meaningful difference in society, creating a positive ripple effect beyond the workplace.



FY23 PARENTAL LEAVE*

Particulars	Permanent Employees		Permanent Workers		Total
	Male	Female	Male	Female	
Employees entitled for parental leave (No.)	7,645	669	-	139	**8,453**
Employees that took parental leave (No.)	200	25	-	3	**228**
Employees returned to work after parental leave ended (No.)	194	12	-	1	**207**
Return to work (Employed 12-months parental leave) (No.)	94	4	-	-	**98**
Return to Work (%)	99	55	-	50	**94**
Retention Ratio (%)	76	57	-	-	**75**

*Indicator covered under assurance scope

5

EMPLOYEE SAFETY

Safety is not negotiable at Grasim. We care for our team members and adopt practices to ensure their safety and health. Employee health and well-being directly impacts on business success. We aim to provide a productive and health promoting workplace and enables its employees to foster health and avoid work-related stress. This benefits the business through reduced absence and higher productivity, as well as improving the employee experience.

The OHS system is designed to ensure compliance with all applicable laws and regulations, as well as with industry standards and best practices. We regularly perform risk assessments and implement appropriate measures to control or eliminate identified hazards. Regular safety audits and inspections are conducted to monitor compliance with safety policies and procedures and have a dedicated team of safety professionals who work to continuously improve the safety culture within the organisation.

Occupational Health Policy: https://www.grasim.com/Upload/PDF/occupational-health-policy.pdf

TRAINING HOURS

78,371
Health and safety

414,031
Skill upgradation

Occupational Safety*

Grasim is committed to safety across the board. Our innovative safety initiatives include Virtual Reality training for height safety and night shift drills. We promote national road safety and celebrate safety week to raise awareness and foster a safety culture.

Proper use of Personal Protective Equipment (PPE), Self-Contained Breathing Apparatus (SCBA), scaffolding, and gas cylinders is critical in preventing accidents and injuries; providing training and demonstrations on their proper use, care, and maintenance can help reduce risks. Furthermore, preparing employees for emergencies, including response plans and training, can help reduce the risk of further injury and improve response time.

*Indicator covered under assurance scope



FY23 SAFETY PERFORMANCE

Division	No. of Fatalities		Lost Time Injury	
	Employee	Worker	Employee	Worker
Viscose	-	1	5	3
Textiles and Insulators	-	-	5	1
Chemicals	1	-	-	6
Total	**1**	**1**	**10**	**10**

For operational safety, we have implemented an updated Progressive Consequence Management Policy that focuses on serious injury and fatal potential observations, life-saving rules walk-throughs, and job cycle checks.

Safety Policy: https://www.grasim.com/Upload/PDF/safety-policy.pdf

Initiatives

- Conducted safety-induction training for workmen across the entire plant. A total of 3,239 man hours of training were completed, which provided workers with a comprehensive understanding of safety protocols and procedures to follow to prevent accidents and promote a safe working environment.
- To ensure the safety of shop-floor workers, a training session on Scaffolding Safety was conducted for seven groups, with a total of 415 participants.
- To promote safety in the workplace, the organisation conducted Chalta-Bolta sessions on machine guarding for shop-floor workmen. These sessions provided practical guidance on how to prevent accidents and injuries caused by machinery. A total of 307 people benefited from this training initiative.
- A training session on rescue techniques in emergency was conducted by a third-party agency, M/s LCS India; 57 employees were trained in this session.
- The inspection and training of self-contained breathing apparatus (SCBA) was conducted to ensure that workers are equipped to handle hazardous situations involving smoke or toxic gases.
- A mock drill was conducted off-site with the participation of legal authorities such as DIGH, SDM, Police, Mamlatdar, and the Chief Fire Officer. In addition, representatives from mutual aid group companies, including Ambuja Cement, GHCL, Siddhi Cement, and others, were also present.

GRI Content Index

Statement of Use	Grasim has reported in accordance with the GRI Standards for the period between 1st April 2022 to 31st March 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard No.		Disclosure	Chapter Name	Page Number BRSR reference
General Disclosures				
	2-1	Organisational details	About the Report	7
	2-2	Entities included in the organisation's sustainability reporting	About the Report	7
	2-3	Reporting period, frequency and contact point	About The Report	7
	2-4	Restatements of information	None	No restatement
	2-5	External Assurance	Independent Assurance Statement	138
	2-6	Activities, value chain and other business relationships	Who we are	16-27
	2-7	Employees	Human Capital BRSR Section A 18a	124, 247
	2-8	Workers who are not employees	Human Capital BRSR Section A 18a	124, 247
	2-9	Governance structure and composition	Governance	30-33
	2-10	Nomination and selection of the highest governance body	Report on Corporate Governance	219
	2-11	Chair of the highest governance body	Governance	32
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance	30
	2-13	Delegation of responsibility for managing impacts	Governance	30
	2-14	Role of the highest governance body in sustainability reporting	Governance	29
	2-15	Conflicts of Interest	BRSR Principle 1 E#6 and L##2	256-257
	2-16	Communication of critical concerns	Stakeholder Engagement & Materiality	50-55
	2-17	Collective knowledge of the highest governance body	Governance	29
	2-18	Evaluation of the performance of the highest governance body	Governance	32-33
	2-19	Remuneration policies	Company Website	Extract Page 2.pdf (grasim.com)
	2-20	Process to determine remuneration	Report on Corporate Governance	219-222
	2-21	Annual total compensation ratio	Report on Corporate Governance	219-222
	2-22	Statement on sustainable development strategy	Message from Managing director, ESG Framework	8-11, 36-39
	2-23	Policy commitments	Governance BRSR Section B 1-3	28, 253
	2-24	Embedding policy commitments	Governance BRSR Section B 1-3	28, 253
	2-27	Compliance with laws and regulations	Governance, Risk Management, BRSR Section A 23	28, 56, 248
	2-28	Membership associations	BRSR Principle 7 E#1	283
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	50
	2-30	Collective bargaining agreements	BRSR Principle 3 E#7	262
Material Topics				
	3-1	Process to determine material topics	Materiality	52
	3-2	List of material topics	Materiality	53
Economic Performance				
	3-3	Management of material topics	Financial Capital	68
	201-1	Direct economic value generated and distributed	Financial Capital	68-71
	201-2	Financial implications and other risks and opportunities due to climate change	TCFD Summary Report	40-45
	201-3	Defined benefit plan obligations and other retirement plans	BRSR Principle 3 E#2	260
	201-4	Financial assistance received from government	Consolidated Financial Statements	497
Market Presence				
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	BRSR Principle 5 E#2	269
Indirect Economic Impacts				
	3-3	Management of material topics	Social and Relationship Capital	112
	203-1	Infrastructure investments and services supported	Social and Relationship Capital	117
	203-2	Significant indirect economic impacts	Social and Relationship Capital	113-118
Procurement Practices				
	3-3	Management of material topics	Social and Relationship Capital	119
	204-1	Proportion of spending on local suppliers	Social and Relationship Capital BRSR Principle 8 E#4	120, 286

GRI Standard No.		Disclosure	Chapter Name	Page Number BRSR reference
Anti-corruption				
	3-3	Management of material topics	BRSR Principle 1 E#4	256
	205-2	Communication and training about anti-corruption policies and procedures	BRSR Principle 1 E#1 and L##1	255-256
Anti-competitive Behaviour				
	3-3	Management of material topics	BRSR Principle 7 E#2	284
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	BRSR Principle 7 E#2	284
Tax				
	207-1	Approach to tax	Consolidated Financial Statement	457-458
	207-2	Tax governance, control, and risk management	Consolidated Financial Statement	457-458
	207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement	50-51
	207-4	Country-by-country reporting	None	--
Environmental Performance				
Energy				
	3-3	Management of material topics	Natural Capital	99
	302-1	Energy consumption within the organisation	Natural Capital, BRSR Principle 6 E#1 and L##1	99, 274, 279
	302-3	Energy intensity	Natural Capital, BRSR Principle 6 E#1 and L##1	99, 274, 279
Water and Effluents				
	3-3	Management of material topics	Water Stewardship	101
	303-3	Water withdrawal	Natural Capital, BRSR Principle 6 E#3 and L##3	102, 274, 280
	303-4	Water discharge	Natural Capital, BRSR Principle 6 E#3 and L##2	102, 274, 280
	303-5	Water consumption	Natural Capital, BRSR Principle 6 E#3 and L##3	102, 274, 280
Biodiversity				
	3-3	Management of material topics	Biodiversity	105
	304-3	Habitats protected or restored	Natural Capital BRSR Principle 6 E#10	106, 278

GRI Standard No.		Disclosure	Chapter Name	Page Number BRSR reference
Emissions				
	3-3	Management of material topics	Emissions Management	100
	305-1	Direct (Scope 1) GHG emissions	Natural Capital, BRSR Principle 6 E#6	100, 275
	305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital, BRSR Principle 6 E#6	100, 275
	305-3	Other indirect (Scope 3) GHG emissions	Natural Capital, BRSR Principle 6 L##4	100, 281
	305-4	GHG emissions intensity	Natural Capital, BRSR Principle 6 E#6	100, 275
	305-5	Reduction of GHG emissions	Natural Capital	100
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital, BRSR Principle 6 E#5	101, 275
Waste				
	3-3	Management of material topics	Waste Management	104
	306-3	Waste generated	BRSR Principle 6 E#8	277
	306-4	Waste diverted from disposal	Natural Capital, BRSR Principle 6 E#8	104, 277
	306-5	Waste directed to disposal	Natural Capital, BRSR Principle 6 E#8	104, 277
Supplier Environmental Assessment				
	3-3	Management of material topics	Social and Relationship Capital	119
	308-1	New suppliers that were screened using environmental criteria	BRSR Principle 6 L##9	283
Social Performance				
Employment				
	3-3	Management of material topics	Human Capital	125
	401-1	New employee hires and employee turnover	Human Capital, BRSR Section A 20	124, 248
	401-3	Parental leave	Human Capital, BRSR Principle 3 E#5	130, 261
Occupational Health and Safety				
	3-3	Management of material topics	Human Capital	131
	403-1	Occupational health and safety management system	Manufactured Capital, Human Capital, BRSR Principle 3 E#10	80,130, 263
	403-2	Hazard identification, risk assessment, and incident investigation	Manufactured Capital BRSR Principle 3 E#10	80, 263
	403-3	Occupational health services	Human Capital	130
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital	130

GRI Standard No.		Disclosure	Chapter Name	Page Number BRSR reference
	403-5	Worker training on occupational health and safety	Human Capital	131
	403-6	Promotion of worker health	Human Capital, BRSR Principle 3 E#10	130, 263
	403-8	Workers covered by an occupational health and safety management system	BRSR Principle 3 E#10	263
	403-9	Work-related injuries	Human capital, BRSR Report	131
Training and Education				
	3-3	Management of material topics	Learning and Development	127
	404-1	Average hours of training per year per employee	Human Capital	130
	404-2	Programmes for upgrading employee skills and transition assistance programs	Human Capital	127, 128
	404-3	Percentage of employees receiving regular performance and career development reviews	BRSR Principle 3 E#9	262
Diversity and Equal Opportunity				
	3-3	Management of material topics	Diversity and Inclusion	128
	405-1	Diversity of governance bodies and employees	Governance, Human Capital, BRSR Section A 19	32-35, 124, 248
	405-2	Ratio of basic salary and remuneration of women to men	BRSR Principle 5 E#2-3	269-270
Non-discrimination				
	3-3	Management of material topics	BRSR Principle 5 E#4, 5 & 7	270-271
	406-1	Incidents of discrimination and corrective actions taken	BRSR Principle 5 E#6	271
Child Labour				
	3-3	Management of material topics	BRSR Principle 5 E#4, 5 & 7	270-271
	408-1	Operations and suppliers at significant risk for incidents of child Labour	BRSR Principle 5 E#6	271
Forced or Compulsory Labour				
	3-3	Management of material topics	BRSR Principle 5 E#4, 5 & 7	270-271
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory Labour	BRSR Principle 5 E#6	271
Rights of Indigenous Peoples				
	3-3	Management of material topics	BRSR Principle 5 E#4, 5 & 7	270-271
	411-1	Incidents of violations involving rights of indigenous peoples	BRSR Principle 5 E#6	271

GRI Standard No.		Disclosure	Chapter Name	Page Number BRSR reference
Local Communities				
	3-3	Management of material topics	Social and Relationship Capital	112
	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	113-118
Supplier Social Assessment				
	3-3	Management of material topics	Social and Relationship Capital	119
	414-1	New suppliers that were screened using social criteria	BRSR Principle 3 L##5	266
Customer Health and Safety				
	3-3	Management of material topics	Social and Relationship Capital	121
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	BRSR Principle 9 E#4	289
Marketing and Labelling				
	3-3	Management of material topics	Intellectual Capital	90-92
	417-1	Requirements for product and service information and labelling	BRSR Principle 9 L##4	290
	417-2	Incidents of non-compliance concerning product and service information and labelling	BRSR Principle 9 L##4	290
Customer Privacy				
	3-3	Management of material topics	Social and Relationship Capital	121
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Principle 9 L##5	290

'E' denotes Essential Indicator in BRSR

##'L' denotes Leadership Indicator in BRSR

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report on Identified Sustainability Indicators in Grasim Industries Limited's Integrated Annual Report and Business Responsibility and Sustainability Report

To the Board of Directors of Grasim Industries Limited

We have undertaken to perform a limited assurance engagement for Grasim Industries Limited (the 'Company') vide our Engagement Letter dated May 05, 2023 in respect of the agreed parameters listed below (the "Identified Sustainability Indicators"). These parameters are as included in the "GRI content index" on pages 132 to 137 in the Integrated Annual Report and the Business Responsibility and Sustainability Report (BRSR) of the Company for the year ended March 31, 2023. The reporting boundary for BRSR is as disclosed in Question 13 of Section A of the BRSR, with exceptions if any, been disclosed as a note under the respective questions under BRSR.

Identified Sustainability Indicators

The Identified Sustainability Indicators for the year ended March 31, 2023 are summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the year ended March 31, 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report and BRSR and, therefore, do not express any conclusion thereon.

Criteria

The criterial used by the Company are:

Criteria 1: Global Reporting Initiatives Standards ("GRI Standards") 2021 as set out under Appendix 1 to this report, to prepare Identified Sustainability Indicators for inclusion in the Integrated Annual Report.

Criteria 2: Guidance note for BRSR format, as set out under Appendix 1 to this report, to prepare Identified Sustainability Indicators for inclusion in the BRSR.

Management's Responsibility

The Company's Management is responsible for identification of key aspects of Integrated Annual Report, engagement with stakeholders, content and presentation of the Integrated Annual Report and BRSR in accordance with the Criteria mentioned above. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report and BRSR, and measurement of Identified Sustainability Indicators, which are free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002
T: +91 (124) 4620000, F: +91 (124) 4620620

Registered office and Head office: 11-A, Vishnu Digambar Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500018 (ICAI registration number before conversion was 012754N)

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and International Standard on Assurance Engagements 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed below, we:

- Obtained an understanding of the Identified Sustainability Indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Indicators.
- Made enquiries of Company's Management, including those responsible for Sustainability, Environment Social Governance (ESG), Corporate Social Responsibility (CSR), Human Resource (HR) etc., and those with responsibility for managing the Company's Integrated Annual Report and BRSR.
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for managing, recording and reporting on the Identified Sustainability Indicators including at the sites and corporate office visited.
- Based on above understanding and the risks that the Identified Sustainability Indicators may be materially misstated, determined the nature, timing and extent of further procedures.
- Checked the consolidation for various sites and corporate offices under the reporting boundary (as mentioned in the Integrated Annual Report and BRSR) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Indicators at corporate head office and 3 sites located at Vilayat (all businesses), Veraval (all businesses) and Rishra (Textiles business), to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data.

- Assessed the level of adherence to GRI Standards, 2021 and to the 'Guidance note for BRSR format' issued by the Securities and Exchange Board of India (SEBI), by the Company in preparing the Identified Sustainability Indicators in the Annual Integrated Report and the BRSR respectively.
- Assessed the Integrated Annual Report and BRSR for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report and BRSR on performance with respect to Identified Sustainability Indicators and relevant source data/information.
- Obtained representations from Company's Management.

The 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls;
- Performing any procedures over other information/operations of the company/aspects of the report and data (qualitative or quantitative) included in the Integrated Annual Report and BRSR not agreed under our engagement letter/ Scope of Assurance
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

(a) Grasim Industries Limited's Identified Sustainability Indicators included in the Integrated Annual Report for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the respective criteria.

(b) Grasim Industries Limited's Identified Sustainability Indicators included in the Business Responsibility and Sustainability Report (BRSR) for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the respective criteria.

Restriction on Use

Our limited assurance report including the conclusion has been prepared and addressed to the Board of Directors of the Grasim Industries Limited at the request of the company solely to assist the Company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Partner
Membership Number: 093263
UDIN: 23093263BGWPNO8718

Place: Gurugram
Date: July 21, 2023

Appendix 1

Identified Sustainability Indicators

A: GRI Indicators

S. No.	Indicator Reference	Indicator description
1	302-1	Energy consumption within the organization
2	303-3	Water withdrawal
3	303-4	Water discharge
4	303-5	Water consumption
5	305-1	Direct (Scope 1) GHG emissions
6	305-2	Energy indirect (Scope 2) GHG emissions
7	305-3	Other indirect (Scope 3) GHG emissions
8	305-7	Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions
9	306-3	Waste generated
10	2-7	Employees
11	401-3	Parental leave
12	403-5	Worker training on occupational health and safety
13	404-2	Programs for upgrading employee skills and transition assistance programs
14	405-1	Diversity of governance bodies and employees

B: BRSR Indicators

S. No.	Indicator Reference*	Indicator description
1	Section A-18	Details of employees and workers (including differently abled)
2	Section A-19	Representation of women in Board of Directors and KMP
3	Principle 3-E5	Return to work and retention rates of permanent employees and workers that took parental leave
4	Principle 3-E9	Details of Performance and Career development reviews of employees and workers
5	Principle 6-E1	Details of total energy consumption*
6	Principle 6-E3	Water withdrawal and water consumption*
7	Principle 6-E5	Details of air emissions (other than GHG emissions)**
8	Principle 6-E6	Greenhouse gas emissions (Scope 1 and Scope 2 emissions)*
9	Principle 6-E8	Total waste generated***
10	Principle 6-L1	Total energy consumed from renewable and non-renewable sources
11	Principle 6-L4	Total Scope 3 emissions*

Notes:

1. **For BRSR indicators, "E" denotes Essential Indicator and "L" denotes Leadership Indicator*
2. **Indicates that intensity indicators not part of scope of assurance*
3. ***Indicates that only NOx, SOx and PM are under scope of assurance*
4. ****Indicates that waste recovered and waste disposed are not part of assurance scope*

Sustainability Data Book

Sustainability Indicators	Unit	Businesses of Grasim Industries Limited			Total
		Viscose	Chemicals	Textiles and Insulators	
Water and Effluents					
Surface water	Million Cubic Metre	30.37	7.09	0.10	**37.56**
Ground water	Million Cubic Metre	-	0.86	2.24	**3.09**
Third Party water	Million Cubic Metre	8.59	4.48	0.29	**13.36**
Rain Water	Million Cubic Metre	-	0.03	-	**0.03**
Total water withdrawn	Million Cubic Metre	**38.97**	**12.45**	**2.63**	**54.04**
Total water discharge	Million Cubic Metre	**24.50**	**0.90**	**0.24**	**25.64**
Total water consumption	Million Cubic Metre	**35.65**	**12.89**	**4.01**	**52.54**
Water recycled	Million Cubic Metre	**21.19**	**1.34**	**1.62**	**24.14**
Waste					
Hazardous Waste Diverted from Disposal					
Recycled and reused	MT	18,922.62	120,602.88	41.90	**139,567.40**
Other recovery options	MT	20,006.60	-	4.17	**20,010.77**
Non-Hazardous Waste Diverted from Disposal					
Recycled and reused	MT	198,292.70	374,291.37	9,133.26	**581,717.33**
Other recovery options	MT	55,373.06	57.47	12,254.37	**67,684.90**
Hazardous Waste Directed to Disposal					
Incineration	MT	329.52	842.78	2.48	**1,174.78**
Landfilling	MT	19,068.69	89,151.37	1,545.85	**109,765.91**
Non-Hazardous Waste Directed to Disposal					
Incineration	MT	-	21.05	-	**21.05**
Landfilling	MT	3,144.45	4,615.10	1,842.37	**9,601.92**
Total Waste disposal	MT	**315,137.64**	**589,582.01**	**24,824.40**	**929,544.05**
Hazardous waste	MT	58,327.43	210,597.02	1,594.40	**270,518.86**
Non-Hazardous waste	MT	256,810.21	378,984.99	23,230.00	**659,025.20**
Energy and Emission					
Non-Renewable Energy Consumption	Million GJ	31.03	27.68	1.39	**60.10**
Renewable Energy Consumption	Million GJ	2.47	0.90	0.17	**3.54**
Total Energy Consumption	Million GJ	**33.50**	**28.58**	**1.56**	**63.64**
Scope 1 Emissions (direct emissions)	Million MT CO_2 eq	2.74	1.91	0.07	**4.72**
Scope 2 Emissions (indirect emissions)	Million MT CO_2 eq	0.21	1.29	0.12	**1.62**
Total scope 1 and 2 emissions	Million MT CO_2 eq	**2.95**	**3.20**	**0.19**	**6.34**
SOx	MT	4,512.22	2,576.59	184.20	**7,273.01**
NOx	MT	868.22	1,106.01	154.44	**2,128.67**
PM	MT	580.51	392.06	65.97	**1,038.54**
Social					
LTIFR – Permanent employees	Per million hours worked	0.17	0.13	0.32	**0.21**
LTIFR – Contractual employees	Per million hours worked	0.20	0.29	0.14	**0.23**
LTIFR – Total employees	Per million hours worked	0.18	0.25	0.26	**0.22**
Fatality - Employee	Number	-	1	-	**1**
Fatality - Contractor	Number	1	-	-	**1**

Sustainability Indicators	Unit	Businesses of Grasim Industries Limited			Total
		Viscose	Chemicals	Textiles and Insulators	
Employees & Workers					
Permanent Employees (M)	Number	3,269	2,699	1,677	**7,645**
Permanent Employees (F)	Number	250	220	199	**669**
Permanent Workers (M)	Number	9,139	543	6,320	**16,002**
Permanent Workers (F)	Number	86	2	51	**139**
Total Permanent Workforce	Number	**12,744**	**3,464**	**8,247**	**24,455**
Other than Permanent Employees (M)	Number	92	113	293	**498**
Other than Permanent Employees (F)	Number	22	10	23	**55**
Other than Permanent Workers (M)	Number	9,785	5,971	1,911	**17,667**
Other than Permanent Workers (F)	Number	226	121	107	**454**
Total Non-Permanent Workforce	Number	**10,125**	**6,215**	**2,334**	**18,674**
Total employees (Permanent+Other than Permanent)	Number	**22,869**	**9,679**	**10,581**	**43,129**
Training Details (Permanent Employees & Workers)					
Health & Safety	Hours	56,937	11,693	14,470	**83,100**
Skill Up gradation	Hours	177,410	49,729	186,892	**414,031**
Others	Hours	15,164	5,452	94,499	**115,115**

Financial Highlights – Consolidated

Financial Year	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Production						
Cement (Includes White Cement, Putty, Others)	Mn. Tonnes	103.13	91.83	84.01	81.33	82.65
Viscose Staple Fibre	Lakh Tonnes	7.21	6.23	4.52	5.67	5.41
Caustic Soda	Lakh Tonnes	11.48	10.49	8.94	9.98	9.95
Turnover *						
Cement (Includes White Cement, Putty, Others)	Mn. Tonnes	105.7	93.99	86.40	83.11	86.45
Viscose Staple Fibre	Lakh Tonnes	7.11	6.02	4.63	5.54	5.41
Caustic Soda	Lakh Tonnes	11.45	10.44	9.00	9.91	10.03

*(Including Captive Consumption)

₹ in crore

Profit & Loss Account	2022-23		2021-22	2020-21	2019-20	2018-19
	USD Million[1]	₹ crore				
Revenue from Operations (Net)						
Cement	7,872	63,240	52,599	44,726	42,430	41,609
Financial Services	3,406	27,365	22,094	19,190	16,605	15,032
Viscose	1,886	15,149	12,210	6,965	9,235	10,325
Chemicals	1,297	10,422	7,888	4,581	5,502	6,437
Others	402	3,232	2,321	1,454	2,287	4,831
Inter-Segment Elimination	(222)	(1,781)	(1,411)	(511)	(919)	(1,034)
Total Revenue from Operations	**14,642**	**117,627**	**95,701**	**76,404**	**75,141**	**77,200**
EBITDA						
Cement	1,385	11,123	12,022	12,302	9,898	7,810
Financial Services	697	5,603	2,069	1,472	1,198	1,060
Viscose	128	1,031	1,721	1,187	1,339	2,052
Chemicals	283	2,271	1,534	590	1,008	1,827
Others/Unallocated/ Inter-Segment Elimination	56	449	427	215	172	654
Total EBITDA	**2,549**	**20,478**	**17,772**	**15,766**	**13,615**	**13,404**
Interest	164	1,320	1,296	1,809	2,276	2,010
Gross Profit (PBDT)	**2,385**	**19,158**	**16,477**	**13,957**	**11,340**	**11,394**
Depreciation	567	4,552	4,161	4,033	4,004	3,571
Profit before Tax and Exceptional Items	**1,818**	**14,606**	**12,316**	**9,924**	**7,335**	**7,823**
Exceptional Items (EI)	(11)	(88)	(69)	(342)	(1,406)	(2,688)
Profit before Tax	**1,807**	**14,518**	**12,247**	**9,582**	**5,929**	**5,134**
Total Tax Expenses	454	3,649	1,936	3,022	(84)	2,419
Net Profit from continuing operations	**1,353**	**10,869**	**10,310**	**6,560**	**6,014**	**2,716**
Profit from Discontinued Operations (Net of Tax)	–	–	516	237	63	–
Net Profit before Minority Interest	**1,353**	**10,869**	**10,826**	**6,797**	**6,076**	**2,716**
Less: Minority Interest	529	4,251	3,657	2,682	2,227	1,052
Add: Share in Profit/(Loss) of Equity Accounted Investees	26	209	380	189	562	29
Net Profit for the period before Minority Interest	**1,379**	**11,078**	**11,206**	**6,987**	**6,639**	**2,745**
Net Profit for the period after Minority Interest	**850**	**6,827**	**7,550**	**4,305**	**4,412**	**1,693**
Other Comprehensive Income (Owners of the Company)	(386)	(3,104)	3,282	4,781	(5,067)	(2,823)
Total Comprehensive Income (Owners of the Company)	**463**	**3,723**	**10,832**	**9,085**	**(655)**	**(1,130)**

Note[1] – 1 USD = ₹80.3379

₹ in crore

Balance Sheet	2022-23		2021-22	2020-21	2019-20	2018-19
	USD Million[2]	₹ crore				
Net Fixed Assets (incl. CWIP and Capital Advances)	10,461	85,964	78,123	73,033	73,645	70,638
Long-Term Loans, Advances and Non-Current Assets	632	5,195	4,185	3,018	4,129	3,287
Loans and Advances of Financing Activities	11,370	93,433	66,199	59,862	58,504	61,972
Investments (Non-Current and Current)	4,191	34,440	33,329	32,928	23,261	21,065
Investments of Insurance Business	4,919	40,424	33,292	27,135	20,263	16,532
Goodwill	2,450	20,138	20,059	20,014	20,047	21,346
Deferred Tax Assets	47	382	246	205	138	47
Assets held to cover Linked Liabilities	3,712	30,506	30,160	27,969	22,829	25,166
Current Assets	3,252	26,722	23,803	23,391	21,504	21,120
	41,034	**337,205**	**289,395**	**267,554**	**244,319**	**241,174**
Equity Share Capital	16	132	132	132	132	132
Reserves and Surplus	9,566	78,610	75,567	65,362	56,501	57,888
Net Worth	**9,582**	**78,742**	**75,698**	**65,494**	**56,632**	**58,020**
Non-Controlling Interest	5,375	44,171	40,476	37,068	34,305	30,503
Deferred Tax Liabilities	1,027	8,443	8,527	8,457	6,979	8,843
Long-Term Liabilities & Provisions	315	2,591	2,557	2,549	2,130	688
Policy Holders Liability	8,407	69,090	60,873	52,476	41,265	40,150
Total Loan Funds[3]	2,178	17,899	15,727	25,879	29,031	29,178
Borrowings related to Financial Services	10,155	83,449	57,276	51,530	54,182	55,310
Current Liabilities[3]	3,994	32,820	28,259	24,102	19,795	18,484
	41,034	**337,205**	**289,395**	**267,554**	**244,319**	**241,174**

Note[2] – 1 USD = ₹82.1775

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	2022-23	2021-22	2020-21	2019-20	2018-19
EBITDA Margin[4]	%	14.50	17.86	19.57	17.29	16.65
Net Margin[5]	%	9.42	11.17	8.83	8.75	3.56
Interest Cover[6]	Times	10.38	11.32	7.08	4.73	4.22
ROACE (EBIT/Avg. CE) (Excl. CWIP)	Times	11.59	10.38	9.40	7.92	8.43
RONW (PAT Excl. Exceptional Items)/Avg. NW)	Times	8.96	10.79	7.61	10.15	7.59
Total Debt Equity Ratio (Including ABCL Borrowings)	Times	0.82	0.63	0.75	0.92	0.95
Total Debt Equity Ratio (Excluding ABCL Borrowings)	Times	0.15	0.14	0.25	0.32	0.33
Net Debt to Equity Ratio (Excluding ABCL Borrowings)	Times	0.06	0.04	0.08	0.23	0.25
Net Debt to EBITDA Ratio (Excluding ABCL Borrowings)	Times	0.34	0.24	0.55	1.53	1.65
Earnings per Share (Diluted from Continuing & Discontinued Operations)	₹ / Share	103.88	114.80	65.50	67.17	25.74
Book Value Per Share[@]	₹ / Share	1,198.10	1,151.11	996.52	862.29	882.20
Share Price	₹	1,632.50	1,664.75	1,450.55	476.10	857.95
Market Capitalisation (NSE)	₹ in crore	107,502	109,540	95,453	31,318	56,419

Note[4] – EBITDA margin is calculated as (EBITDA – (Corporate Dividend and Treasury Income)) / Revenue from Operations.

Note[5] – Net margin is calculated as (Net profit for the year – Profit from Discontinued Operations) / Revenue from Operations.

Note[6] – Interest Cover Ratio is calculated as (Profit after Tax + Non-Cash Expenses – Unrealised gain on Investments) / (Interest Expenses + Interest Capitalised).

Financial Highlights – Standalone

₹ in crore

Financial Year	2022-23		2021-22	2020-21	2019-20	2018-19
Profit & Loss Account	**USD Million[1]**	**₹ crore**				
Revenue from Operations (Net)	**3,341**	**26,840**	**20,857**	**12,386**	**16,082**	**20,550**
EBITDA	**523**	**4,198**	**4,111**	**2,078**	**2,661**	**4,639**
Interest	46	368	247	236	238	199
Gross Profit (PBDT)	**477**	**3,830**	**3,864**	**1,842**	**2,423**	**4,440**
Depreciation	137	1,097	914	828	814	760
Profit before Tax and Exceptional Items	**340**	**2,733**	**2,950**	**1,014**	**1,610**	**3,680**
Exceptional Items	(11)	(88)	(69)	(81)	(318)	(2,368)
Profit before Tax	**329**	**2,645**	**2,881**	**933**	**1,292**	**1,312**
Total Tax Expense	65	521	186	122	66	797
Net Profit from continuing operations	**264**	**2,124**	**2,695**	**810**	**1,225**	**515**
Profit from discontinued operation	–	–	356	95	63	–
Net Profit for the period	**264**	**2,124**	**3,051**	**905**	**1,288**	**515**
Other Comprehensive Income	(383)	(3,074)	3,219	4,589	(5,070)	(2,798)
Total Comprehensive Income	**(119)**	**(950)**	**6,270**	**5,494**	**(3,782)**	**(2,283)**
Equity Dividend (including CDT, if any)	82	658	658	592	263	516

Cash Profit Calculation	2022-23		2021-22	2020-21	2019-20	2018-19
	USD Million[1]	₹ crore				
Profit Before Tax and exceptional items	340	2,733	2,950	1,014	1,610	3,680
Add: Depreciation	137	1,097	914	828	814	760
Less: Current Tax	54	435	435	127	235	977
Cash Profit	**423**	**3,395**	**3,430**	**1,715**	**2,188**	**3,463**

Balance Sheet	2022-23		2021-22	2020-21	2019-20	2018-19
	USD Million[2]	₹ crore				
Net Fixed Assets (incl. CWIP and Capital Advance)	2,422	19,900	16,714	15,093	15,199	13,044
Long-Term Loans, Advances and Non-Current Assets	87	713	470	470	296	215
Investments (Non-Current & Current)	4,125	33,897	38,691	33,640	27,542	31,128
Goodwill	0.34	3	3	3	3	–
Current Assets	933	7,664	6,759	5,626	6,539	7,407
	7,566	**62,177**	**62,636**	**54,700**	**49,579**	**51,794**
Share Capital	16	132	132	132	132	132
Reserves and Surplus	5,698	46,823	48,484	42,816	37,560	41,828
Net Worth	**5,714**	**46,955**	**48,616**	**42,948**	**37,692**	**41,960**
Deferred Tax Liability (Net)	187	1,535	1,841	1,734	1,405	1,879
Long-Term Liabilities & Provisions	19	156	185	205	199	97
Total Loan Funds[3]	639	5,254	4,304	4,163	5,087	3,311
Current Liabilities[3]	1,007	8,277	7,690	5,650	5,196	4,548
	7,566	**62,177**	**62,636**	**54,700**	**49,579**	**51,794**

Ratios & Statistics	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
EBITDA Margin[5]	%	12.19	15.71	13.08	13.81	20.24
Net Margin[6]	%	7.91	12.92	6.54	7.62	2.50
Interest Cover[7]	Times	9.15	12.24	5.88	7.55	5.77
Debt Service Coverage Ratio	Times	2.43	8.47	3.86	2.90	1.99
Total Debt to Equity Ratio	Times	0.11	0.08	0.10	0.13	0.08
Net Debt to Equity Ratio[4]	Times	0.04	(0.01)	0.02	0.08	(0.01)
Net Debt to EBITDA Ratio	Times	0.42	(0.13)	0.44	1.13	(0.10)
Current Ratio	Times	1.30	1.46	1.38	1.55	2.09
Dividend per Share	₹ / Share	10.00	10.00	9.00	4.00	7.00
Earnings per Share (Diluted from Continuing & Discontinued Operations)	₹ / Share	32.31	46.40	13.77	19.61	7.84
Book Value Per Share[5]	₹ / Share	714.44	739.28	653.47	573.90	638.00
No. of Equity Shareholders	No.	247,265	262,650	222,181	233,934	232,610
No. of Employees	No.	24,455	23,591	23,561	24,123	24,390

Note[1] – 1 USD = ₹82.1775
Note[2] – 1 USD = ₹80.3379
Note[3] – Short-Term Borrowing and Supplier's credit have been included in Total Loan Funds excluding the same from Current Liabilities.
Note[4] – For FY19 and FY22, liquid Investments are higher than total debts.
Note[5] – EBITDA margin is calculated as (EBITDA – (Corporate Dividend and Treasury Income)) / Revenue from Operations.
Note[6] – Net margin is calculated as (Net profit for the year – Profit from Discontinued Operations) / Revenue from Operations.
Note[7] – Interest Cover Ratio is calculated as (Profit after Tax + Non-Cash Expenses – Unrealised gain on Investments) / (Interest Expenses + Interest Capitalised).

SDG Index

SDG		Page no.
1 NO POVERTY	**End poverty in all its forms everywhere**	116, 292
2 ZERO HUNGER	**End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**	96, 116, 292
3 GOOD HEALTH AND WELL-BEING	**Ensure healthy lives and promote well-being for all at all ages**	114-115, 129-131, 292
4 QUALITY EDUCATION	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	113-114, 127, 292
5 GENDER EQUALITY	**Achieve gender equality and empower all women and girls**	116, 128, 292
6 CLEAN WATER AND SANITATION	**Ensure availability and sustainable management of water and sanitation for all**	101-103, 117
7 AFFORDABLE AND CLEAN ENERGY	**Ensure access to affordable, reliable, sustainable and modern energy for all**	44, 99-101
8 DECENT WORK AND ECONOMIC GROWTH	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	68-71, 125
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation**	86-92, 117, 293
10 REDUCED INEQUALITIES	**Reduce income inequality within and among countries**	116,128
11 SUSTAINABLE CITIES AND COMMUNITIES	**Make cities and human settlements inclusive, safe, resilient, and sustainable**	112-121
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Ensure sustainable consumption and production patterns**	77-79, 99-107
13 CLIMATE ACTION	**Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy**	40-45, 99-101
14 LIFE BELOW WATER	**Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	105, 106, 278
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**	105-107, 116
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Promote just, peaceful and inclusive societies**	28-35, 283
17 PARTNERSHIPS FOR THE GOALS	**Revitalise the global partnership for sustainable development**	283

Management Discussion and Analysis

GLOBAL ECONOMY

The global GDP growth of 3.4% in CY2022 was better than anticipated, despite formidable headwinds such as geopolitical issues, higher cost of living and slowdown in large emerging markets. The year has seen dedicated efforts to tackle elevated inflation through rapid interest rate hikes, supported by strong labour markets and easing supply chain constraints. More positive signs started to appear at the beginning of 2023 with food and energy prices falling back, thus improving business and consumer sentiments. The full reopening of China is expected to provide the required positive momentum. The stimulus from People's Bank of China (PBOC) with regards to cut in reserve requirements could also support growth in the global economy.

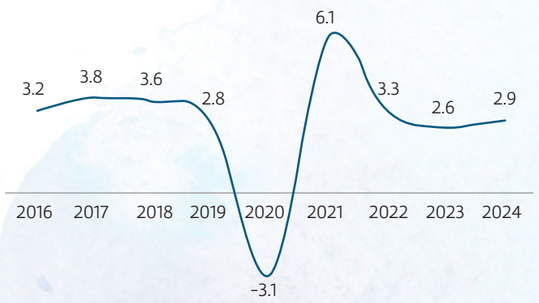
On the other hand, sticky inflation across other parts of the world has pushed central banks to maintain their hawkish stance. Despite the declining money supply, the U.S. money supply remains higher by 38% compared to pre-pandemic levels. However, the growth outlook across developed markets may weaken as central banks could likely keep the interest rates at peak levels for an extended period.

In addition to the elevated money supply, the financial sector is dealing with overlapping crises. In this sector, minor problems could spiral into a systemic crisis and add to the ongoing inflation problem. The tightening of interest rates has resulted in the collapse of three smaller banks and one large buy-out. With such uncertainties, the global growth in CY2023 is expected to be lower than its normalised run-rate above 3% with moderate chances of entering a recession over H2CY23.

INDIA ECONOMY

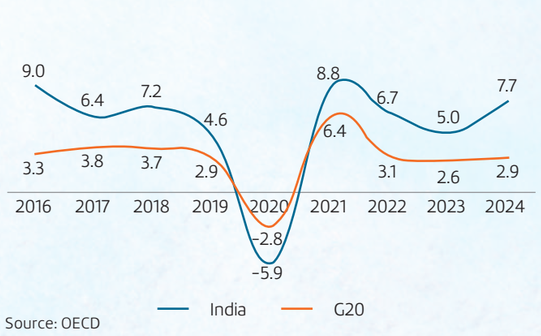
With the world facing geopolitical issues, and trade and supply chain challenges, India's success is often looked at closely. The global composite purchasing managers index (PMI) marked its first expansion during H2FY23, in February 2023. This was led by recovery in manufacturing and stable contribution from the service sector. India has consolidated its position in both manufacturing and services, becoming one of the top performers of PMI expansion. The success can also be attributed to the fact that it is home to the largest population in the world, now accounting for >15% of the global population. Also, the demographic division is favourably skewed towards it being the largest contributor to the global workforce for several decades now. During 2023, China could benefit from the pent-up demand with its reopening. India, however, is expected to be the fastest-growing country within the G20.

GLOBAL GDP GROWTH TRENDS (%)



Source: OECD

INDIA GDP GROWTH TRENDS (%)



Source: OECD

India has assumed G20 Presidency (a group of 20 countries which represents 75% of global trade and 85% of global GDP) for 2023. It operates on the philosophy of 'Vasudhaiva Kutumbakam: One Earth·One Family·One Future' that envisions the whole world as one family living in harmony with each other.

The macroeconomic outlook for India has improved with interest rates almost peaking. Also, the comfortable inflation trajectory has resulted RBI to pause its rate hike cycle.

The structural tailwinds of positioning India as a global manufacturing outsourcing hub through PLI schemes and FTAs would catalyse the capacity expansion cycle across industries. This capacity expansion would be largely front loaded by public sector which is also factored in the FY23 budget. It highlights the central government's projected spend of a record ₹7.5 trillion in capacity creation during the year.

The allocation would be largely towards mega public programmes like NIP and Gati Shakti which would revitalise India's Infrastructure cycle. Over the last decade, India has made several reforms which have created a sustainable framework for economic growth and have laid the foundation for a sustained high-growth phase in the economy. Improvements in socio-economic parameters and moderation in population growth makes situations favourable for secular growth in per capita income.

STANDALONE FINANCIAL PERFORMANCE

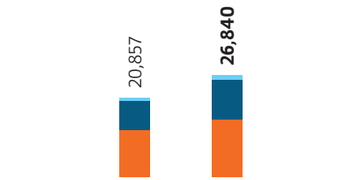
Grasim's standalone financials reflect its performance from business verticals– Viscose, Chemicals, Textiles, Insulators, Paints and B2B E-Commerce. The Viscose business includes Viscose Staple Fibre (VSF) and Viscose Filament Yarn (VFY). Chemicals business includes revenue from Chlor-Alkali, Chlorine Derivatives and Speciality Chemicals (epoxy polymers and curing agents). Others include revenue from Textiles (Linen, Wool & Premium Cotton Fabric) and Insulators business. Also, as revenues from pilot launch of B2B E-Commerce is not meaningful the same is clubbed under 'Others' for FY22-23.

REVENUE FROM OPERATIONS

Our standalone revenue for the year was ₹26,840 crore, crossing a milestone of $3 billion, which grew by 29% y-o-y compared to ₹20,857 crore in FY21-22. The revenues are driven by robust performance across Viscose, Chemicals and Textiles business. There were multiple growth drivers to achieving this milestone. Viscose business was largely driven by volume growth on increased capacities available for the whole of FY23. Chemicals business large part of growth was driven by realisation improvement with a steady growth in volumes. Linen outperformed compared to overall basket in the Textiles business.

STANDALONE REVENUE

(₹ crore)



	FY 22	FY 23
Viscose	12,210	15,149
Chemicals	7,888	10,422
Others	759	1,269

OPERATING PROFIT (EBITDA)

EBITDA grew by 2% y-o-y at ₹4,198 crore compared to ₹4,111 crore in FY21-22. Chemicals business drove most of the EBITDA growth which grew by 48% y-o-y to ₹2,271 crore, partially offset by de-growth of 40% in Viscose EBITDA to ₹1,031 crore. Textiles business EBITDA grew by 50% y-o-y to ₹240 crore.

FINANCE COST

Our finance cost increased by 49% to ₹368 crore compared to ₹247 crore in FY21-22. We also experienced higher debt coupled with increase in average cost of borrowings to 7.07%. This was in comparison to 6.79% in FY21-22 owing to the higher interest rates and subsequent increase in finance cost. Apart from this, in FY21-22 interest amounts of ₹97 crore was capitalised, which reduced to ₹26 crore in FY22-23.

DEPRECIATION

Depreciation increased by 20% y-o-y to ₹1,097 crore in FY22-23 compared to ₹914 crore in FY21-22. This was on account of increased Gross Block following higher capacities in Viscose and Chemicals.

PROFIT AFTER TAX (PAT)

Reported PAT (from continuing operations) stood at ₹2,124 crore in FY22-23 from ₹2,695 crore in FY21-22.

> Our Standalone Revenue for the year crossed a milestone of $3 billion by robust performance across businesses"

Read more **Financial Capital**

STANDALONE SEGMENT OVERVIEW

Viscose Industry Overview

India's textiles and clothing industry is one of the mainstays of the economy. India is the world's second-largest producer and third-largest exporter of Textiles & Apparel in the world. The U.S., U.K and EU account for ~50% of India's textiles and apparel exports.

The textile and clothing industry contributes between 2-3% to the country's GDP and is a major employment provider, directly and indirectly. Over the next five years, the Indian Government has set a target to achieve textile exports of $100 billion (vs. current $44.4 billion). Some of the initiatives in this direction are:

a) Setting up of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks.

b) Textile PLI Scheme with an approved outlay of ₹10,683 crore over five years starting from 1st January 2022. The Government is also promoting investments towards increased production of Man-Made Fibre (MMF) Apparel, MMF Fabrics and Technical Textiles products.

TEXTILE FIBRE INDUSTRY OVERVIEW

Global

The global Textile fibre consumption volumes for 2022 stood at 102.9 MT. It is estimated to reach 120 MT by 2027, with a 3.1% CAGR. Globally, Polyester commands ~56% of this consumption, followed by cotton contributing ~25%. Unlike both these fibres, which are commodity-led (cotton and crude) and inherently volatile, Viscose has succeeded in developing a niche within the fibre consumption basket and has demonstrated a stable demand, supply and price trajectory. Also known as 'Cellulosic Fibre', Viscose currently commands a ~7% share in global fibre consumption. It is expected to reach >8% over the next five years, positioning itself as the fastest-growing fibre.

INCREASE IN CONSUMPTION SHARE OF CELLULOSIC FIBRE
(%)

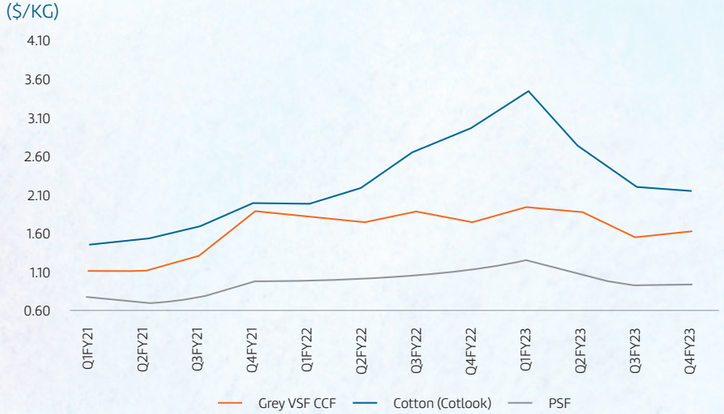


	2022-E	2027-F
Polyester	56	56
Cotton	25	25
Cellulosic	7	8
Others	12	11

In 2022-23, Viscose demand and prices have exhibited stability compared to Cotton and Synthetic which have an inherent impact of volatility in commodity prices. Viscose Fibre was trading at a discount of 44% to Cotton prices at the time of its peak, during the year, a contrast from the five year average discount of 20%.

The discount reverted to ~25% during the second half of the year due to steep correction (~40%) of cotton prices. The correction in cotton prices resulted in pricing pressure across other fibres impacting the realisations. In addition, demand was impacted due to continued lockdown in China, the Russia-Ukraine conflict, and high inflation in the US and EU region.

GLOBAL PRICES TREND
($/KG)



India

India represents 11-12% of the global textile fibre consumption. The inter-fibre dynamics are somewhat different whereby cotton commands largest share with ~45% and Polyester contributes ~40% of the total fibre consumption. The Indian Viscose market has achieved a CAGR of more than 2x compared to other fibres. With multiple challenges around cotton supply due to stagnating acreages, and volatility around crude prices, Viscose has huge opportunity to capture incremental growth in the Indian textile market.

India's Viscose demand for FY22-23 was stable though some softness was experienced across the textile value chain during the end of the year. The year also saw a surge in low-grade Viscose imports due to:

(i) Slowdown coupled with poor retail demand in key global markets prompting players to direct surplus into India.

(ii) Container freight rates normalisation.

iii) Surge in low grade VSF imports from FTA countries at Zero import duty.

SEGMENT PERFORMANCE

Despite volatility in demand and prices during the year, our Viscose business exhibited a stable performance. Our VSF business registered its highest-ever sales volumes of 711 KTPA, a growth of 18% y-o-y.

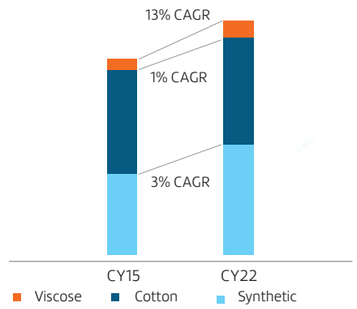
The capacity utilisation during FY22-23 stood at 88%, compared to normalised levels of >90% levels that were experienced at the exit of 2023. Viscose Filament Yarn (VFY) volume growth stood flattish at 44 KTPA, as the growth in demand was met by increased imports from China.

As recessionary fears prevail in developed countries, the international retail and brands are having a strategy of maintaining a lean inventory over CY23. This could have a direct impact on the new orders which were earlier routine based with seasonal demand uptick.

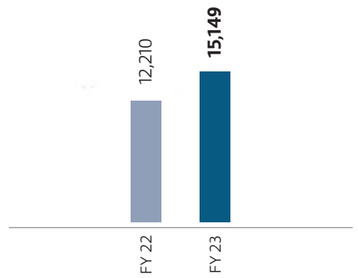
Revenue stood at its highest levels of ₹15,149 crore, growth of 24% y-o-y over FY21-22 revenue of ₹12,210 crore. The share from domestic sales stood at 91% compared to 84% in FY21-22. The share from Speciality Fibres in FY22-23 stood at 19% as compared to 26% in FY21-22.

EBITDA was impacted by volatility in raw material prices, higher power costs and lower realisations during the second half of the year. This was due to inventory adjustments at the retail level due to demand slump. EBITDA for FY22-23 stood at ₹1,031 crore, lower by 40% y-o-y compared to ₹1,721 crore in FY21-22.

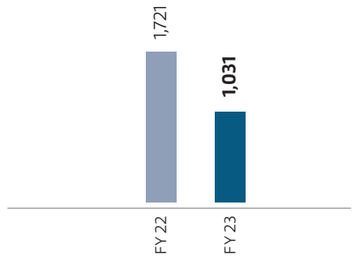
INTER FIBRE DYNAMICS



VISCOSE REVENUE
(₹ crore)



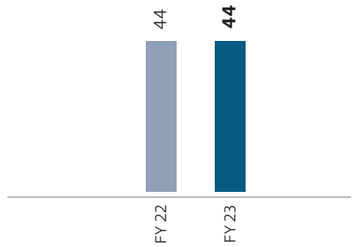
VISCOSE EBITDA
(₹ crore)



VSF SALES
(KT)



VFY SALES
(KT)



OUTLOOK

The Viscose Fibre industry is currently experiencing softness due to overall global slowdown in the textile markets. We have experienced multiple such adjustment periods and successfully sailed and scaled our VSF business to leadership levels. Over the past decade, our Company has increased its capacity by ~2.5x, with the latest expansion completed in FY21-22.

We believe that Viscose demand has high correlation with increasing per capita income. As per capita income improves, people's demand for fashion increases and given the limitations surrounding cotton growth, Viscose has a strong role to play.

Our Company has indigenously developed new generation and speciality products of Viscose – Modal, Excel, Dyed, Lyocell, etc. In FY23, our Company had commercial scale demonstration such as Viscose for fire retardant textile applications, short-cut VSF for flushable wipes application, Lyocell fibre and special VSF grade eco-dry for hygiene applications. The new specialty products would be the key growth drivers in the segment.

Chemicals Industry Overview

According to the American Chemical Council, over 96% of all manufactured goods are dependent on the chemical industry. It is one of the broadest and widest industries in manufacturing, given its products are critical to a wide range of end-use applications.

This industry contributes widely to a variety of consumer goods, agriculture, manufacturing, construction, and service industries. It also caters to industries like rubber and plastic, textiles, apparel, petroleum refining, pulp and paper, and primary metals.

The Indian chemical industry continues to be an attractive hub of opportunities, even in an environment of global uncertainty. Globally, Indian Chemical Industry is growing at a rapid speed with global rankings in the segments like polymers, agrochemicals and speciality.

Global

According to multiple market research reports, the Global chemical industry market size (including Commodity & Speciality Chemicals) is estimated around $4.7 trillion. Over the past decade, the industry is expected to have grown at a CAGR of 15.2%, and is likely to grow at a CAGR of 4-5% this decade.

Most of the growth in the sector over the past two decades has been driven by the Asia Pacific (APAC) region, which now owns half of the global chemical sales. China contributes largest with ~40% overall share in Global Chemical Sales, EU and U.S. contributes 15% and 11%, respectively.

The APAC chemicals market is expected to grow at faster pace of 7-8% CAGR between 2022-2025. Commodity chemicals make up 80% of the global chemical industry, with the balance 20% being constituted by speciality chemicals. India contributes ~4% in the overall global market, which pegs the industry market size of the Indian chemical industry at approximately $180-185 billion.

India

India has one of the largest global chemical markets and is ranked sixth in the world (third in Asia) in terms of global sale of chemicals. The chemical industry is targeted to contribute $383 billion to India's GDP by 2030. This will set the growth pace at 10% CAGR over 2022-2030. Growing domestic consumer base, increase in disposable incomes, changes in lifestyle and supportive government policies are likely to support the growth targets.

GLOBAL CHEMICALS INDUSTRY
(%)



India is emerging as a suitable contract manufacturer for bulk of the chemicals due to its good governance practices, and high-quality infrastructure. Robust trade and investment policy, strong regulatory framework, and availability of quality labour at competitive prices are key contributing factors. A network of 200 national laboratories and 1,300 R&D centres provide a strong base to the Indian chemical industry to drive innovations.

The Indian chemical industry could be sub-divided into three distinct components: Basic Chemicals, Speciality Chemicals and Agricultural Chemicals.

We operate in two key segments namely Chlor-Alkali and Speciality Segment in India. We are also the largest producer of Epoxy polymers and curing agents which are categorised as Speciality Chemicals. The revenue mix during the year FY22-23 stood at 60% from Chlor-Alkali, 17% from Chlorine Derivatives and 23% from Speciality Chemicals.

REVENUE SHARE
(%)



The segment revenues during FY22-23 are majorly driven by Chlor-Alkali segment. While the headline capacity addition appears to be minor from last year, effective capacity available throughout the year stood higher by 14% y-o-y to 1,311 KTPA compared to 1,147 KTPA for H1FY22.

Phase-I of our Balabhadhrampuram capacity expansion commenced during the year with capacity of ~22,000 TPA. FY23-24 would see additional capacities from Phase-II of Balabhadhrampuram and new capacity expansion at Vilayat. This would lead us to reach a caustic capacity of 1,530 KTPA. Despite slowdown and volatility, our Company was able to quickly ramp up capacities (existing + new) with utilisation level of 88% in FY22-23 compared to 81% in FY21-22.

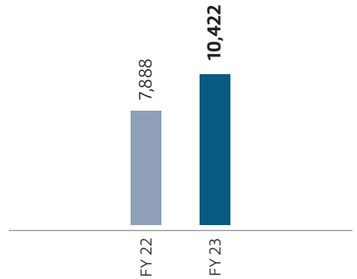
Caustic soda, which is a global commodity, the price is based on the demand-supply situation around the world. Global caustic soda prices started the year on a very strong note and recorded its seven-year high prices of $808/ton in FY22-23. In line with global markets, our Company's caustic realisation for the year was higher by 47% y-o-y. However, net realisation-ECU, which adjusts impact of chlorine prices, witnessed growth of 33% y-o-y, as Chlorine realisation remained negative throughout FY22-23. Speciality Chemicals revenue remained flat during FY22-23, however, the demand was largely driven by its applications, especially in the wind energy sector.

> "Our Chemicals business registered its highest-ever revenue and EBITDA during the year crossing the milestone of ₹10,000 crore and ₹2,000 crore respectively"

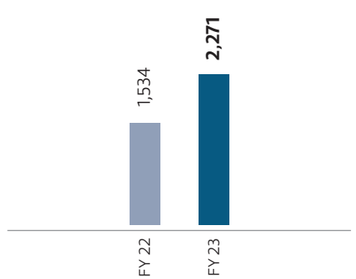
SEGMENT FINANCIAL PERFORMANCE

Our Chemicals business registered its highest-ever revenue and EBITDA during the year. The revenue stood at its highest levels of ₹10,422 crore, a 32% y-o-y growth over the ₹7,888 crore in FY21-22. EBITDA outperformed the revenue growth which stood at 48% y-o-y to ₹2,271 crore compared to ₹1,534 crore in FY21-22.

CHEMICAL REVENUE
(₹ crore)



CHEMICAL EBITDA
(₹ crore)



OUTLOOK

The demand for caustic soda is expected to remain stable, and our Company aims to continue leadership position in Chlor-Alkali market. Additional capacities to the extent of 17% of the existing capacity would be added next year taking the overall capacity to 1,530 KTPA. Chlorine would be utilised in developing downstream products.

Our Company has already established niche around various applications like water treatment, PVC additives and specialised industrial applications. There has now been an accelerated focus on developing unique, high value, high growth applications catering to markets such as Pharma, Agrochemicals, Water Treatment, Food & Feed, Plastic additives, Industrial, etc.

The partnership with Lubrizol Advanced Materials to manufacture and supply chlorinated polyvinyl chloride (CPVC) resin has been reaffirmed. The construction work for plant was impacted by global COVID outbreak and its consequences, such as supply chain disruptions. The first phase of construction of 100 KTPA at Vilayat (Gujarat) creating the single largest site capacity for CPVC resin production globally is expected to commence in later part of calendar year 2023.

Focus on developing Chlorine derivatives are visible based on 31% capacity expansion planned in the segment over 2023-2026 which would improve the Chlorine Integration to 72% post commissioning of the ongoing projects. Speciality Chemicals doubling its capacity from 123 KTPA in FY22-23 to 246 KTPA in FY23-24 would be addressing strong demand from end markets like paints, construction and coatings, renewables, electrical and electronics etc.

OTHER BUSINESSES

Textiles

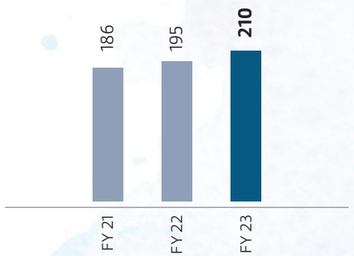
Apparel spends are the second-largest in the retail basket with a nearly 10% share, right behind food, grocery and general merchandise. This is expected to accelerate on the basic premise around India's attractive demographics. The young population with higher discretionary spending, increased exposure to media and technology, are pre-disposed to adopting new trends and contribute to the growing consumer affinity towards lifestyle products. These factors result in higher spending on premium products in India.

Through the Textiles business, our Company establishes its presence across the textile value chain, which has capabilities around Fibre >> Yarn >> Fabric >> Brand. While these are not integrated, the synergies are largely derived for innovation and product development for existing as well as newer markets.

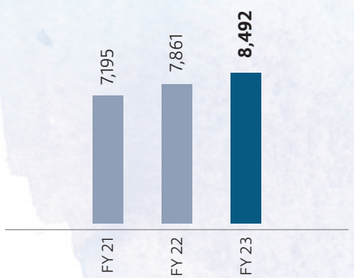
Grasim's Textiles business has Linen, Wool and Cotton Fabric as its key offerings. The company's Linen Brand – 'LINEN CLUB' is one of the premium brands in India. Our Company has been increasing its retail presence in the segment and now operates in more than 200 exclusive brand outlets (EBO's). We are also available at more than 8000 MBOs across various touch points.

During the year, we also accelerated product offerings across developing and designing multiple SKUs for our licensed brands 'Soktas' and 'Giza House' in India. This initiative will help us strengthen our leadership in the high-end premium cotton fabric market in India.

EBOs



MBOs



8,492
MBOs

Read more **Business Model**

210
EBOs

Read more **Business Model**

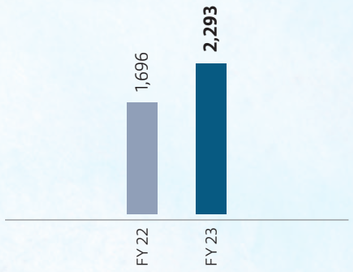
SEGMENT FINANCIAL PERFORMANCE

The operational performance has witnessed the business achieving its best performance during FY22-23. The revenue during the year stood at ₹2,293 crore, growth of 35% y-o-y compared to ₹1,696 crore in FY21-22. EBITDA increased at a faster pace posting growth of 50% y-o-y to ₹240 crore compared to ₹160 crore during FY21-22.

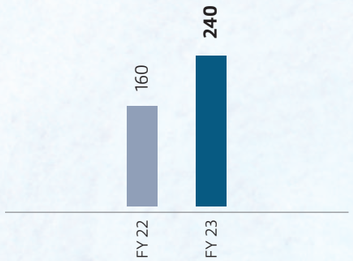
OUTLOOK

Our Company has made efforts to shift the business from pure manufacturing to establishing iconic brands in some of these categories. Maintaining and enhancing the effectiveness of the brands in portfolio is a major contributing factor to expanding our consumer base. We will focus more on Linen Club, Soktas and Giza House over FY23-24, and we intend to do this with multiple SKUs and brand extensions to other categories.

TEXTILES REVENUE
(₹ crore)



TEXTILES EBITDA
(₹ crore)

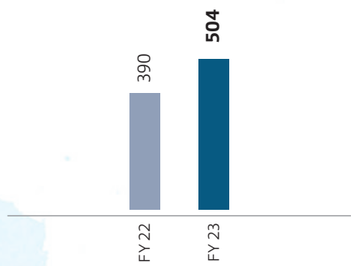


We would continue to develop additional products and expand our product categories in men and women casual wear. For instance, we introduced 'Linen Club Women', which markets readymade clothes as well as fabrics. Moreover, the increasing attractiveness of online channels for customers and online retailing has seen a substantial boom over the last few years, and our Company is looking to expand its customer base and brand loyalty via online platforms.

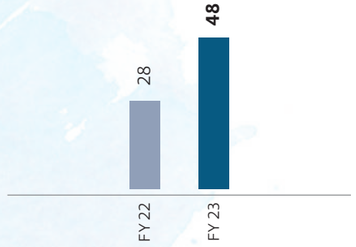
Insulators

The Company produces porcelain insulators and composite polymers insulators used in power transmission, railway electrification and other applications.

INSULATORS REVENUE
(₹ crore)



INSULATORS EBITDA
(₹ crore)



The key demand drivers for Insulators are refurbishment of grids (50+ years old), surge in power demand (digitalisation, electric vehicles), distributed renewable generation (new transmission lines). Also, railways electrification of lines which is targeted at ~7,000 kms is expected add to the overall demand for Insulators. The size of the Indian insulator market remains stable however there has been a continuous shift of market towards composite.

The Company's 51:49 Joint Venture with Maschinenfabrik Reinhausen Gmbh, Germany ('MR') has aided considerable growth in composite sales with production ramp-up at JV plant at Halol. There have been new product developments during FY22-23.

SEGMENT FINANCIAL PERFORMANCE

The revenue for FY22-23 grew by 29% y-o-y to ₹504 crore compared to ₹390 crore in FY21-22. Also, our company addressed demand in overseas geographies like Bangladesh wherein exports are now contributing ~50% of total revenue. Stability in input prices over the second half of FY22-23 and improved demand scenario resulted in higher (80%+) utilisation levels. This resulted growth in EBITDA by 70% y-o-y to ₹48 crore in FY2022-23 compared to ₹28 crore in FY21-22.

OUTLOOK

The overall domestic insulator demand was stagnant in last few years but is expected to witness robust growth over next few years. This is mostly due to choked/stalled projects moving to the execution stage. Our Company would continue to enrich its portfolio with composites. The company has successfully developed six designs of polymer insulators for global markets.

NEW HIGH GROWTH BUSINESS

Paints

Indian Decorative Paints Overview

Indian Decorative paints industry is currently growing at ~2x the Indian GDP growth rate. The per capita paint consumption in India stands at 4 kg, compared to the global average of 13-15kg, presenting huge growth prospects for the sector.

The current estimated market of decorative paints is ~₹67,000 crore which is expected to grow at double digit growth rates. The market is served largely by organised players with ~75% of the market share, while remaining 25% is accounted by unorganised regional players.

The higher growth rates are attributed to the rise in urbanisation, popularity of branded paints and shortening of the re-painting cycle. Government initiatives like smart cities and urban mission to the Housing for All schemes have been enablers to the paint industry.

Since the past few years, the paint industry has been witnessing a tectonic shift in people preferences. Customer choices range from traditional and cost-effective whitewash to premium high-quality paints like emulsions and enamel paints. Other premium tastes and preferences include odour free, dust and water-resistant paints. Branding and advertisement to capture mind share has demonstrated robust pricing power in the industry.

1,332 MLPA
Paints Capacity

Read more **Business Model**

DECORATIVE PAINTS INDUSTRY

(%)



- Organised 72
- Unorganised 28

BUSINESS UPDATE AND OUTLOOK

In 2021, our Company announced an investment of ₹10,000 crore to set up six manufacturing plants in Haryana, Punjab, Karnataka, Tamil Nadu, Maharashtra, and West Bengal, with a total capacity of 1,332 MLPA.

Our Company received required statutory approvals and the construction is progressing as per plan at all the sites. The state-of-the-art R&D laboratory is fully operational and working on products to provide customers with varied and differentiated offerings. A well- equipped pilot plant for quality testing and field validation is also operational.

The total capital expenditure during the year FY22-23 stood at ₹1,979 crore. This took the total cumulative capital expenditure to ₹2,592 crore (~26% of the total planned outlay).

We believe that the company has the "Right to win" with its presence in the adjacent products with well established brands in the space of construction materials through its subsidiary company. This remains one of the key rationales to this business with one of the largest capacities in the industry with foresight on scale and size. The commercial production will commence from Q4FY24. The commissioning of plants would be spread over FY24 and FY25 in phased manner.

B2B E-Commerce

Indian E-Commerce Overview

E-commerce continues to be the largest internet opportunity in India. India is one of few large & under penetrated E-commerce markets. Post-covid, India is moving fast towards the digital way of shopping, cashless transactions, telemedicine, online learning or OTT platforms. As per EY, India's B2B E-commerce market presents huge growth potential. This is because the market opportunity is eight times bigger as compared to B2C E-commerce market.

MSME business dynamics are seeing a paradigm shift, led by nuanced policy support and post-Covid recovery. Currently, only 4% of the MSMEs in India are truly digitally engaged but the numbers are improving, offering opportunity for faster growth as seen in B2C segment.

Building materials industry in India is estimated at ~$100 billion. Currently it includes cement, sand, steel, bricks, plumbing, sanitary ware, and electrical products. Players who offer multiple building materials segments across brands on a Pan-India level are expected to enjoy an advantage over the conventional dealers. Convenience of multiple building materials segments under one roof and trust associated with a branded entity have created need of a online offering for Building Materials.

Through our investments in B2B E-commerce business the company is addressing the above need. The digital adoption is <2% which provides a long runway of growth to the segment. With this foray, we would be able to leverage the data and network our large B2B ecosystem. We will also be able to address various challenges with integrated procurement starting from competitive pricing, assured quality, guaranteed delivery and financing solutions. Our Company would be addressing the needs of nine product categories -cement, steel, doors and windows, kitchen and electricals, paints, sanitaryware, plumbing and tiles.

BUSINESS UPDATE AND OUTLOOK

During the year full leadership team hiring and on-boarding has been completed for B2B E-commerce business. We have initiated pilot scale operations in the current year. The required ecosystem of strategic partners, service providers, customer support, supply chain management and financing solutions is also being built-up. Full scale operations and platform launch is on track for launch in next financial year.

KEY STANDALONE RATIOS

Particulars	FY 2023	FY 2022	Change
Debtors T/o Ratio (Sale of Products / Average Trade Receivable)	16.17	13.74	18%
Inventory T/o Ratio (Cost of Goods Sold / Average Inventory)	4.62	4.62	-
Interest Coverage Ratio (PAT + Deferred Tax + Depreciation + Finance Cost + Loss on Sale of Asset + ESOP Expenses - Unrealised Gain on Investment) / (Interest Expenses + Interest Capitalised)	9.15	12.24	(25%)
Current Ratio (Current Assets / Current Liabilities)	1.30	1.46	(11%)
Debt Equity Ratio (Total Debt / Total Equity)	0.11	0.08	38%
Operating Profit Margin (%) (EBITDA-Corporate Dividend + Treasury Income) / Revenue from Operations	12.19	15.71	(22%)
Net Profit Margin (%) (Net Profit for the Period - Profit from Discontinued Operations) / Revenue from Operations	7.91	12.92	(39%)

CONSOLIDATED FINANCIAL PERFORMANCE

For the purpose of consolidation, Grasim Industries, flagship holding company of Aditya Birla Group comprises - 70 Subsidiaries & 23 JV's & Associates. Most of our Group companies are largely diversified and cater to different sector/sub-sectors.

Majority of our subsidiaries have distinct operations like cement manufacturing, financial services and renewable businesses. The core to this structure is the purpose of our Group, which remains committed to building dynamic and responsible businesses and institutions that inspire trust. Our Company continues to strengthen its investments and focus on growing contribution of its standalone business aimed value maximisation.

REVENUE FROM OPERATIONS

The consolidated revenue from operations has reached a milestone of over ₹1 lakh crore, up by 23% y-o-y to ₹1,17,627 crore in FY22-23 compared to ₹95,701 crore in FY21-22. The consolidated revenue was largely driven by Chemicals, Viscose business and performance from key subsidiaries UltraTech, Aditya Birla Capital and Aditya Birla Renewables.

OPERATING PROFIT (EBITDA)

Consolidated EBITDA was higher by 15% y-o-y to ₹20,478 crore in FY22-23 compared to ₹17,772 crore in FY21-22. The improvement in annual performance was majorly driven by Chemicals and Financial Services.

Finance Cost

The finance cost marginally increased from ₹1,296 crore in FY21-22 to ₹1,320 crore in FY22-23 on account of higher borrowings. The consolidated Gross debt stood higher by 14% y-o-y at ₹17,899 crore in FY22-23 compared to ₹15,727 crore in FY21-22.

Depreciation

Increased capacities across key businesses like Viscose, Chemicals and Cement resulted 9% y-o-y increase in depreciation to ₹4,552 crore in FY22-23 compared to ₹4,161 crore in FY21-22.

Tax Expenses

The total tax expenses increased significantly from ₹1,936 crore in FY2022-23 to ₹3,649 crore in FY22-23,mainly on account of the tax related adjustments made in FY21-22.

Profit After Tax (PAT)

The Profit after Tax (after exceptional items) attributable to the owners of the company was at ₹6,827 crore in FY22-23 compared to ₹7,550 crore in FY21-22.

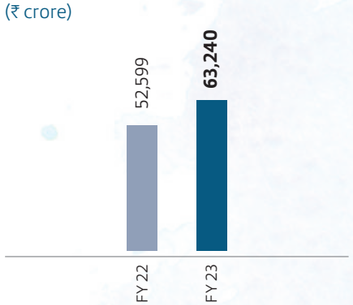
CONSOLIDATING BUSINESS PERFORMANCE REVIEW (SUBSIDIARIES)

UltraTech Limited – Cement Business

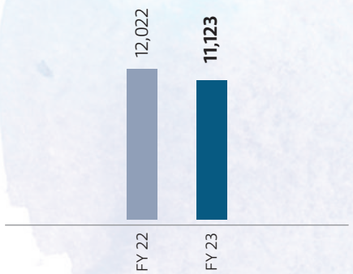
As on 31st March 2023, UltraTech total grey cement capacity in India stands at 126.95 MTPA. Sales volumes crossed a key milestone of 100 MTPA. This was supported by manufacturing facilities across 55 physical and 231 RMC plant locations across more than 100 cities.

Also support network includes daily dispatch of over 50 rakes, 12,000+ trucks addressing requirement of 100,000+ channel partners. The targeted grey cement capacity expansion by March'25 stands at 160.45 MTPA.

ULTRATECH REVENUE
(₹ crore)



ULTRATECH EBITDA
(₹ crore)



UltraTech for FY22-23 posted volume growth of 12% y-o-y at 105.5 MTPA with capacity utilisation for the year at 84%. Revenue grew by 20% y-o-y to ₹63,240 crore compared to ₹52,599 crore in FY21-22. EBITDA witnessed marginal decline of 7% y-o-y to ₹11,123 crore compared to ₹12,022 crore in FY21-22. The EBITDA was impacted by higher logistics, power and raw materials costs comprising more.

Further, consolidated net debt fell from ₹3,901 crore in FY21-22 to ₹2,702 crore in FY22-23. Robust financial performance coupled with deleveraging led improvement in Net Debt/EBITDA which stood at five-year lows of 0.24x as on 31st March 2023. The green power mix (WHRS + renewables) stood at 25%.

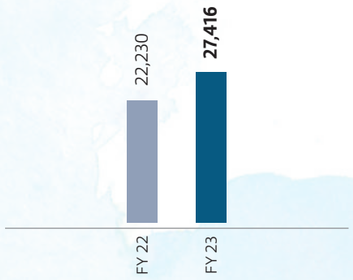
Aditya Birla Capital Limited (ABCL) – Financial Services Business

Aditya Birla Capital reported a strong financial performance over FY22-23. Revenue grew by 23% y-o-y to ₹27,416 crore in FY22-23 compared to ₹22,230 crore in FY21-22. The revenue was largely driven by its insurance business (life & health). Profit after tax for FY22-23 grew by 33% y-o-y at ₹2,057 crore compared to ₹1,545 crore in FY21-22.

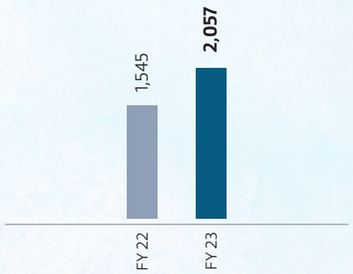
Market share among private players for life insurance (Aditya Birla Sun Life Insurance) improved by 40 bps y-o-y to 4.4% and for Health Insurance (Aditya Birla Health Insurance) amongst standalone health insurers improved by 208 bps y-o-y to 10.4%.

The combined lending book of the NBFC (Aditya Birla Finance Limited) and the HFC (Aditya Birla Housing Finance Limited) grew by 40% y-o-y to ₹94,364 crore FY22-23. Net Interest Income (NII) grew by 43% y-o-y and 27% y-o-y, for NBFC and HFC businesses, respectively. Aditya Birla Sun Life AMC reported domestic Average Assets Under Management (MF + Alternative Assets) stood at ₹2,80,257 crore, as on 31st March 2023.

ABCL REVENUE
(₹ crore)



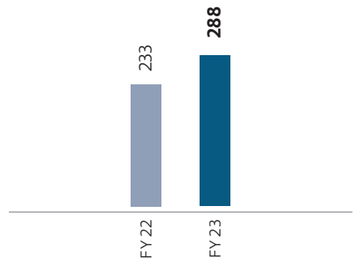
ABCL PAT
(₹ crore)



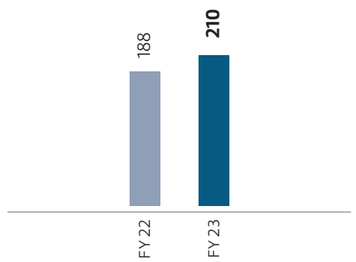
Aditya Birla Renewables – Clean Energy Solutions

Aditya Birla Renewables is enabling India's transition towards a greener tomorrow. Our Company provides five types of renewable energy solutions - solar, floating solar, hybrid, wind, and battery storage. Our Solar Power business has a cumulative installed capacity of 744 MWp, with 193 MWp being commissioned during FY 2022-23. The targeted capacity for FY24 stood at ~2GW.

ADITYA BIRLA RENEWABLES REVENUE
(₹ crore)

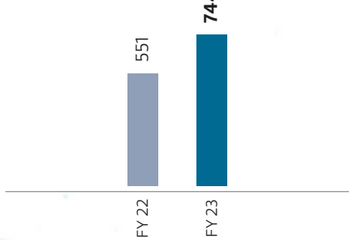


ADITYA BIRLA RENEWABLES EBITDA
(₹ crore)



For FY22-23, total revenue from the Solar Power business grew by 24% y-o-y to ₹288 crore compared to ₹233 crore in FY21-22. EBITDA during the year grew by 12% y-o-y at ₹210 crore compared to ₹188 crore in FY21-22.

RENEWABLE POWER CAPACITY
(MWp)



Capacity Allocation

Parameters	Mar-23
Total Cumulative installed capacity (MWp)	744
No. of Projects	38
- Capacity with Group Companies (MWp)	247
- No. of Projects with Group Companies	24

Board's Report

Dear Members,

Your Directors are pleased to present the 76th Annual Report in the form of Fourth Integrated Report of your Company along with the Audited Financial Statements for the year ended 31st March 2023.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March 2023 is summarised below:

₹ in crore

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Continuing Operations				
Revenue from Operations	**117,627.08**	**95,701.13**	**26,839.71**	**20,856.84**
Other Income	3,612.05	821.34	1,018.34	895.31
Total Revenue	**121,239.13**	**96,522.47**	**27,858.05**	**21,752.15**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**20,477.64**	**17,772.41**	**4,198.23**	**4,111.47**
Less: Finance Costs	(1,320.27)	(1,295.70)	(367.67)	(247.24)
Less: Depreciation and Amortisation Expenses	(4,551.59)	(4,161.07)	(1,097.29)	(913.96)
Profit Before Share in Profit of Equity Accounted Investees, Exceptional Items and Tax	**14,605.78**	**12,315.64**	**2,733.27**	**2,950.27**
Share in Profit of Equity Accounted Investees	208.96	380.33	–	–
Exceptional Items	(88.03)	(69.11)	(88.03)	(69.11)
Profit Before Tax (PBT) from Continuing Operations	**14,726.71**	**12,626.86**	**2,645.24**	**2,881.16**
Tax Expenses from continuing operations	3,648.51	1,936.31	521.51	185.71
Profit for the Period from Continuing Operations Attributable to:	**11,078.20**	**10,690.55**	**2,123.73**	**2,695.45**
Shareholders of the Company	6,827.26	7,102.37	2,123.73	2,695.45
Non-Controlling Interest	4,250.94	3,588.18	–	–
Discontinued Operations				
Profit Before Tax (PBT) from Discontinued Operations	–	352.52	–	155.98
Exceptional Items	–	670.71	–	510.79
Tax Expenses from Discontinued Operations	–	(440.07)	–	(310.95)
Provision of Impairment of Assets Classified as Held for Sale	–	(67.42)	–	–
Profit for the Period from Discontinued Operations Attributable to:	**–**	**515.74**	**–**	**355.82**
Shareholders of the Company	–	447.41	–	355.82
Non-Controlling Interest	–	68.33	–	–
Other Comprehensive Income for the Year Attributable to:	**(3,180.78)**	**3,280.80**	**(3,074.01)**	**3,219.07**
Shareholders of the Company	(3,104.23)	3,281.85	(3,074.01)	3,219.07
Non-Controlling Interest	(76.55)	(1.05)	–	–
Total Comprehensive Income for the Year Attributable to:	**7,897.42**	**14,487.09**	**(950.28)**	**6,270.34**
Shareholders of the Company	3,723.03	10,831.63	(950.28)	6,270.34
Non-Controlling Interest	4,174.39	3,655.46	–	–
Profit for the Period Attributable to Shareholders of the Company	**6,827.26**	**7,549.78**	**2,123.73**	**3,051.27**
Opening Balance in Retained Earnings	10,159.72	6,021.21	8,013.25	5,529.53
- Gain/(Loss) on Re-measurement of Defined Benefit Plans	49.01	23.18	(2.57)	24.71
- Gain on Sale of Non-Current Investments transferred to Retained Earnings from equity instruments through OCI	1.37	(1.37)	–	–
- Stake Dilution in Subsidiary Companies	(10.85)	(14.82)	–	–
Amount Available for Appropriation	**17,026.51**	**13,577.98**	**10,134.41**	**8,605.51**
Add/Less: Transfer (to)/from Debenture Redemption Reserve	–	110.60	–	–
Less: Transfer to General Reserve	(3000.00)	(2,752.48)	–	–
Less: Transfer to Special Reserve Fund	(387.20)	(190.75)	–	–
Less: Dividend Paid on Equity Shares	(657.65)	(592.26)	(657.65)	(592.26)
Other movements during the year	(1.62)	6.63	–	–
Closing Balance in Retained Earnings	**12,980.04**	**10,159.72**	**9,476.76**	**8,013.25**

DIVIDEND

Based on your Company's performance, your Directors have recommended dividend of ₹ 10 per equity share of face value of ₹ 2 each for the year ended 31st March 2023.

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

In terms of the provisions of the Income Tax Act, 1961, dividend shall be taxed in the hands of shareholders at applicable rate of taxes and your Company shall withhold tax at source appropriately.

The recommended dividend 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 2023.

PERFORMANCE REVIEW

On a consolidated basis, the revenue from operations for FY 2022-23, stood at ₹ 117,627 crore registering a growth of ~23% as compared to the previous year of ₹ 95,701 crore. The Consolidated EBITDA increased to ₹ 20,478 crore for FY 2022-23, which was 15.22% higher than that of previous year of ₹ 17,772 crore.

On a standalone basis, revenue from operations for FY 2022-23 stood at ₹ 26,840 crore, registering a growth of 28.69% as compared to the previous year of ₹ 20,857 crore. The standalone EBITDA is ₹ 4,198 crore for FY 2022-23 which was 2.11% higher than that of the previous year of ₹ 4,111 crore.

STRATEGIC INITIATIVES AND SIGNIFICANT DEVELOPMENTS

Update on Paints Business

The decorative paints industry size is ~ ₹ 67K crore of which ~75% is organised sector. In FY 2022-23 organised decorative revenue grew by ~22% over FY 2021-22.

The project work is progressing at all 6 sites namely Panipat (Haryana), Ludhiana (Punjab), Chamarajanagar (Karnataka), Cheyyar (Tamil Nadu), Mahad (Maharashtra) and Kharagpur (West Bengal). Commissioning of plants will start in phases from last quarter of FY 2023-24, and all the plants are expected to be commissioned by end of FY 2024-25 with a total project cost of approximately ₹10,000 crore. R&D Centre of global standards and a Pilot plant has been commissioned which will help in scaling of lab tested formulations.

With total planned capacity of 1,332 million liters per annum, the Company aims to be number two player by capacity in decorative paints industry in India. Entry in the paints sector will add size, scale, and diversity to the existing business portfolio of the Company.

The Company has spent ₹ 2,592 crore cumulatively up to FY 2022-23.

Update on B2B E-commerce Business

The Go-to-Market strategy and outreach plan have been finalised. The technology partners have been engaged and platform is being developed. The Company has already onboarded a leadership team across sales, marketing, category and operations for the full-scale launch scheduled in Q2 FY24. This launch will be in a phased manner beginning with the states of Maharashtra and Madhya Pradesh.

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 Renewable 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 was reserved for the orders. Hon'ble NCLT's order is awaited.

CONSOLIDATED FINANCIAL STATEMENTS (CFS)

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 – Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Annual Report. CFS include financial performance of the Company's subsidiaries, Associates and Joint Ventures, which inter-alia includes UltraTech Cement Limited, Aditya Birla Capital Limited, Aditya Birla Solar Limited, Aditya Birla Renewables Limited and other entities as mentioned in notes to CFS.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year, Grasim Business Services Private Limited was incorporated as a wholly-owned subsidiary of the Company on 4th January 2023 to provide business support service including Staffing solutions.

Apart from this, there are no change 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 the provisions of 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. 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

ULTRATECH CEMENT LIMITED ('UltraTech')

The country's cement production is expected to climb by around 6% to 8% over financial years 2023 and 2024, following a 21% jump for the financial year ended March 2022, as reported by a leading ratings agency. The growing housing sector, which typically accounts for 60% to 65% of India's cement consumption, will remain a key demand driver. Also, continued large investments in roads and infrastructure projects will fuel cement demand.

During the year, UltraTech recorded net revenues of ₹ 63,240 crore and EBITDA of ₹ 11,123 crore. UltraTech achieved the unique distinction of registering 100 million tons of production, dispatches and sales in FY 2022-23. This was backed by an effective capacity utilisation of 84% for the year.

During the year, UltraTech commissioned 12.4 mtpa additional capacity of grey cement. It further commissioned a 2.2 mtpa brownfield cement capacity at Patliputra in April 23. Work on the next phase of growth of 22.6 mtpa has already commenced. Commercial production from these new capacities is expected to go on stream in a phased manner by FY25/FY26.

Upon completion of these expansions, UltraTech's capacity will grow to 160.45 mtpa, reinforcing its position as the third largest cement company in the world, outside of China and the largest in India by far.

ADITYA BIRLA CAPITAL LIMITED ('ABCL')

ABCL reported a Consolidated Revenue of ₹ 27,416 crore (grew 23% year on year) and Net Profit was ₹ 2,057crore (grew 33% year on year). On a Standalone basis, revenue of ABCL was ₹ 219 crore and Net Profit was ₹ 141 crore. Active customer base at ~38 million (grew 8% 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 ₹ 3.6 lakhs crore (de-grew 3% year on year). Overall lending book (NBFC and Housing Finance) at ₹ 94,364 crore (grew 40% year on year). Gross premium (across Life and Health Insurance) at ₹ 17,787 crore (grew 28% year on year).

SHARE CAPITAL

The Authorised Share Capital of the Company stood at ₹ 4,235,000,000 comprising of 2,062,500,000 Equity Shares of ₹ 2 each and 1,100,000 Redeemable Cumulative Preference Shares of ₹ 100 each as at 31st March 2023.

Issued, subscribed and paid-up capital of the Company stood at ₹ 1,316,864,252 comprising of 658,432,126 Equity Shares of ₹ 2 each fully paid up as at 31st March 2023.

During the year, your Company allotted 1,36,700 equity shares of ₹ 2 each pursuant to the exercise of Stock Options in terms of the Employees Stock Option Schemes of your Company.

GLOBAL DEPOSITARY RECEIPTS ('GDRs')

During the year, the Company had amended the GDRs Deposit Agreements effective from 26th April 2023. In terms of the said amendment, the Company's GDR holders will be able to exercise the voting rights in the equity shares underlying the GDRs held by them, by way of providing instructions to the Depositary in terms of the Deposit Agreements and applicable laws.

PURCHASE OF TREASURY SHARES

During the year, Grasim Employees' Welfare Trust ('Trust') acquired 6,34,509 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 19,95,127 equity shares of your Company as on 31st March 2023 for transfer 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 20,000 fully paid-up, Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000,000 each aggregating to ₹ 2,000 crore, at par, on private placement basis.

Your Company has redeemed 10,000 fully paid-up, Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000,000 each aggregating to ₹ 1,000 crore during the year.

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 and investments as on 31st March 2023 are given in the Notes to the Financial Statements. During the year, 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 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, Mr. Kumar Mangalam Birla and Dr. Santrupt Misra, Non-executive Directors of your Company, are liable to retire by rotation at the ensuing AGM and, being eligible, have offered themselves for re-appointment. Brief profiles of Mr. Kumar Mangalam Birla and Dr. Santrupt Misra are provided in the Corporate Governance Report and Notice of AGM.

The Board of Directors:

- Appointed Ms. Ananyashree Birla (DIN: 06625036) and Mr. Aryaman Vikram Birla (DIN: 08456879) as Additional Directors (Non-executive Directors) of the Company, liable to retire by rotation, with effect from 6th February 2023. The members of the Company have approved their appointment as Non-executive Directors of the Company through Postal Ballot on 21st March 2023.
- Appointed Mr. Yazdi Piroj Dandiwala (DIN: 01055000) as an Additional Director (Independent Director) of the Company, not liable to retire by rotation, with effect from 6th February 2023. The members of the Company have approved his appointment as an Independent Director of the Company, through Postal Ballot on 21st March 2023.
- Re-appointed Mr. Harikrishna Agarwal (DIN: 09288720) as the Managing Director and Key Managerial Personnel of the Company, in terms of the provisions of the Act for a period of 2 years with effect from 1st December 2023 up to 30th November 2025, subject to the approval of the members of the Company.

Cessation of Directors

- Mr. Shailendra Kumar Jain (DIN: 00022454) has stepped down as a Non-executive Director of the Company with effect from 1st February 2023, due to advancing age and need to devote time for family affairs including succession planning and pursue personal interest. There was no other material reason for his resignation except as stated.

  The Board of Directors placed on record its sincere appreciation for the valuable contribution and services rendered by Mr. Shailendra Kumar Jain during his 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 Sections 2(51) and 203 of the Act, Mr. Harikrishna Agarwal, Managing Director, Mr. Pavan Kumar Jain, Chief Financial Officer ('CFO') and Mr. Sailesh Kumar Daga, Company Secretary are the Key Managerial Personnel ('KMP') of the Company as on 31st March 2023.

Mr. Pavan Kumar Jain has been appointed as CFO and KMP of the Company with effect from 15th August 2022 in place of Mr. Ashish Adukia, who was CFO and KMP of the Company up to 14th August 2022.

MEETINGS OF THE BOARD

The Board of Directors of the Company met 7 (Seven) times during the year to deliberate on various matters. The meetings were held on 24th May 2022, 16th June 2022, 19th July 2022, 12th August 2022, 14th November 2022, 6th February 2023 and 14th February 2023.

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;

b) 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; and

c) 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, Technology, digitisation & innovation, Marketing, Risk Management, Strategic Expertise 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.

Thereafter, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors. The Board expressed satisfaction on the overall functioning of the Board and its Committees. The Board was also satisfied with the contribution of the 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 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 2023, 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.

CONSERVATION OF ENERGY, 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 published its Integrated Report for the Financial Year 2022-23. 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) and M/s. KKC & Associates LLP, Chartered Accountants (Registration No. 105146W/W100621) (formerly known as Khimji Kunverji & Co. LLP), were appointed as Joint Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold office till the conclusion of the 79th AGM and 80th AGM of the Company, respectively.

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 2023, read with the Notes therein, are self-explanatory and, therefore, do not call for any further explanation or comments from the Board of Directors under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

Cost Auditor

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.

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 of the Company for FY 2023-24 at a remuneration of ₹ 20 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 Auditor of your Company for FY 2023-24, along with the 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 Auditor is required to be ratified by the members of the Company. Accordingly, an Ordinary Resolution, for ratification of remuneration payable to the Cost Auditor for FY 2023-24, forms part of the Notice of the 76th AGM of the Company.

Secretarial Auditor

The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries, Mumbai, for the financial year 2022-23, 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 2023, 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/annual-secretarial-compliance-report-fy23-31st-march-2023.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 Auditor to conduct the Secretarial Audit of the Company for FY 2023-24.

SECRETARIAL STANDARDS

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

REPORTING OF FRAUDS BY AUDITORS

No instances of fraud were reported by the Auditors under Section 143(12) of the Act.

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 2023, are given in Notes to the Standalone Financial Statements, forming part of this Annual Report.

The Board of Directors at its meeting held on 14th February 2023 has approved entering into material RPTs with Hindalco Industries Limited, a promoter group company for an aggregate value of up to ₹1,200 crore. As per Listing Regulations, the Company has also sought approval of the Shareholders through Postal Ballot and the same was approved on 21st March 2023.

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 Vigil Mechanism / 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 Social Responsibility ('CSR') Committee, which is chaired by Smt. Rajashree Birla. The other Members of the Committee as on 31st March 2023, are Ms. Anita Ramachandran, Independent 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/upload/pdf/Grasim_CSR_Policy_2013.pdf

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.

During the year, the Company has spent ₹ 54.19 crore, of which ₹ 34.16 crore (excluding an amount of ₹ 4.50 crore which remained unspent and classified as ongoing project by the Board and it has been transferred to separate bank account in April 2023) was spent towards obligatory CSR of the Company and an amount of ₹ 20.03 crore was voluntarily spent for 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 ('RMSC'), which is *inter alia*, mandated to review the risk management and sustainability plan 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 (including Cyber Security) and incorporate mitigation plans in its business strategy and operation plans. Risks are identified at multiple levels – unit level, business level and corporate level. During the year, the RMSC met twice to review the key risks faced by the Company and steps being taken to mitigate the same.

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 Sections 92 and 134 of the Act, and the Rules made thereunder, the Annual Return of your Company as on 31st March 2023 is available on the Company's website at https://www.grasim.com/Upload/PDF/form-MGT-7-annual-return-fy-22-23.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 the performance based on review of achievements. The remuneration policy is in consonance with the 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, Dr. Thomas M. Connelly Jr., Mr. V. Chandrasekaran 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 a 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. Adesh Kumar Gupta and Mr. Cyril Shroff 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 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. Yazdi Piroj Dandiwala 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, Dr. Thomas M. Connelly, Jr., Mr. V. Chandrasekaran, Mr. Harikrishna Agarwal, Mr. Kapil Agarwal, Mr. Jayant V. Dhobley and Mr. Rakshit Hargave.

The CFO and Chief Sustainability Officer of your Company are permanent invitees at the RMSC Meetings.

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 undertaken by the Company focus 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 VSF business of the Company consistently pursues excellence in customer centricity and product quality. Key enablers in this journey are relentless focus on process consistency, operational efficiency and an innovative approach of leveraging new scientific advancements.

One such advancement is Digitalisation that has ushered the Industry 4.0 revolution. We strongly believe that Digitalisation will enable our Business to achieve a step improvement in process capability and reliability. An increasingly connected workforce is now routinely utilising Digital dashboards providing real-time process information and trends. AI/ML based models have been implemented for better control of some of the important and difficult-to-control process variables, e.g., OPU in VSF manufacturing lines, and pulp viscosity and whiteness in the Harihar pulp plant. Several AI/ML based soft sensors e.g. real-time contamination detection/removal, early blade breakage detection in fibre cutters, real-time ball fall viscosity measurement, etc., were successfully implemented in commercial lines and will contribute towards reducing off-spec generation while increasing process consistency. A computer-vision based spinneret inspection system was implemented at Vilayat and BC Kharach units, and is enabling plants to monitor spinneret quality with high resolution. The R&D team combined fundamental physics models with computational fluid dynamics and in partnership with Kharach and Harihar plants helped in debottlenecking fibre dryers, thereby achieving benefits such as throughput enhancement and reductions in steam and soft finish consumption fibre lines. We are confident that as more Digitalisation work-products are implemented, they will usher a transformational change in our Operations' capabilities.

Sustainability continued to be a high priority for us. For a third consecutive year, Birla Cellulose was awarded the highest rating of Dark Green Shirt by the global NGO Canopy, recognising your Business's Sustainability efforts. In the arena of textile recycling and circularity, significant progress was made in the form of successful commercial runs of Liva Reviva made from 30% textile waste, and the commissioning of a mechanical recycling facility at TRADC. With both chemical as well as mechanical recycling capabilities, your Business has become the established industry front-runner in textile recycling. The fibre production units achieved significant progress in reducing consumption ratios of key raw materials. Backed by innovative optimisation concepts and digitalisation, Birla Cellulose Kharach achieved a ~10% increase in MSFE evaporation efficiency. This allowed the unit to increase the recycling of intermediate streams, thereby reducing raw water usage and effluent generation. While the productivity of assets such as MSFEs is being maximised, it is also important to inculcate new and potentially superior technologies. Birla Cellulose Kharach is collaborating with Memsift Technologies for the pilot testing of the cutting-edge membrane evaporation technology. Once implemented, membrane evaporation can lead to ~30% reduction in evaporation energy compared to MSFEs. The pilot scale prototype is expected to be ready this year, and will be extensively tested at Birla Cellulose Kharach. This would constitute the first ever pilot scale demonstration of this novel technology in the MMCF sector.

The uncertainties emanating from Covid-19 and subsequent supply-chain disruptions brought to sharp focus, the need to develop wood pulp alternatives. Birla Cellulose's collaboration with the Australian start-up Nanollose to develop 'tree-free' Excel fibres from food industry waste derived bacterial cellulose has received international recognition The companies jointly won the 'Cellulose Fibre Innovation of the Year' award by Nova Institute, Germany for successful pilot scale demonstration of this innovative technology. This work highlights the power of collaboration for fast-tracking commercial innovation. Birla Cellulose is pursuing collaborative research with several frontline scientific bodies, e.g. Central Pulp & Paper Research Institute (CPPRI) for Bamboo/Jute pulping, Manmade Textiles Research Association (MANTRA) for developing viscose-based non-wovens. Birla Cellulose acquired advisory board membership of the Renewable Bio-resources Institute (RBI) of the University of Georgia, which helps in gathering early view to promising new de-carbonisation technologies. Similarly, memberships with Fashion-for-Good (FFG) and The Microfibre Consortium (TMC) help the Business stay intimately connected with global recycling innovators as well as regulatory eco-systems.

Amongst the New Products, we are glad to note that the short-cut fibres developed by Birla Cellulose for flushable wipes have met with commercial acceptance, and have now transitioned from 'under commercialisation' to regular manufacture stage. The novel short-cut fibre process was fully developed in-house and is the culmination of innovations in chemistry, process and equipment that made the manufacture possible with minimal changes in plant hardware. Furthermore, this process produces fibres with superior product characteristics compared to established conventional short-cut fibres. Several new fibres were successfully validated at the pilot stage, and are undergoing market-seeding and market validation stages. These include FIR viscose fibre (FIR-VSF) for thermal ware and wellness application, anionic viscose fibre (Liva IntelliColour) that will enable single-bath dyeing with acrylic and cationically dyeable polyester fibres, and viscose fibres for hygiene application (Purocel Ecodry). Such innovative products are not only helping in consolidating the Business's reputation as an innovation based customer-centric fibre manufacturer but also secured the national level prestigious 'Golden Peacock Innovation Management Award' for 2022.

VISCOSE FILAMENT YARN (VFY)

Your Company has developed a range of new products that are tailored to meet the diverse needs of our customers. Four products have been produced on commercial scale in PSY and CSY with careful consideration of our customers' specific needs and preferences.

To expand the range of products offered in SSY, have developed and produced three new products on a commercial scale for different application segment. In addition to product diversification, your Company has been focused on deriving benefits through product improvement. Your Company has also successfully developed microfilament and hybrid yarn in CSY, which has enabled company to create a new market/product segment with enriched fabric (better feel) that meets evolving customer tastes.

CHLOR-ALKALI & CHLORINE DERIVATIVES

Your Company's Research and Development ('R&D') efforts stand on the five pillars of – Customers, Innovation, Quality, Sustainability and Profitability. We are focusing efforts on cost optimisation, developing new products after understanding customers latent needs and further enhancing our chlorine derivate portfolio

Water Treatment Business being focus, your Company leveraged its R&D Centre 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, rubber pyrolysis, quarries, economical solutions for Effluent Treatment Plants.

We have expanded R&D centre in on the Vilayat Site by inaugurating new plastic application lab spread in 5000 sq ft area by on boarding technical experts and high end equipment to offer greener and sustainable solutions to the plastic manufacturing customers. We have filed 1 patent and got approval for 2 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 CSMCRI, CEPT, DST, NEERI, CIFE, CIBA, CLRI, MNIT, IITs, IICT, NCL, etc. Your Company received NSF/ANSI and Kosher certifications for its operating Units, certifications from FSSAI for food grade calcium chloride products, Eco-Passport by OEKO-TEX for new product range developed for textile industry and EU-REACH / UK-REACH for long chain chlorinated paraffins. You became first company granted by BIS for aluminum chlorohydrate product. R&D Centre published research articles/papers and presentations in the area of Water Treatment and Cleaning solutions at various forums like Finest-50 Global Case Studies – Smart Water & Waste World Magazine, CII-ICPC, Chemcon'22, Clean India, Clean Rail solutions and many more.

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. R&D Centre has also, worked with the Industry to develop multiple coagulants for water treatment with unique specifications like 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. Your Company is also developing specialty blends (plastics, water treatment, etc.), new formulations for home and personal care FMCG segment and chemicals for 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.

SPECIALITY CHEMICALS (EPOXY POLYMERS & CURING AGENTS)

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. The teams are also involved in synthesising new molecules and in developing products and applications that drive growth of specialty segment for the business.

R&D team is working with leading Universities, Institutes and Global experts in building the innovation footprint and speeding up the research to market phase.

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 brought by new bio-based chemistries. Sustainability is one of key drivers of ABG, which has a long standing commitment to sustainability by using bio-products. 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, adhesives products development, in construction segment, water soluble coating solution for can coating applications, developing products for floor coating and construction segments.

INSULATORS

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

- New products for HVDC (High Voltage Direct Current Transmission) transmission as per the challenging requirements of the end user.
- Optimised design products for 120 kN and 160 kN A/F.
- Performance enhancement by grade selection and optimisation for metal parts.
- Cost Optimisation and Import Substitution by development of alternate suppliers while maintaining our quality standards.

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:

1. FabroStretch – Comfort Stretch linen range, for tight fit fashion apparels. FabroStretch provides comfort stretch, better recovery and durability.
2. Fabroma- Aroma fragrance linen range, an innovative encapsulated technology-based aroma finish releases fresh aroma upon friction and it is ecofriendly and durable.

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

In collaboration with Birla Cellulose, your Company developed Cotton blends with sustainable fibres like Liva Eco, Viscose and Lyocell/Excel fibres.

As a customer centric initiative, your Company has developed wool and wool blends for athleisure/active wear using Super wash technology (First in India).

Your Company is continuously working in collaboration with Aditya Birla Science and Technology Company Private Limited ('ABSTCPL') and other vendors to examine feasibility of developing a hemp value chain in India. Your Company is also working with global partners, e.g., CELC, Wool Mark, Trevira, NanoTex etc., and other specialty fibres and chemical suppliers to explore and develop innovative yarns and fabrics.

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

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 SRC of the Board of Directors allotted 4,510 equity shares of ₹ 2 each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2006. During the year, ESOS-2006 has been completed.

ESOS-2013

During the year, the SRC of the Board of Directors allotted 1,32,190 equity shares of ₹ 2 each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2013.

ESOS-2018

During the year, the NRC approved grant of 5,77,185 Stock Options and 1,82,193 Restricted Stock Units ('RSUs') to the eligible employees, including Managing Director of the Company, under ESOS-2018. The ESOS-2018 is being administered through the Grasim Employees' Welfare Trust (Trust).

1,73,169 equity shares were transferred from the Trust account to the employees account on account of exercise of Stock Options and RSUs by the grantees.

ESOS-2022

Pursuant to the approval of the shareholders at the AGM held on 29th August 2022, a new scheme viz. 'Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022' ('ESOS-2022') has been adopted in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB & SE Regulations'). The ESOS-2022 is being administered through the Grasim Employees' Welfare Trust ('Trust').

During the year, no Stock Options or PSUs were granted under ESOS-2022.

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 SEBI SBEB & SE Regulations, is available on your Company's website at https://www.grasim.com/Upload/PDF/esos-disclosure-2023.pdf

A certificate from the Secretarial Auditors with respect to implementation of your Company's ESOS, will be available at the ensuing AGM for inspection by the Members.

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 4 (four) complaints received during the year, out of which 2 (two) were outstanding as on 31st March 2023. 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 were 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:

- Economic Times - Sustainable Organisation 2022.
- Ranks #1 in Apparel/Textile Sector by BW Most Reputed Companies List 2022.
- Domestic Textile Business certified as Great Workplace by Great Place to Work® Institute.
- Gold Shield for Integrated Reporting - Manufacturing Sector of 'ICAI Sustainability Reporting Awards 2021-22', by the Institute of Chartered Accountants of India.
- Annual Report awards under categories 1) Manufacturing, and 2) Integrated Reporting from South Asian Federation of Accountants (SAFA) 2021.
- NW18 Sustainability100+ Award in Water Stewardship.
- CRISIL Sustainability Report 2022 assigns 'Strong' rating with and ESG score of 63.
- 'Golden Peacock Innovation Management Award' for the year 2022 (Birla Cellulose).
- Golden Peacock Award in Occupational Health & Safety 2022. (Harihar unit)
- CFBC Boiler won Best Co-Gen Boiler by Director of factories and Boiler, Karnataka for 52nd National Safety Day 2023 (Harihar unit).
- 'Top Performer - Designated Consumer in Textile sector' by Power Ministry of Indian Government (Harihar unit).
- Future Enterprise of the Year -IDC Future Enterprise Awards 2022 (Birla Cellulose).
- Economic Times - Promising Plant 2022 to GCD Vilayat.
- 'Excellence in Environment Management' by CII-ITC Sustainability Awards 2022 (GCD Vilayat).
- Hot Button Report 2022, Canopy, an environment not-for-profit, has awarded Birla Cellulose with a 'Dark Green Shirt'.
- ESG Ratings for 2022 upgraded to 'BBB' from 'BB' by MSCI (Morgan Stanley Capital International).
- 'The CSR Journal Excellence Awards 2022' (1st Runner-up) Agriculture and Rural Development.
- India's most Sustainable firm 2021 by Capri Global Capital Hurun India -Impact 50 with the highest sustainability score.
- Appreciation plaque for commendable CSR work by FICCI CSR awards- Textiles.
- Outstanding Accomplishment in Corporate Excellence Award by CII-ITC Sustainability Awards 2022 – Textiles.
- Linen club was awarded 'Brand Of The Year 2022' by Marksmen Daily in association with India Today.

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 Hon'ble NCLAT.
- Your Company, backed by independent expert's opinion, believes that the above orders are not tenable in law. Accordingly, no provision has been made in the books of account on account of these matters.
- The Deputy Commissioner of Income Tax ('Assessing Officer') had 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.

  In first appeal the Commissioner of Income Tax ('CIT') (Appeal) had upheld the order of the Assessing Officer and reduced the quantum of demand from ₹ 5,872 crore to ₹ 3,786 crore. In second appeal, the Hon'ble Tribunal vide order dated 30th November 2022 held that the demerger qualifies the conditions laid down under the Income Tax Act. Following the order of the Hon'ble Tribunal, the Assessing Officer vide order dated 5th January 2023 deleted the demand of ₹ 3,786 crore.
- Further, the Assessing Officer had passed draft assessment order for the AY 2018-19 on 30th September 2021 and corollary to the earlier order referred above, proposed addition of ₹ 22,772 crore towards capital gains.

  Your Company had filed objections before Dispute Resolution Panel ('DRP') against the draft order passed by the Assessing Officer. The DRP had vide order dated 30th June 2022 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 fulfilled. The Assessing Officer has passed final assessment order dated 26th July 2022 and dropped the proposed addition of capital gains.
- Your Company has not made any provision in the books of account in view of the decision of the Hon'ble Tribunal.

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

The Ministry of Corporate Affairs ('MCA') has vide its General Circulars No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020, No. 20/2020 dated 5th May 2020, No. 02/2021 dated 13th January 2021, No. 2/2022 dated 5th May 2022 and No. 10/2022 dated 28th December 2022 and SEBI Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 and No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 issued by the Securities and Exchange Board of India ('SEBI') (collectively referred to as 'MCA and SEBI Circulars') permitted convening the AGM 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 76th AGM of your Company is being convened and conducted through VC / OAVM.

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. No material changes and commitments affected the financial position of your Company between the end of the financial year and the date of this Report.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;
3. Issue of shares (including sweat equity shares) to employees of your Company under any Scheme save and except ESOS referred to in this report;
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
5. There were no revisions in the financial statement(s);
6. There has been no change in the nature of business of your Company;
7. 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;
8. There were no proceedings initiated under the Insolvency and Bankruptcy Code, 2016;
9. There was no instance of one time settlement with any Bank or Financial Institution; and
10. There was no failure to implement any Corporate Action.

ACKNOWLEDGEMENT

Your Directors express their deep sense of gratitude to the shareholders, 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)

New Delhi, 26th May 2023

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	Grasim Business Services Private Limited – w.e.f. 4th January 2023	Aditya Birla Solar Limited	Aditya Birla Renewables Limited (ABReL)	Aditya Birla Renewables SPV1 Limited ¥¥+
Currency	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	6.50	28.14	0.10	66.59	753.02	62.61
Other Equity	55.43	30.18	(0.04)	40.09	(29.23)	8.54
Total Assets	63.02	65.98	0.10	321.53	1,514.79	275.14
Total Liabilities	1.09	7.66	0.04	214.86	791.00	203.99
Investments	58.75	0.76	–	–	553.21	–
Revenue from Operations	0.83	4.56	–	49.45	119.12	36.58
Profit/(Loss) before Tax	1.74	(6.65)	(0.04)	16.14	(5.68)	2.77
Tax Expenses	0.46	(0.09)	–	3.74	(0.97)	0.46
Profit/(Loss) for the Year	1.28	(6.56)	(0.04)	12.40	(4.71)	2.31
Proposed/Interim Dividend	–	–	–	–	–	3.76
Percentage Holding as on 31st March 2023	100.00%	100.00%	100.00%	100.00%	100.00%	88.90%
Exchange Rate as on 31st March 2023	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 Private Limited ¥¥
Currency	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	26.52	4.90	17.75	92.63	112.63	34.26
Other Equity	2.74	0.43	1.92	11.15	(11.00)	(1.65)
Total Assets	116.73	20.59	91.26	447.59	830.11	93.70
Total Liabilities	87.48	15.26	71.58	343.81	728.48	61.09
Investments	4.34	–	–	–	–	5.54
Revenue from Operations	15.24	3.34	8.12	20.33	14.05	10.21
Profit/(Loss) before Tax	2.03	0.75	0.23	3.43	(14.65)	2.88
Tax Expenses	0.47	0.19	0.04	0.70	(3.52)	0.90
Profit/(Loss) for the Year	1.56	0.56	0.19	2.73	(11.13)	1.99
Proposed/Interim Dividend	1.99	0.49	0.89	–	–	–
Percentage Holding as on 31st March 2023	74.00%	74.00%	88.90%	74.00%	100.00%	100.00%
Exchange Rate as on 31st March 2023	NA	NA	NA	NA	NA	NA

¥¥ Subsidiaries of ABReL
+ 74% shares held by ABReL and 26% shares held by UTCL

Sr. No	13	14	15	16	17	18
Name of Subsidiaries	ABReL Solar Power Limited ¥¥	ABReL (MP) Renewables Limited (w.e.f. 16th June 2022) ¥¥+	ABReL Green Energy Limited (w.e.f. 22nd June 2022) ¥¥+	ABReL EPCCO Services Limited (w.e.f. 4th April 2022) ¥¥	ABREL EPC Limited (w.e.f. 13th June 2022) ¥¥	ABReL (RJ) Projects Limited (w.e.f. 11th November 2022) ¥¥
Currency	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	176.56	0.01	91.77	0.01	0.25	0.01
Other Equity	(1.53)	(1.52)	(0.40)	0.11	0.35	(0.03)
Total Assets	462.60	93.88	97.19	2.36	571.46	0.01
Total Liabilities	287.57	95.39	5.82	2.24	570.86	0.03
Investments	–	–	–	–	–	–
Revenue from Operations	3.64	–	–	3.95	147.05	–
Profit/(Loss) before Tax	(1.06)	(1.52)	(0.29)	0.15	0.50	(0.03)
Tax Expenses	0.21	–	0.11	0.04	0.13	–
Profit/(Loss) for the Year	(1.28)	(1.52)	(0.40)	0.11	0.37	(0.03)
Proposed/Interim Dividend	–	–	–	–	–	–
Percentage Holding as on 31st March 2023	100.00%	88.90%	88.90%	100.00%	100.00%	100.00%
Exchange Rate as on 31st March 2023	NA	NA	NA	NA	NA	NA

Sr. No	19	20	21
Name of Subsidiaries	ABReL (Odisha) SPV Limited (w.e.f. 15th June 2022) ¥¥+	ABReL EPC Limited ¥¥	ABReL Century Energy Limited ¥¥
Currency	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	19.28	0.01	34.03
Other Equity	(0.22)	2.66	(0.45)
Total Assets	22.09	23.71	117.63
Total Liabilities	3.03	21.04	84.05
Investments	–	–	–
Revenue from Operations	–	219.10	–
Profit/(Loss) before Tax	(0.22)	3.56	(0.45)
Tax Expenses	–	0.89	–
Profit/(Loss) for the Year	(0.22)	2.66	(0.45)
Proposed/Interim Dividend	–	–	–
Percentage Holding as on 31st March 2023	88.90%	100.00%	74.00%
Exchange Rate as on 31st March 2023	NA	NA	NA

¥¥ Subsidiaries of ABReL
+ 74% shares held by ABReL and 26% shares held by UTCL

Sr. No	22	23	24	25	26	27
Name of Subsidiaries	Aditya Birla Power Composites Limited	UltraTech Cement Limited (UTCL)	Harish Cement Limited[!]	Gotan Lime Stone Khanij Udyog Private Limited[!]	Bhagwati Lime Stone Company Private Limited[!]	UltraTech Nathdwara Cement Limited (UNCL)[!]
Currency	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	44.57	288.69	0.25	2.33	0.01	3,400.00
Other Equity	(24.08)	52,648.17	154.59	15.90	1.39	(4,703.40)
Total Assets	92.48	86,900.99	157.20	19.70	2.88	1,621.28
Total Liabilities	71.99	33,964.13	2.36	1.47	1.48	2,924.68
Investments	-	12,859.24	-	-	-	3.07
Revenue from Operations	8.50	61,326.50	-	-	-	2,072.17
Profit/(Loss) before Tax	(20.43)	7,246.37	(ß)	(0.64)	(0.22)	92.08
Tax Expenses	-	2,329.49	-	-	-	-
Profit/(Loss) for the Year	(20.43)	4,916.88	(ß)	(0.64)	(0.22)	92.08
Proposed/Interim Dividend	-	1,096.95	-	-	-	-
Percentage Holding as on 31st March 2023	51.00%	57.27%	100.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31st March 2023	NA	NA	NA	NA	NA	NA

Sr. No	28		29		30	
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	12.60	50.61	1,132.32	1.50	33.56
Other Equity	104.18	26.26	39.30	879.33	(23.08)	(516.34)
Total Assets	604.53	152.36	188.11	4,208.56	36.62	819.23
Total Liabilities	450.34	113.50	98.20	2,196.91	58.20	1,302.01
Investments	-	-	37.44	837.58	-	-
Revenue from Operations	2,088.29	468.26	-	-	30.69	671.50
Profit/(Loss) before Tax	274.38	61.52	(1.95)	(42.62)	1.20	26.17
Tax Expenses	63.94	14.34	-	-	-	-
Profit/(Loss) for the Year	210.44	47.19	(1.95)	(42.62)	1.20	26.17
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	80.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2023	BS - SLR 3.9678 = ₹ 1.00		BS - AED 0.0447 = ₹ 1.00		BS - AED 0.0447 = ₹ 1.00	
	PL - SLR 4.4597 = ₹ 1.00		PL - AED 0.0457 = ₹ 1.00		PL - AED 0.0457 = ₹ 1.00	

! 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	31		32		33	
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	22.37	0.50	11.19	0.20	4.47
Other Equity	(1.02)	(22.91)	17.56	392.90	8.47	189.53
Total Assets	17.39	389.03	49.76	1,113.22	9.81	219.47
Total Liabilities	17.41	389.57	31.70	709.14	1.14	25.47
Investments	-	-	-	-	-	-
Revenue from Operations	28.25	618.22	39.37	861.42	4.95	108.33
Profit/(Loss) before Tax	6.11	133.60	(8.66)	(189.58)	1.19	26.05
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	6.11	133.60	(8.66)	(189.58)	1.19	26.05
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2023	BS - AED 0.0447 = ₹ 1.00		BS - AED 0.0447 = ₹ 1.00		BS - AED 0.0447 = ₹ 1.00	
	PL - AED 0.0457 = ₹ 1.00		PL - AED 0.0457 = ₹ 1.00		PL - AED 0.0457 = ₹ 1.00	

Sr. No	34		35		36	
Name of Subsidiaries	UltraTech Cement Bahrain Company WLL, Bahrain[@]		Swiss Merchandise Infrastructure Limited[#]	Merit Plaza Limited[#]	Bhumi Resources (Singapore) PTE. Ltd (Bhumi)[#$$]	
Currency	BHD in crore	₹ in crore	₹ in crore	₹ in crore	USD in crore	₹ in crore
Share Capital (Equity)	0.03	6.54	0.05	0.05	1.51	124.08
Other Equity	1.33	289.79	1.89	(35.74)	(1.50)	(122.92)
Total Assets	1.69	369.25	59.82	7.30	0.02	1.24
Total Liabilities	0.33	72.92	57.88	42.99	0.00	0.08
Investments	-	-	-	-	-	-
Revenue from Operations	1.18	251.64	-	-	-	-
Profit/(Loss) before Tax	0.12	26.02	ß	ß	(0.01)	(0.59)
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	0.12	26.02	ß	ß	(0.01)	(0.59)
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%		100.00%	100.00%	100.00%	
Exchange Rate as on 31st March 2023	BS - BHD 0.0046 = ₹ 1.00		NA	NA	BS - USD 1.00 = ₹ 82.1700	
	PL - BHD 0.0047 = ₹ 1.00				PL - USD 1.00 = ₹ 80.4011	

@ Subsidiaries of UltraTech Cement Middle East Investment Ltd.

$$ These have been classified as assets held for sale.

Subsidiaries of UltraTech Nathdwara Cement Ltd.

ß Represents that the amount is less than 50,000

Sr. No	37		38		39	
Name of Subsidiaries	Star Super Cement Industries LLC (SSCILLC) @@		Duqm Cement Project International, LLC, Oman (w.e.f. 29th January 2023) @@		PT Anggana Energy Resources $$	
Currency	AED in crore	₹ in crore	OMR in crore	₹ in crore	IDR in crore	₹ in crore
Share Capital (Equity)	3.19	71.46	0.05	11.30	568.80	3.12
Other Equity	2.63	58.79	-	-	(471.82)	(2.59)
Total Assets	20.02	447.99	0.05	11.35	950.40	5.21
Total Liabilities	14.20	317.73	ß	0.05	853.42	4.68
Investments	-	-	-	-	-	-
Revenue from Operations	26.91	588.84	-	-	-	-
Profit/(Loss) before Tax	3.22	70.43	-	-	(12.60)	(0.07)
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	3.22	70.43	-	-	(12.60)	(0.07)
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%		UCMEIL - 70%		100% of BHUMI	
Exchange Rate as on 31st March 2023	BS - AED 0.0447 = ₹ 1.00		BS - OMR 0.0502 = ₹ 1.00		BS - IDR 182.4660 = ₹ 1.00	
	PL - AED 0.0457 = ₹ 1.00		PL - OMR 0.0493 = ₹ 1.00		PL - IDR 187.5470 = ₹ 1.00	

Sr. No	40		41		42	
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	0.11	ß	ß
Other Equity	2.42	0.09	249.07	8.76	0.59	0.01
Total Assets	2.42	0.09	252.53	8.89	0.59	0.01
Total Liabilities	-	-	0.25	0.01	-	-
Investments	-	-	-	-	-	-
Revenue from Operations	-	-	-	-	-	-
Profit/(Loss) before Tax	-	-	-	-	-	-
Tax Expenses	-	-	-	-	-	-
Profit/(Loss) for the Year	-	-	-	-	-	-
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%		100.00%		100.00%	
Exchange Rate as on 31st March 2023	BS - TZS 28.4215 = ₹ 1.00		BS - TZS 28.4215 = ₹ 1.00		BS - UGX 45.9097 = ₹ 1.00	
	PL - TZS 28.9992 = ₹ 1.00		PL - TZS 28.9992 = ₹ 1.00		PL - UGX 46.4523 = ₹ 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

Sr. No	43	44	45	46	47	48
Name of Subsidiaries	Aditya Birla Capital Limited (ABCL)	Aditya Birla Housing Finance Limited !!	Aditya Birla Finance Limited !!	Aditya Birla PE Advisors Private Limited !!	Aditya Birla Capital Technology Services Limited !!	Aditya Birla Trustee Company Private Limited !!
Currency	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share Capital (Equity)	2,417.99	501.20	662.10	3.50	1.80	0.05
Other Equity	7,679.95	1,466.80	10,764.11	0.73	(39.23)	0.38
Total Assets	10,282.24	14,072.15	84,122.82	4.30	4.10	0.45
Total Liabilities	184.30	12,104.15	72,696.61	0.07	41.53	0.02
Investments	10,213.91	125.37	3,702.70	3.17	-	0.44
Revenue from Operations	218.56	1,405.25	8,236.87	-	20.85	-
Profit/(Loss) before Tax	184.20	308.52	2,090.18	0.11	0.12	ß
Tax Expenses	42.91	67.59	536.43	0.02	-	ß
Profit/(Loss) for the Year	141.29	240.93	1,553.75	0.09	0.12	ß
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	54.15%	100.00%	100.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31st March 2023	NA	NA	NA	NA	NA	NA

Sr. No	49	50	51	52	53	54
Name of Subsidiaries	Aditya Birla Insurance Brokers Limited !!	Aditya Birla Money Mart Limited !!	Aditya Birla Money Insurance Advisory Services Limited !!!	Aditya Birla Capital Digital Limited (w.e.f. 23rd March 2023) !!	Aditya Birla Sun Life Trustee 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	25.00	0.02	11.67
Other Equity	137.34	0.51	9.42	(19.09)	1.41	11.43
Total Assets	297.21	142.23	16.99	25.69	1.70	33.70
Total Liabilities	154.74	48.52	2.60	19.78	0.27	10.60
Investments	152.38	28.70	8.05	-	1.57	17.93
Revenue from Operations	607.14	-	22.06	0.05	0.10	13.00
Profit/(Loss) before Tax	97.26	(3.09)	5.07	(19.09)	0.14	1.98
Tax Expenses	24.68	5.02	0.16	-	0.03	-
Profit/(Loss) for the Year	72.58	(8.11)	4.91	(19.09)	0.11	1.98
Proposed/Interim Dividend	60.02	-	-	-	-	-
Percentage Holding as on 31st March 2023	50.002%	100.00%	100.00%	100.00%	50.85%	51.00%
Exchange Rate as on 31st March 2023	NA	NA	NA	NA	NA	NA

!! Subsidiaries of Aditya Birla Capital Limited

!!! Wholly-owned subsidiaries of Aditya Birla Money Mart Limited

ß Represents that the amount is less than 50,000

Sr. No	55	56	57		58	
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	0.01	0.37	1.36	84.05
Other Equity	2.05	2,364.95	0.11	9.32	(0.41)	(25.18)
Total Assets	126.14	2,776.64	0.12	9.87	1.01	62.56
Total Liabilities	124.04	267.69	ß	0.18	0.06	3.69
Investments	-	2,428.19	-	-	-	-
Revenue from Operations	-	1,205.23	0.01	0.83	0.44	25.50
Profit/(Loss) before Tax	0.36	788.41	(0.01)	(0.48)	0.09	5.33
Tax Expenses	-	197.48	ß	ß	-	-
Profit/(Loss) for the Year	0.36	590.93	(0.01)	(0.48)	0.09	5.33
Proposed/Interim Dividend	-	295.20	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%	50.01%	100.00%		100.00%	
Exchange Rate as on 31st March 2023	NA	NA	BS - USD 1.00 = ₹ 82.1825		BS - 1.00 SGD = ₹ 61.8022	
			PL - USD 1.00 = ₹ 80.3971		PL - 1.00 SGD = ₹ 58.5565	

Sr. No	59		60	61	62	63
Name of Subsidiaries	Aditya Birla Sun Life Asset Management Company Ltd., Dubai ^^		Aditya Birla Money 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	25.68	5.65	100.00	14.80	1,938.23
Other Equity	(0.21)	(17.18)	103.53	74.01	16.94	987.87
Total Assets	0.14	11.61	1,363.42	600.70	38.62	73,412.13
Total Liabilities	0.04	3.10	1,254.24	426.69	6.88	70,486.03
Investments	-	-	403.59	505.46	36.40	70,051.09
Revenue from Operations	0.17	13.45	262.96	82.02	11.63	17,997.06
Profit/(Loss) before Tax	0.01	0.52	46.68	34.84	10.29	153.85
Tax Expenses	-	-	12.78	8.76	2.56	15.35
Profit/(Loss) for the Year	0.01	0.52	33.90	26.08	7.73	138.50
Proposed/Interim Dividend	-	-	-	-	-	-
Percentage Holding as on 31st March 2023	100.00%		73.60%	100.00%	100.00%	51.00%
Exchange Rate as on 31st March 2023	BS - USD 1.00 = ₹ 82.1825		NA	NA	NA	NA
	PL - USD 1.00 = ₹ 80.3971					

!! 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	64
Name of Subsidiaries	Aditya Birla Sun Life Pension Management Limited ¥¥¥
Currency	₹ in crore
Share Capital (Equity)	73.00
Other Equity	(18.31)
Total Assets	60.98
Total Liabilities	6.29
Investments	53.89
Revenue from Operations	0.87
Profit/(Loss) before Tax	(5.77)
Tax Expenses	(0.04)
Profit/(Loss) for the Year	(5.73)
Proposed/Interim Dividend	-
Percentage Holding as on 31st March 2023	51.00%
Exchange Rate as on 31st March 2023	NA

¥¥¥ wholly-owned subsidiary of Aditya Birla Sun Life Insurance Company 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 (Odisha) SPV Limited
(ii) ABReL (MP) Renewables Limited
(iii) ABReL Century Energy Limited
(iv) ABReL (RJ) Projects Limited
(v) ABReL Green Energy Limited
(vi) Grasim Business Services Private Limited

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

(i) Mukundan Holdings Limited (struck off w.e.f. 27th April 2022)
(ii) PT UltraTech Mining Indonesia (Liquidated w.e.f. 14th June 2022)
(iii) PT Ultratech Mining Sumatera (Liquidated w.e.f. 14th June 2022)
(iv) PT UltraTech Investment Indonesia (Liquidated w.e.f. 14th June 2022)
(v) PT UltraTech Cement Indonesia (Liquidated w.e.f. 14th June 2022)
(vi) Murari Holdings Limited (struck off w.e.f. 30th September 2022)
(vii) Krishna Holdings Pte. Limited (Liquidated w.e.f. 24th November 2022)
(viii) ABCAP Trustee Company Private Limited (struck off w.e.f. 21st January 2023)

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 ('IOF') and has no beneficial interest or ownership on IOF's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IOF. Hence these Companies are not included in AOC-1.

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 B : Joint Ventures/Associates

in ₹ crore

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			Networth 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#	31.03.2023	1,152,560	1.09	11.17%	0.98	0.06	0.01	0.05
2	Bhaskarpara Coal Company Limited	31.03.2023	8,141,050	8.19	47.37%	6.29	0.02	0.01	0.01
3	AV Group NB Inc.	31.03.2023	204,750	153.04	45.00%	626.77	(253.89)	(114.25)	(139.64)
4	Birla Jingwei Fibres Company Limited	31.03.2023	-	117.40	26.63%	54.05	(46.28)	(12.32)	(33.95)
5	Bhubaneswari Coal Mining Limited	31.03.2023	33,540,000	33.54	26.00%	201.18	128.50	33.41	95.09
6	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	31.03.2023	16,665	0.47	33.33%	0.57	0.12	0.04	0.08
7	Aditya Group AB	31.03.2023	50	274.89	33.33%	418.40	124.54	41.51	83.03
8	AV Terrace Bay Inc. (AVTB)@	31.03.2023	28,000,000	156.36	40.00%	-	(74.79)	-	(74.79)
9	Aditya Birla Science & Technology Co. Private Limited#	31.03.2023	9,899,500	11.35	49.50%	36.91	16.73	8.28	8.45
10	Birla Advanced Knits Pvt Ltd	31.03.2023	25,000,000	25.00	50.00%	23.03	(3.69)	(1.84)	(1.84)
11	Renew Surya Uday Pvt Ltd#	31.03.2023	5,104,000	29.82	26.00%	31.05	4.13	1.07	3.06
12	Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E#	31.03.2023	149,016,781	837.58	29.79%	513.56	(70.10)	(20.88)	(49.22)
13	Greenyana Sunstream Private Limited#	31.03.2023	3,217,970	4.18	22.30%	4.18	(0.76)	(0.17)	(0.59)
14	Aditya Birla Health Insurance Co. Ltd	31.03.2023	233,006,086	997.53	45.91%	3,032.67	(56.71)	(26.06)	(30.71)

Represents Associates

@ The Company has discontinued recognising its share of further losses as it exceeds the Company's interest in AVTB as per Ind AS 28

For and on behalf of the Board of Directors

Harikrishna Agarwal
Managing Director
DIN : 09288720

Dr. Santrupt Misra
Non-executive Director
DIN: 00013625

N. Mohan Raj
Independent Director
DIN: 00181969

Pavan Kumar Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Date : 26th May 2023
Place : Mumbai

Annexure 'B' to the Board's Report

Independent Auditors' Certificate on Corporate Governance

To the Members of
Grasim Industries Limited

We have examined the compliance of conditions of Corporate Governance by Grasim Industries Limited (the 'Company'), for the year ended 31st March 2023, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

MANAGEMENT'S RESPONSIBILITY

The compliance of the conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation, and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

OPINION

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations

We further state that such compliance 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.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
FRN-105146W/W100621

Gautam Shah
Partner
Membership No.: 117348
ICAI UDIN: 23117348BGSZIR2644

Place: Mumbai
Date: 26th May 2023

Annexure 'C' to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to the 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 Businesses of the Company:

i) Viscose Staple Fibre (VSF) Units

- Reuse and recycling waste heat to reduce specific energy consumption:
  - Pre-heating of process liquor streams using waste heat to reduce steam (and coal) consumption.
  - Pre-heating of air streams in fibre and salt dryers using waste heat and steam condensates.
  - Increased usable waste heat by separation of pure vapor condensate from acidic/ alkaline steam condensates.
  - Modification of pulp relay systems to reduce steam used for flushing/cleaning.
- Adoption of high efficiency equipment to reduce energy consumption:
  - Adoption of energy efficient pumps and variable frequency drives for various applications including chilling, boiler feed and water treatment.
  - Replacement of HPMV lamps and convention light fittings with LED lights for power reduction.
  - Adoption of high efficiency helical gear box in place of worm and worm wheel reduction gear boxes.
  - Bypassing old inefficient auxiliary pumps through interconnection with new lines and pumps.
  - Replacement of old inefficient chillers with efficient technology, increasing capacity of heat exchangers to avoid heat loss during cleaning.
- Process improvement to conserve energy:
  - Debottlenecking of spinning lines to improve productivity helping in reduction of specific energy consumption.
  - Optimisation of dryer speed for effective use of steam.

ii) Chlor-Alkali and Chlorine Derivatives Units

- Remembraning and recoating of fourteen electrolyser resulted in overall power saving.
- Optimisation of chlorine compressor and liquefaction sections of units has resulted in energy conservation.
- Upgraded process equipment, conventional lighting replaced with LED technology, installed Variable Frequency Drive and energy efficient motors (IE-3 grade) motors by replacing the old non-IE standard motors resulting in power savings.
- Reduction in steam consumption by 230 tonne/ day by revamping of caustic concentration units (CCUs) and modification of heating, vacuum and steam systems across all sites
- Installation of energy efficient boiler at Veraval has resulted in saving of coal consumption.
- Installed advance process control (automation of coal combustion to improve coal combustion efficiency) to optimise coal usage.

iii) Textile Units

- Replacement of old and inefficient motors with energy efficient IE3 grade motors.
- Installed variable frequency drives at humidification towers, zero liquid discharge and in other machines.
- Replacement of electric heating with steam heating at Autoclave Machines in Worsted Plant.
- Replacement of inefficient compressor with energy efficient compressor at Wool Combing.
- Installation of pressure reducing station at fibre Dye House for steam pressure optimisation.

iv) Viscose Filament Yarn (VFY) Units

- Improved efficiency of co-gen power plant by optimisation and improved turbine ratio by replacing old rotor with new better designed rotor.
- Energy consumption reduction by upgradation to energy efficient motors, through optimisation such as the use of VFD, speed regulation and mixer motor power optimisation.
- Replacement of conventional tube lights with LED lights and conventional ceiling fans with Brush Less Direct Current fans.
- Steam savings through economiser upgradation of acid plant, waste heat recovery boiler, steam trap system improvement and insulation and installation of PRS system.

v) Insulator Units

- Installed recuperator in kilns to recover waste heat thus improving fuel efficiency.
- Modification in kiln burners for improving combustion efficiency of kilns.
- Replacement of high power pumps by efficient air-cooled pumps for energy saving.

vi) Speciality Chemicals (Epoxy Polymers & Curing Agents) Units

- Replaced old heating ventilation and air conditioning (HVAC) system by new energy efficient system.
- Installed new Air Compressor (500 Nm3) with variable frequency drive and energy efficient motor.

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

i) Viscose Staple Fibre (VSF) Units

- Utilisation of agri based alternate fuel in captive power plant helped in reduction of CO_2 emissions.

ii) Chlor-Alkali and Chlorine Derivatives Units

- Renewable power share has been 8% of total power consumed - Renewable power commissioned during the year at Karwar (Wind) 5.7 MW (Net); Balabhadrapuram (Solar) 2.3 MW (Net) and Ganjam (Solar) 1.3 MW (Net).

c) The capital investment on energy conservation equipments

Total Investment made of ₹ 53.95 crore.

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

i) Viscose Staple Fibre (VSF) Units

- Design change and process optimisation in waste gas scrubber.
- Adoption of vapour absorption machine (VAM) for chilling.
- AI based visual inspection of spinnerets for quality and reliability improvement.

ii) Chlor-Alkali and Chlorine Derivatives Units

- Commissioned 200 TPD Caustic Soda plant at Balabhadrapuram with state-of-the-art German technology (TKIS).
- Installed HCL furnace at Ganjam with Mersean technology; which can generate steam (45 TPD) as well by utilising the heat of reaction while HCL production.

iii) Viscose Filament Yarn (VFY) Units

- Development and usage of in-house designed spinneret for production of high Denier Per Filament (DPF) yarn.
- Development of in-house designed hybrid spinneret for improved cross section of yarn.
- Adopting digitalisation techniques (for condition monitoring of critical equipment thus enabling business to get the real time information).

iv) Speciality Chemicals (Epoxy Polymers & Curing Agents) Units

- Installed stainless steel wire mesh auto flushing filter in place of cartridge filter resulting in cost reduction, process streamlining and reduction of hazardous waste generation.

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

i) Viscose Staple Fibre (VSF) Units

- Reduction in energy consumption with adoption of VAM, design change and process optimisation.
- Improvement in reliability and quality with the use of AI based inspection system.

ii) Viscose Filament Yarn (VFY) Units

- Successfully developed microfilament and hybrid yarn in CSY to create new market/ product segment with enriched fabric (better feel) to meet latent demand of consumers.
- Digitalisation techniques are helping to improve quality of product, reliability of equipment and cost optimisation thus moving towards smart manufacturing.

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

Chlor-Alkali and Chlorine Derivatives Units

- TKIS technology from Germany used in 200 TPD caustic plant at BB Puram.
- Mersen technology used in HCL furnace having steam generation facility.

d) The expenditure incurred on Research and Development:

Expenditure	₹ in crore
For In-house R&D	
a. Capital	14.39
b. Revenue	83.38
Contribution to Scientific Research Company	26.68
Total R&D Expenses	**124.45**

C. Foreign Exchange Earnings and Outgo

	₹ in crore
• Foreign Exchange used :	10,715.45
• Foreign Exchange earned :	3,206.60

Annexure 'D' to the Board's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023
[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
Birlagram, Nagda-456331,
District-Ujjain, Madhya Pradesh.

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 'the Company') for the financial year ended on 31st March 2023 (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 virtual data room /physically 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 Company's 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 2023, 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.

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 in terms of 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;

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021.

*The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirement of regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118 (10) of the Act which have mandatory application.

1.2 During the period under review:

(i) The Company has complied with all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.

(ii) 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, which are applicable to the meetings of the Board, Committees constituted by the Board held during the year, the 75th Annual General Meeting (AGM) held on 29th August 2022 and the postal ballots conducted by the Company which concluded on 21st March 2023. 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 Acts /Regulations were not applicable to the Company

(i) Foreign Exchange Management Act, 1999 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(v) 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

Statute which is applicable to the Company: -

a) The Environment Protection Act, 1986;

2. BOARD PROCESSES OF THE COMPANY:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2023 comprised of:

(i) One Executive Director -Mr. Harikrishna Agarwal (DIN: 09288720)

(ii) Six Non-executive Non-independent Directors - Mr. Kumar Mangalam Birla (DIN: 00012813), Smt. Rajashree Birla (DIN: 00022995), Ms. Ananyashree Birla (DIN: 06625036), Mr. Aryaman Vikram Birla (DIN: 08456879), Mr. Raj Kumar (DIN: 06627311) and Dr. Santrupt Misra (DIN: 00013625).

(iii) Seven Non-executive Independent Directors, including one Woman Independent Director, Ms. Anita Ramachandran (DIN: 00118188), Mr. N. Mohan Raj (DIN: 00181969), Mr. Yazdi Piroj Dandiwala (DIN: 01055000), Dr. Thomas Martin Connelly Jr. (DIN: 03083495), Mr. V. Chandrasekaran (DIN: 03126243), Mr. Adesh Kumar Gupta (DIN: 00020403) and Mr. Cyril Shroff (DIN: 00018979).

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:

1. Resignation of Mr. Ashish Adukia as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 14th August 2022.

2. Appointment of Mr. Pavan Kumar Jain as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 15th August 2022 at the Meeting of Board of Directors held on 16th June 2022.

3. Appointment of Ms. Anita Ramachandran (DIN: 00118188) as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 14th August 2023 up to 13th August 2028 at 75th Annual General meeting held on 29th August 2022.

4. Re-appointment and continuation of Smt. Rajashree Birla (DIN: 00022995) as a Non-Executive Director of the Company, liable to retire by rotation at 75th Annual General Meeting held on 29th August 2022.

5. Re-appointment and continuation of Mr. Shailendra Kumar Jain (DIN: 00022454) as a Non-executive Director of the Company, liable to retire by rotation at 75th Annual General Meeting held on 29th August 2022.

6. Resignation of Mr. Shailendra Kumar Jain (DIN: 00022454) as a Non-executive Director of the Company with effect from 1st February 2023.

7. Appointment of Ms. Ananyashree Birla (DIN: 06625036) and Mr. Aryaman Vikram Birla (DIN: 08456879) as Additional Directors (Non-Executive and Non-independent Director), on the Board of the Company with effect from 6th February 2023. Subsequently their appointment as Directors, liable to retire by rotation, has been approved by the members of the Company through postal ballot on 21st March 2023.

8. Appointment of Mr. Yazdi Piroj Dandiwala (DIN: 01055000) as an Additional Director (Non-Executive and Independent Director) on the Board of the Company with effect from 6th February 2023. Subsequently his appointment as an Independent Director has been approved by the members of the Company through postal ballot on 21st March 2023 for a term of five consecutive years with effect from 6th February 2023 up to 5th February 2028.

2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda of at least seven days was given to all the Directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and the Secretarial Standard on meetings of the Board of Directors.

2.4 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.5 We note from the minutes examined that, at the Board meetings held during the year:

(i) Decisions were taken 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 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

4.1 During the year under review, the following specific events/ actions, having a major bearing on the Company's affairs took place: –

1. Allotment of 10,000 7.5% Rated, Listed, Unsecured Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 1,000 crore on private placement basis, approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 10th June 2022.

2. Approval of Board of Directors has been obtained at its meeting held on 19th July 2022 for entering into B2B e-commerce Platform for the Building Materials Segment and to make initial Investment of up to ₹ 2,000 crore over the 5 years, primarily towards Capital Expenditure in B2B e-commerce business.

3. Approval of Board of Directors has been obtained at its meeting held on 12th August 2022 to invest up to ₹ 525 crore as an additional equity share capital in solar subsidiaries in one or more tranches, for setting up of 300 MW and 200 MW (Greenshoe Option) aggregating to 500 MW Solar Photovoltaic Projects in the state of Gujarat.

4. The Board of Directors at its meeting held on 19th July 2022 and the members of the Company at 75th Annual General Meeting held on 29th August 2022 approved, *inter alia*, the following:

   i Adoption of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022.

   ii Extending the benefits of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the group companies, including subsidiary and associate companies of the Company.

   iii Approval of (a) the use of the trust route for the implementation of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (the Scheme 2022); (b) secondary acquisition of the equity shares of the Company by the trust; and (c) grant of financial assistance/ provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2022.

5. Incorporation of New Wholly-owned Subsidiary of the Company in the name Grasim Business Services Private Limited on 4th January 2023, was approved in the meeting of Board of Directors held on 14th November 2022.

6. Approval of Board of Directors has been obtained at its meeting held on 14th November 2022 to increase in borrowing limits of the Company from ₹ 10,000 crore to ₹ 12,500 crore.

7. Allotment of 10,000 7.63% Rated, Listed, Unsecured Redeemable NCDs aggregating to ₹ 1,000 crore on private placement basis, approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 1st December 2022.

8. Allotment of 1,36,700 Equity Shares against exercise of options by the grantee(s) under Employee Stock Option Schemes of the Company during the financial year 2022-23.

9. 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 has been extended from time to time. The matter was fixed for hearing on 28th February 2023.

10. 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 has filed a writ petition before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court directed that CCI will not take any precipitative steps against the Company till the next date of hearing. The matter was fixed for hearing on 7th March 2023.

11. 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]
[PR No.: 637/2019]

Avinash Bagul
Partner
FCS No.: F5578
COP No.: 19862
UDIN: F005578E000364464

Place: Mumbai
Date: 26th May 2023

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

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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]
[PR No.: 637/2019]

Avinash Bagul
Partner
FCS No.: F5578
COP No.: 19862
UDIN: F005578E000364464

Place: Mumbai
Date: 26th May 2023

Annexure 'E' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company is actively contributing to the social and economic development of the communities in which it operates. The Company is doing so in sync with the United Nations Sustainable Development Goals to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

The Company's Corporate Social Responsibility ('CSR') policy conforms to the National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India.

2. Composition of CSR Committee:

Sl. 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. Harikrishna Agarwal	Member, Managing Director	2	2
4.	Mr. Shailendra Kumar Jain*	Member, Non-executive Director	1	1

** Ceased to be a Member of the Committee w.e.f. 1st February 2023*

Dr. Pragnya Ram, Group Executive President – CSR is a Permanent Invitee to the CSR Committee.

3. Provide the web-link(s) 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 executive summary along with web-link(s) 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:

The Company had appointed independent agency to undertake impact assessment for eligible CSR projects of the Company.

The detailed reports of impact assessment carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the independent agency can be accessed on the Company's website at https://www.grasim.com/sustainability/corporate-social-responsibility Executive summary of the aforesaid impact assessment reports are attached as **Annexure** to this report.

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 1,497.56 crore

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 29.95 crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 29.95 crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 38.66 crore*

(b) Amount spent in Administrative Overheads: ₹ 0.98 crore

(c) Amount spent on Impact Assessment, if applicable: ₹ 0.21 crore

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 39.85 crore

*Additional ₹ 20.03 crore (including Administrative Overheads) spent towards voluntary CSR activities.

(e) 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 sub-section (6) of Section 135#		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
The Company has spent ₹ 34.16* crore towards obligatory CSR activities and additionally ₹ 20.03 crore as voluntary CSR activities (including of administrative overheads).	₹4.50 crore	27.04.2023	-	-	-

*Excludes amount spent on Impact Assessment of ₹ 0.21 crore and CSR of ₹ 4.50 crore which remains unspent and classified as ongoing projects by the Board and it has been transferred to separate bank account in April 2023.

#The Company has spent over the obligatory requirement of two percent of average net profit of the Company as per Section 135(5). Additionally, a sum of ₹ 4.50 crore was classified as ongoing projects.

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

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	29.95
(ii)	Total amount spent for the Financial Year*	54.19
(iv)	Excess amount spent for the Financial Year [(ii)-(i)]#	24.24
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(vi)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

*Excludes amount spent on Impact Assessment of ₹ 0.21 crore and CSR of ₹ 4.50 crore which remains unspent and classified as ongoing projects by the Board and it has been transferred to separate bank account in April 2023.

#The Company shall not utilise the excess CSR amount spent in FY23 towards set-off of CSR expenses in succeeding three financial years.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	FY – 1 [2021-22]#	4.75 crore	-	4.75 crore	-	-	-	-
2.	FY – 2 [2020-21]	-	-	-	-	-	-	-

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
3.	FY – 3 [2019-20]	–	–	–	–	–	–	–
	Total	**4.75 crore**	**–**	**4.75 crore**				

The Company has spent over the obligatory requirement of two percent of average net profit of the Company as per Section 135(5) in FY 2021-22. Additionally, a sum of ₹ 4.75 crore was classified as ongoing projects.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/ No): None

If Yes, enter the number of Capital Assets created/ acquired: Not applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 – Not Applicable

Harikrishna Agarwal
Managing Director
DIN: 09288720

Rajashree Birla
Chairperson, CSR Committee
DIN: 00022995

Mumbai, 26th May 2023

ANNEXURE

Executive Summary of Impact Assessment Reports

Grasim Industries Limited ('Grasim' or 'the Company') conducts its CSR engagements under the aegis of Aditya Birla Centre for Community Initiatives and Rural Development. Its articulated vision centres on inclusive growth and freedom from poverty, pivoted on the UNSDG Goals. Its focus areas are Education, Healthcare, Rural Development, sustainable livelihood, infrastructure development, and social reform. This Summary based on qualitative and quantitative research represents Grasim's endeavours to foster Education, Healthcare and Rural Development:

1. EDUCATION

The Company's activities span 70 villages and reach out to more than 10,000 students. It aims to stoke learning and curiosity among children through its formal as well as informal Schools. During the Covid-19 pandemic, Grasim extended significant support to schools to ensure the continuance of studies.

Digital literacy classes including the installation of digital boards in classrooms generated great interest in the course curriculum with E-literacy programmes benefiting more than 4,000 students. In Nagda all the 3 Aditya Birla Schools were digitally equipped with 57 classrooms having digital boards. More than 40 percent of the students in these schools at Nagda comprised of girls. Furthermore To increase the enrolment of girls in schools and reduce the number of dropouts, many initiatives were floated by the Company.

The assessment study covered more than 1,000 students, out of which 50% were girls. More than 150 teachers and around 200 parents from ABG schools, primary schools, and Anganwadis participated in the assessment. The study adopted a mixed method approach leveraging both, quantitative and qualitative data. It was conducted across 24 villages in Nagda, Kharach, and Veraval covering Anganwadis, Primary schools, and Aditya Birla schools through in-person interactions. To gain an insight into the scale and depth of involvement and its impact, Interviews and Focus Group Discussions were held with multiple stakeholders such as parents, teachers, and implementing partners.

The majority of the parents and teachers stated that the focus of the students in pursuing higher education is increasing. Approximately 86% respondents showed keen interest in pursuing higher education rather than opting for a job or joining their family business. Grasim believes that Girls' education plays a vital role in women's empowerment and a stable and successful society. To push this forward Grasim makes efforts to foster the girl child and provide equal opportunity to them. 94% of the girls affirmed that there was no discrimination whatsoever in schools and equal opportunities irrespective of gender is the norm.

The key findings of the study are as indicated:

- 75% of students opined that they feel more involved in the education process due to innovative and interactive teaching provided through digital boards.
- 72% of teachers expressed that the participation of girls has increased in cultural activities like sports and arts.
- Teachers received Special training, advancement of teaching and online classes, and extra logistic support for conducting online classes.
- 95% of respondents expressed that because of the career guidance the students are gaining confidence and are appearing for the competitive exams and their grades have improved due to the extra efforts.
- Due to the scholarship programme for the girl child, 50% of families let their daughters continue to study.
- More than 75% of the students reported having substantially efficient and effective facilities in schools.
- The medical check-up initiative at Anganwadis shows a shift in the outlook of parents about the health awareness of their kids'. Early detection of health issues in their child has helped them manifold with both preventive and curative measures.

Overall, Grasim's work in the field of Education has been impressive. Grasim should continue with all of its measures and scale it to a higher level, bearing in mind the technological shifts and advancements in this field.

2. HEALTHCARE

Grasim has always looked upon the Healthcare needs of communities in proximity to its plants as a responsibility. Its cohort of employees are drawn from among the communities. Its healthcare initiatives benefit a populace of over 2,00,000 in Nagda, Kharach, Veraval, Ujjain, and Pune. The Company has accorded healthcare services at very nominal costs to people from more than 350 villages in its 4 hospitals. Most of these people live on the fringes of society given the lack of accessible healthcare services, the 150 bedded hospital in Nagda caters to critical needs of patients coming from a radius of as far as 100 km.

Grasim's healthcare intervention encompasses holding regular health camps onsite and through mobile health camps, advanced medical equipment, and innovations such as Robotic surgery for the treatment of cancer and more.

During the pandemic, Grasim rendered exemplary services. It has distributed 2.50 lakh masks, 150 PPE kits, conducted more than 4,500 RTPCR tests in Nagda, Ujjain, Veraval, and Kharach, provided 80,500 PPE kits and 2 lakh N95 masks to Brihanmumbai Municipal Corporation.

During the assessment process, more than 500 beneficiaries participated. These comprised of doctors, medical camp workers, other staff members, patients, and their family members. We engaged in In-depth interviews and Focus Group Discussions.

During the study, it was observed that specialist doctors in different fields were engaged in providing requisite healthcare facilities to patients. The Company organised 61 heath camps benefitting over 3400 patients. 84% of patients from Veraval benefitted with amazing vision after cataract surgery. The Tuberculosis awareness, HIV aids Awareness and vaccination programmes made unique impact as people became conscious about their choices as well as responsible with regular check-ups and vaccinations.

The key highlights of the study are as under:

1. 81% of the respondents expressed receiving lifesaving medical facilities.
2. 76% of the respondents from Veraval were more than satisfied, as they received adequate medical facilities. They further highlighted that since these were accorded within a distance of 5 Km from their place of residence, it resulted in saving the travel cost, time, and efforts besides getting timely treatment.
3. Medical Service at the doorstep was another positive. It made a huge difference to the elderly villagers. They did not have to lose their day earnings, which gave them a sense of comfort.
4. Accessibility and convenience increased for all patients, especially for pregnant women while vaccination health camp support proving helpful to newly born kids.
5. 86% of the respondents preferred Grasim's hospitals because of ease of appointment, while 81% of the respondents were pleased to receive immediate treatment.
6. Use of robotic instruments in cancer treatment has resulted in reduced surgeons' fatigue and increased efficiency.
7. During the pandemic, the timely and proactive intervention provided much-needed support to beneficiaries in difficult situations.
8. 90% of the respondents gave a rating ranging between 'Good' to 'Excellent' for the quality and efficiency of doctors in the hospitals.

In sum, Grasim's medical services as part of its CSR engagement have gone a long way in communities looking upon Grasim as a Force for Good.

3. RURAL DEVELOPMENT

Rural Development has supported ~70 villages in the vicinity of Nagda and Veraval. The project aims to provide livelihood in a locally appropriate and environmentally sustainable manner in alignment with SDGs. For the development of the rural areas, Grasim has undertaken multiple initiatives namely: Pashudhan Vikas for developing the infrastructure related to animals and animal husbandry, Organic Farming along with support to the farmers on plantation and irrigation techniques, Water Conservation, Safe drinking water, women empowerment and Aadyam for preserving the cultural heritage of the Country.

The brief highlights of the outcome of the rural development projects are:

Name of the project	Impact highlight of the project	Aligned SDG
Pashudhan Vikas Kendra (PVK)	Conducted **3 Cattle Breed Improvement Projects through Artificial Insemination (AI)** in Nagda. The project was done on overall **2538 cattle** and **859 Calves** were born through AI.	SDG – 1, 2 and 8
Organic farming	Referring to organic Farming intervention, **~250 farmers from 15 villages** were trained by Grasim on Zero Budget Farming and Vermicompost **in Veraval. 7200 Saplings** were planted (Fruits & Forest Species) **in Nagda.**	SDG – 1,2,8 and 13
Women Empowerment	Aiming toward women's empowerment, Grasim imparted sewing training and supported more than **300 women** of Nagda and Veraval.	SDG – 4, 8 and 10
Water conservation	Grasim has carried out Water Conservation activity in Nagda where One Pond was constructed in Parmarkhedi village and Check dam renovations were done in 5 villages resulting in a total capacity of 50 MCFT.	SDG – 6 and 13
Safe Drinking water	Support for safe drinking water facility was provided in 5 villages.	SDG -3 and 6
Aadyam	Support to traditional artisans in Bhuj, Varanasi, Pochampally, Gadwal, Kashmir, and Bhadohi. Onboarded 170 artisans through D2A approach.	SDG – 8 and 11

Sample Size: During the impact assessment, 90 women participated from women empowerment projects, out of which approximately 60 women beneficiaries were in the age group of 21 to 40 years. 110 farmers participated in the study for the projects impacting farming community and animal husbandry.

Impact Assessment

- **Pashudhan Vikas Kendra (PVK):** Approximately 60% of the respondents reported that their income has increased above ₹ 10,000 per month due to an increase in production of milk and improvement of its quality. Approx. 80% reported having decreased monthly expenditure per cattle after using facilities at PVK. As a part of AI exercise, 3,500 cattle were provided with Micro-nutrient support and animal Vaccination. 89% of beneficiaries reported having increased the number of cattle after using the facility of PVK.

- **Water conservation:** The agricultural and civic community uses more than 45% of total water storage created by the Company covering more than 1.5 lakh population. The awareness programmes organised by the Company to address the issue of water scarcity and overall to create environmental awareness were attended by 95% of the respondents. 92% of respondents reported that check dams have increased the availability of water for most of the year.

- **Organic farming:** Around 1,400 farmers were covered for on-field demonstration and training. 96% of the respondents reported having reduced their expenditure due to self-sufficiency in Vermicomposting method. 68% of the respondents have even started earning additional income due to this activity from the year of intervention. 95% of respondents reported that the project helped them increase yield in their farms successfully.

- **Safe Drinking water:** More than 70% of the respondents during the assessment reported using the water from pipe, borewell, wells, and river directly without filtering. Installation of the RO plant has provided clean drinking water which has saved the beneficiaries from diseases such as cholera, diarrhea, typhoid, dysentery, and other waterborne diseases. It has helped villagers in saving time, effort & money.

- **Women empowerment:** During Covid 19, 3.25 lakh face Masks were stitched by Women earning around ₹ 3,000 per month. As an impact of the skill development, 99% of the respondents stated that they enjoy tailoring work. 78% of beneficiaries responded that they get enough stitching work due to their skills acquired through Grasim's programme. 95% of the respondents proudly mentioned that they feel respected within the community because of their earning capabilities. As an impact of skill development, approx. 400 SHGs have been formed having more than 5,000 members.

- **Aadyam – Promotion of art and culture:** The project has helped in creation of self-sustaining ecosystem, improvement in quality of life of weavers, and providing visibility to artisans' craft. During last three years, number of looms increased from 60 to 168, clusters from 3 to 6, and units produced from 1849 units to 4468. Aadyam has helped in preserving traditional weaving forms by upskilling, design, marketing, and entrepreneurship, besides creating sustainable livelihood options.

The Company has already taken initiatives by forming self-help groups for women and FPOs for farmers which will give much needed sustainability to the rural development projects.

Annexure 'F' to the Board's Report

GRASIM INDUSTRIES LIMITED, AN ADITYA BIRLA GROUP COMPANY, HAS ADOPTED THE EXECUTIVE REMUNERATION PHILOSOPHY/POLICY AS APPLICABLE ACROSS GROUP COMPANIES. THIS PHILOSOPHY/POLICY IS 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 V. 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.

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 2022–23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2022–23 are as under:

Sr. No.	Name of the Directors / Key Managerial Personnel ('KMP')	Designation	Remuneration[(b)] of Director/KMP for FY 2022–23 (₹ in lakh)	Ratio of remuneration of each Director to the median remuneration of employees for the FY 2022– 23	% increase/ (decrease) in remuneration in the FY 2022–23
1	Mr. Kumar Mangalam Birla	Chairman, Non-executive and Non-independent Director		Not Applicable	
2	Smt. Rajashree Birla[i]	Non-executive and Non-independent Director	144.00	29.94	(10%)
3	Ms. Ananyashree Birla[ii]	Non-executive and Non-independent Director	2.50	0.52	Not Applicable
4	Mr. Aryaman Vikram Birla[ii]	Non-executive and Non-independent Director	2.50	0.52	Not Applicable
5	Ms. Anita Ramachandran	Independent Director	28.50	5.92	2%
6	Mr. N. Mohanraj	Independent Director	33.50	6.96	(16%)
7	Mr. Yazdi Piroj Dandiwala[iii]	Independent Director	3.50	0.73	Not Applicable
8	Dr. Thomas M. Connelly, Jr.	Independent Director	28.00	5.82	-
9	Mr. V. Chandrasekaran	Independent Director	30.00	6.24	-
10	Mr. Adesh Kumar Gupta	Independent Director	32.00	6.65	39%
11	Mr. Cyril Shroff	Independent Director	9.00	1.87	(44%)
12	Mr. Shailendra Kumar Jain[iv]	Non-executive and Non-independent Director	26.00	5.41	(21%)
13	Mr. Raj Kumar[v]	Non-executive and Non-independent Director	12.50	2.60	14%
14	Dr. Santrupt Misra	Non-executive and Non-independent Director	18.00	3.74	(28%)
15	Mr. Harikrishna Agarwal[vi]	Executive Director, Managing Director	999.53	207.79	Not Applicable
16	Mr. Ashish Adukia[vii]	Chief Financial Officer	470.76	Not Applicable	Not Applicable
17	Mr. Pavan Kumar Jain[viii]	Chief Financial Officer	176.18	Not Applicable	Not Applicable
18	Mr. Sailesh Kumar Daga[ix]	Company Secretary and Compliance Officer	147.43	Not Applicable	11%

Note:

Percentage increase / decrease in remuneration is not calculated for Directors / KMP, who were with the Company for part of the year 2022-23.

i 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".

ii Appointed as Non-executive and Non-independent Director w.e.f. 6th February 2023.

iii Appointed as an Independent Director w.e.f. 6th February 2023.

iv Resigned as Non-executive and Non-independent Director w.e.f. 1st February 2023.

v Remuneration for FY 2022-23 is payable to LIC of India.

vi He was appointed as the Managing Director w.e.f. 1st December 2021. He was paid remuneration in the capacity of Managing Director for part of the previous financial year i.e. 2021-22, hence, percentage increase/(decrease) in remuneration is not comparable.

vii He was the Chief Financial Officer of the Company up to 14th August 2022. He was paid remuneration in the capacity of Chief Financial Officer for part of the financial year i.e. 2022-23, hence, percentage increase/(decrease) in remuneration is not comparable.

viii He was appointed as Chief Financial Officer of the Company w.e.f. 15th August 2022. He was paid remuneration in the capacity of Chief Financial Officer for part of the financial year i.e. 2022-23, hence, percentage increase/ (decrease) in remuneration is not comparable.

ix The remuneration includes variable pay and one time payouts i.e. Award, leave encashment and dues received from previous Aditya Birla Group employer, hence for determining the percentage increase in remuneration, the same are excluded for both the years.

b. Remuneration to Non-executive and Independent Directors includes commission payable for the financial year ended 31st March 2023, which is subject to the adoption of the financial statements for the year ended 31st March 2023 by the members of the Company at the Annual General Meeting. Sitting fees paid to the Directors is excluded.

c. The percentage increase in the median remuneration of the employees in the FY 2022-23 stands at 14.54%.

d. There were 24,455 permanent employees on the rolls of the Company as on 31st March 2023.

e. Average percentage increase in the salaries of employees, other than the managerial personnel, for the FY 2022-23 was 8.10%. The average percentage increase in the salaries of the managerial personnel for the FY 2022-23 was 11%.

f. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

For and on behalf of the Board of Grasim Industries Limited

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Date : 26th May, 2023
Place: New Delhi

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Aditya Birla Group ("Group" / "ABG") is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit, at all times. As a part of the Group, at Grasim Industries Limited ("Your Company" / "Grasim") we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in our Group Chairman's Vision, Group's purpose and Group's values mentioned below:

"At the core, good governance is about ensuring fair outcomes. The prerequisite to achieving a fair outcome in the eyes of all stakeholders, is to first build trust. ***Trust is the foundation of corporate governance****."*

Mr. Kumar Mangalam Birla
Chairman, Aditya Birla Group

"To enrich lives, by building dynamic and responsible businesses and institutions, that inspires trust."

ABG Group Purpose

Your Company is defined and driven by its unique set of 'Power of Five' values. These values-based approach is part of your Company's culture and ethics, which helps to pursue its purpose and achieve excellence in corporate governance.

The Power of Five Values are encapsulated as:



Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.



On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.



An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.



Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.



Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.

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 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's governance rests on the highest standards of business ethics and corporate governance. The governance philosophy of the Group and your Company rests on following basic tenets viz.

- **Accountability and Interests:** *Our practices ensures accountability towards all stakeholders. And protection of minority interests and rights.*
- **Monitoring:** *Effective monitoring and reviewing the risk management framework and associated practices is ensured.*
- **Control:** *Effective control systems are maintained to ensure efficient conduct of business and discharge of responsibilities.*
- **Ethics:** *Our practices ensure that we maintain high standards of ethics.*
- **Transparency and Disclosure:** *Transparency, integrity and disclosures are keys to corporate governance practices. Our practices ensure that we make timely and accurate disclosures.*
- **Review:** *Regular review of processes and management systems for improvement are ensured.*

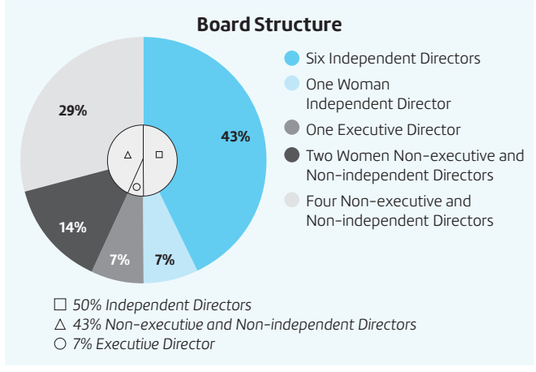
Your Company confirms compliance with the Corporate Governance requirements as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), the details of which are as set out hereunder:

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 of 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 and knowledge among others.

The Company's Board comprises of 14 (fourteen) Directors, 13 (Thirteen) Non-executive Directors out of which 7 (Seven) are Independent Directors and 1 (One) Executive Director. Your Company's Board comprises of 3 (Three) Women Directors out of which 1 (One) 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.



None of the Directors of the Company, 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 a Whole Time Director / Managing Director serves as an Independent Director in more than 3 listed entities. Further, none of the Director 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 Section 149(6) of the Act and they are qualified to act as Independent Directors. Independent Directors have also confirmed their registration with the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in compliance with requirements 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 are independent of the management.

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, subject to a maximum of 2 terms of five years and are not liable to retire by rotation. The Executive Director is appointed as per the provisions of the Act and serve in accordance with the terms of his contract of service with the Company. 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 other Directorships and Committee positions held by them **as on 31st March 2023** are as under:

MR. KUMAR MANGALAM BIRLA

DIN	00012813	
Category of Director	Chairman, Non-executive and Non-independent Director	
Age	56 years	
Date of Appointment	14th October 1992	
Term ending date	Liable to retire by rotation	
Tenure ~	31 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
- Technology, Digitisation & Innovation
- Marketing
- Risk Management
- Strategic Expertise
- 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 27 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 30 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, fashion to financial services and real estate to renewables. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of over 180,000 employees.

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 Corporate 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 2023, he was conferred the prestigious Padma Bhushan, among Indian's highest civilian honours. He was also conferred the prestigious Business Leader of the Decade award by the All India Management Association (AIMA), only the 2nd industrialist to receive this honour in AIMA's history. 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, Dubai and Mumbai. He has also been the Chairman of the Indian Institute of Management, Ahmedabad (IIMA) and Indian Institute of Technology, Delhi (IITD).

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	78 years	
Date of Appointment	14th March 1996	
Term ending date	Liable to retire by rotation	
Tenure ~	27 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 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 20 hospitals. The Group reaches out to well over 100,000 students through its network of 52 formal schools and non-formal educational institutes. Of these girls constitute 50%. 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, Habitat for Humanity (India) and is on the Board of the Asia Pacific Committee as well as Habitat's Global Committee.

She is the Chairperson of FICCI's first ever Expert Committee on CSR. She is on the Board of BAIF Development Research Foundation, Pune and also served on the Board of Directors of SBI Foundation and is a Trustee of the Gujarat Vidyapith. As a patron of arts and culture, she is the President of the "Sangit Kala Kendra", a Centre for performing arts, 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 2003 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".

MS. ANANYASHREE BIRLA

DIN	06625036	
Category of Director	Non-executive and Non-independent Director	
Age	28 years	
Date of Appointment	6th February 2023	
Term ending date	Liable to retire by rotation	
Tenure ~	2 months	
Shareholding	-	
Board Memberships - Indian Listed companies	Aditya Birla Fashion and Retail 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
- Technology, Digitisation & Innovation
- Marketing
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Ms. Ananyashree Birla (alias Ms. Ananya Birla) is a platinum-selling artist and a successful business woman. Ms. Ananya Birla has graced the cover of Forbes magazine, Vogue India and Business World 40U40. She has also been felicitated by Ketto India as a Young Changemaker, AISEC Youth Leadership award, CNBC Young Businessperson, Forbes Tycoons of Tomorrow, GQ's Most Influential Young Indians, Miss Vogue's 28 Geniuses under 28, and Forbes Women to Watch-amongst others.

Her first company, Svatantra Microfin Private Limited ('Svatantra') founded at the age of 17 is amongst India's fastest growing MFI's. It has crossed an AUM of 1 billion USD and has grown at a CAGR of 120% (2015-2022). With over 7,000 employees, it has consistently been accorded a Great Place To Work. With a CRISIL AA- rating, Svatantra is the youngest, highest rated organisation in the sector. Ms. Birla successfully acquired Micro Housing Finance Corporation Limited in 2018. Her innovation across the business has resulted in a number of firsts in the industry and solidified Svatantra's position as an industry leader in financial services. She is also the founder of design-led home decor brand Ikai Asai. On the social front, she has co-founded Mpower and advocates the need for conversations around mental health in India. She is also the founder of the Ananya Birla Foundation that does pioneering research in mental health and social impact.

Ms. Ananya Birla's efforts with building rural development, financial inclusion and encouraging women entrepreneurship in deep rural India have been recognised and felicitated by various Government entities such as Hon'ble Prime Minister of India - Shri Narendra Modi at Champions of Change, an event organised by the National Institution for Transforming India (NITI Aayog). Ms. Ananya Birla was also conferred by the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis for her role in empowering rural Indian women and pioneering 100% cashless disbursement since inception. She was presented with Kamala Rising Star Award by Hon'ble Governor of Maharashtra Shri Bhagat Singh Koshyari in April 2022.

Ms. Ananya Birla serves as a Director on the Board of various companies like Svatantra Microfin Private Limited, Svatantra Micro Housing Finance Corporation Limited, Svatantra Online Services Private Limited, Antimatter Media Private Limited, Talk and Cheese Private Limited, Aditya Birla New Age Hospitality Private Limited, Aditya Birla Management Corporation Private Limited (the apex body that provides strategic direction to the Aditya Birla Group's businesses) and Aditya Birla Fashion and Retail Limited. She is also Director of Ananya Birla Foundation and IKAI ASAI Foundation, which is a Section 8 Company under the Act.

MR. ARYAMAN VIKRAM BIRLA

DIN	08456879	
Category of Director	Non-executive and Non-independent Director	
Age	25 years	
Date of Appointment	6th February 2023	
Term ending date	Liable to retire by rotation	
Tenure ~	2 months	
Shareholding	-	
Board Memberships - Indian Listed companies	Aditya Birla Fashion and Retail Limited: Non-executive 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
- Technology, Digitisation & Innovation
- Marketing
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Aryaman Vikram Birla comes with diverse experiences which includes entrepreneurship, VC investing, and professional sport. He is closely involved with several businesses of the Aditya Birla Group (ABG) including Fashion & Retail and Real Estate. In consultation with the Group Chairman, Mr. Kumar Mangalam Birla, he is actively championing the Group's foray into new-age businesses. He helped to incubate the Group's D2C platform, TMRW and is a Director on its Board. His maiden entrepreneurial foray was in the hospitality business. Mr. Aryaman Vikram Birla is also spearheading the Group's Venture Capital fund, Aditya Birla Ventures that invests in high-growth start-ups. Prior to joining ABG, Mr. Aryaman Vikram Birla was a prolific first-class cricketer.

Mr. Aryaman Vikram Birla serves as a Director on the Board of various companies like Aditya Birla New Age Hospitality Private Limited, Aditya Birla New Age Restaurants and Cafe Private Limited, Aditya Birla Management Corporation Private Limited (the apex body that provides strategic direction to the Aditya Birla Group's businesses), Aditya Birla Fashion and Retail Limited and Aditya Birla Digital Fashion Ventures Limited.

Mr. Aryaman Vikram Birla brings to the fore unique perspectives on team building, leadership, investing and grounds up entrepreneurship.

MS. ANITA RAMACHANDRAN

DIN	00118188	
Category of Director	Independent Director	
Age	68 years	
Date of Appointment	14th August 2018	
Term ending date	13th August 2023*	
Tenure ~	5 years	
Shareholding	-	
Board Memberships - Indian Listed companies	1. FSN E-Commerce Ventures Limited: Independent Director 2. Blue Star Limited: Independent Director 3. Happiest Minds Technologies Limited: Independent Director 4. Metropolis Healthcare Limited: Independent Director 5. Ujjivan Small Finance Bank Limited: Independent Director	
Directorship(s) in public companies		9
Committee position	Chairman	1
	Member	7

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 of about 40 years as a management consultant. She is also one of the first generation of women professionals 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 in a wide range of functional areas. She was a Director at the time of leaving 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 and the firm has worked with over 1000 companies in South Asia. Ms. Ramachandran is known as an authority in reward management in the country. In recent years she has been involved with several large organisations in South Asia on organisation transformation and talent management issues. 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.

Ms. Ramachandran has been an Independent Director on boards of several large companies for over 20 years.

Ms. Ramachandran supports many organisations in the social sector through pro-bono professional work and remains deeply committed to work with women. She was former Chairperson of TIE Women.

*Reappointed for a second term of 5 years w.e.f. 14th August 2023

MR. N. MOHAN RAJ

DIN	00181969	
Category of Director	Independent Director	
Age	69 years	
Date of Appointment	12th July 2019	
Term ending date	11th July 2024	
Tenure ~	4 years	
Shareholding	-	
Board Memberships - Indian Listed companies	-	
Directorship(s) in public companies		1
Committee position	Chairman	1
	Member	1

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial Literacy
- General Management
- Industry Knowledge
- Marketing
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. N. Mohan Raj holds a Master's Degree in Arts (Economics). He is 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.

MR. YAZDI PIROJ DANDIWALA

DIN	01055000	
Category of Director	Independent Director	
Age	72 years	
Date of Appointment	6th February 2023	
Term ending date	5th February 2028	
Tenure ~	2 months	
Shareholding	-	
Board Memberships - Indian Listed companies	1. Century Textiles and Industries Limited: Independent Director 2. Hindalco Industries Limited: Independent Director 3. Pilani Investment and Industries Corporation Limited: Independent Director	
Directorship(s) in public companies		5
Committee position	Chairman	1
	Member	5

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial Literacy
- General Management
- Industry Knowledge
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Yazdi Piroj Dandiwala is a senior partner of the law firm M/s Mulla and Mulla and Craigie Blunt and Caroe. He has an extensive Corporate and Commercial law practice both in contentious and non-contentious matters.

With his unparalleled experience of over 48 years in corporate law, Mr. Dandiwala has advised several multinational companies in their investments, financial and technical collaborations in India.

His corporate practice extends to both large Indian corporates and MNCs, with extensive experience in intricate transactions including mergers and acquisitions, joint ventures, takeovers, disinvestments, investments by venture capitalists, delisting etc.

His industry expertise spans over Chemicals, Construction, Energy, Funds, Financial Services, Hotel, Infrastructure, IT, Manufacturing, Oil & Gas, Paper & Pulp, Real Estate, Telecommunication, Textiles etc.

Mr. Dandiwala serves as a Director on the Board of various companies like Duville Estates Private Limited, Access Trusteeship Company Private Limited, Century Textile and Industries Limited, Pilani Investment and Industries Corporation Limited, Hindalco Industries Limited, Hindalco-Almex Aerospace Limited and Rashi Peripherals Limited.

He was a member and for a few years the Chairman of the local advisory committee of Bank of Nova Scotia. He is also a member and the Vice President of the Managing Committee of the Bombay Incorporated Law Society

DR. THOMAS M. CONNELLY, JR.

DIN	03083495	
Category of Director	Independent Director	
Age	70 years	
Date of Appointment	20th August 2010	
Term ending date	22nd August 2024	
Tenure ~	13 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
- Technology, digitisation & innovation
- Marketing
- Risk Management
- Strategic Expertise
- 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 36 years of experience in the chemical industry. He served (for eight years) as 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	65 years	
Date of Appointment	24th May 2021	
Term ending date	23rd May 2026	
Tenure ~	2 years	
Shareholding	85	
Board Memberships - Indian Listed companies	1. Tamil Nadu Newsprint & Papers Limited: Independent Director 2. Care Ratings Limited: Independent Director 3. Tata Investment Corporation Limited: Independent Director	
Directorship(s) in public companies		6
Committee position	Chairman	5
	Member	1

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial Literacy
- General Management
- Industry Knowledge
- Risk Management
- Strategic Expertise

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 Tamil Nadu Newsprint & Papers Limited, CARE Ratings Limited, Tata Investment Corporation Limited, Aseem Infrastructure Finance Limited, LIC (International) Bahrain, etc.

MR. ADESH KUMAR GUPTA

DIN	00020403	
Category of Director	Independent Director	
Age	66 years	
Date of Appointment	24th May 2021	
Term ending date	23rd May 2026	
Tenure ~	2 years	
Shareholding	69,508*	
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 5. Krsnaa Diagnostics Limited: Independent Director	
Directorship(s) in public companies		6
Committee position	Chairman	4
	Member	5

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial Literacy
- General Management
- Human Resource Development
- Industry Knowledge
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Adesh Kumar Gupta is a qualified Chartered Accountant, Company Secretary and has completed Advanced Management Programme from Harvard University. He has more than 4 decades of vast experience in the field of finance and general management. He has sound knowledge & expertise in the field of finance, strategy and corporate law in various industries. He serves as an Independent Director on the Board of various companies like Vinati Organics Limited, CARE Ratings Limited, India Pesticides Limited, Krsnaa Diagnostics Limited and Survival Technologies Limited. He is also Director on the board of Zee Entertainment Enterprises Limited. 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	63 years	
Date of Appointment	25th July 2000	
Term ending date	22nd August 2024	
Tenure ~	23 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
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Cyril Shroff has over 41 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 is often regarded as the 'M&A King of India'. He is the Chairman of the FICCI Corporate Laws Committee, a member of the CII National Council and Financial Markets Committee, the National Committee on Financial Markets & others. He is a member on the Board of Singapore International Arbitration Centre (SIAC), a member of the first apex Advisory Committee of the IMC International ADR Centre and a task force member of the Society of Insolvency Practitioners of India. He was a member of the SEBI constituted Uday Kotak Committee on Corporate Governance and the SEBI Committee on Insider Trading. He is also a member of the Thought Committee on Bank Insolvency of the Insolvency Law Academy. Chambers Asia Pacific 2023 recognised him as 'Star Individual' for Corporate/M&A and an 'Eminent Practitioner' for Private Equity, Restructuring & Insolvency and Banking & Finance in India.

MR. RAJ KUMAR

DIN	06627311	
Category of Director	Non-executive and Non-independent Director	
Age	61 years	
Date of Appointment	12th November 2021	
Term ending date	Liable to retire by rotation	
Tenure ~	1.5 years	
Shareholding	-	
Board Memberships - Indian Listed companies	IDBI Bank Limited: Nominee Director	
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
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Raj Kumar has retired as a Managing Director of Life Insurance Corporation of India (LIC) with effect from 1st February 2023. He has been associated with LIC for 38 plus 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, headed two prestigious Divisions, Gorakhpur and Jaipur, of the LIC.

He has, also, served as Chief Public Information Officer and Appellate Authority, under Right to Information Act, of LIC. He 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, 'Hinditar Bhashi Samman' by Madhya Pradesh Rashtra Bhasha Prachar Samiti, Bhopal. He was recently conferred with 'Raashtreey Guarav Samman' by Jay Foundation, New Delhi and Aaj Ka Prahari Group of newspapers.

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, Third World Productivity Council and Management Development Centre - Mumbai etc. He had been a visiting faculty at Zonal Training Centres of LIC, Management Development Centre (LIC), Mumbai and National Insurance Academy, Pune.

Mr. Kumar has also served on the Boards of LICHFL Asset Management Co. Limited, LIC Housing Finance Limited, LICHFL Care Homes Limited, LIC Mutual Fund Asset Management Company Limited, LIC of Bangladesh Limited Dhaka, Rajasthan Financial Corporation Jaipur, High Energy Batteries (India) Limited Chennai, Reliance Naval and Engineering Limited Mumbai and LIC (Lanka) Limited Colombo. He is also a Director on the Board of IDBI Bank Limited. He was a Trustee of LIC Golden Jubilee Foundation and LIC of India Provident Fund No. 1. He was also, a Member of Governing Board of National Insurance Academy, Pune and the Governing Body of Insurance Institute of India, Mumbai.

DR. SANTRUPT MISRA

DIN	00013625	
Category of Director	Non-executive and Non-independent Director	
Age	57 years	
Date of Appointment	13th June 2020	
Term ending date	Liable to retire by rotation	
Tenure ~	3 years	
Shareholding	-	
Board Memberships - Indian Listed companies	Aditya Birla Capital Limited: Non-executive Director	
Directorship(s) in public companies		1
Committee position	Chairman	-
	Member	1

Area of expertise

- Corporate Governance, Legal & Compliance
- Financial Literacy
- General Management
- Human Resource Development
- Industry Knowledge
- Technology, Digitisation & Innovation
- Risk Management
- Strategic Expertise
- 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. Dr. Misra has recently been appointed as a Director on the Board of Karmayogi Bharat. Mission Karmayogi has been launched by the Government of India with the objective to create a competent responsive civil service which can help drive the agenda of effective and efficient public service delivery.

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.

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 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	63 years	
Date of Appointment	1st December 2021	
Term ending date	30th November 2023	
Tenure ~	1.5 years	
Shareholding	49,054	
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
- Technology, Digitisation & Innovation
- Marketing
- Risk Management
- Strategic Expertise
- Sustainability

Profile –

Mr. Harikrishna Agarwal, the Managing Director of the Company, is a veteran professional in the Aditya Birla Group (ABG). He has been associated with ABG for more than four decades and has played diverse roles in the Cement, Chemicals, and Pulp & Fibre businesses across India, South East Asia, and China.

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. 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- Global Manufacturing with Pulp and Fibre Business. Mr. Agarwal is an All-India rank holder -Chartered Accountant. He has done an Executive MBA from Sasin, Chulalongkorn University, Bangkok, and Advance Management Programme (AMP) from Harvard Business School. He is also a recipient of Chairman's Outstanding Leader Award, 2012 and the "Certificate of Excellence" in 2021 for his outstanding contribution to Grasim's growth.

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. In terms of the Regulation 26(1)(b) of the Listing Regulations, Committee positions includes Audit Committee and Stakeholders' Relationship Committee in public Companies excluding Private Limited Companies / Foreign Companies / High value debt listed entities/ Section 8 Companies.
3. The number of directorship and committee positions is excluding your Company.
4. No Director is related to any other Director on the Board, except for:
   i. Mr. Kumar Mangalam Birla and Smt. Rajashree Birla, who are related to each other as son and mother respectively.
   ii. Ms. Ananyashree Birla is grand-daughter of Smt. Rajashree Birla, Daughter of Mr. Kumar Mangalam Birla and elder sister of Mr. Aryaman Vikram Birla.
   iii. Mr. Aryaman Vikram Birla is grand-son of Smt. Rajashree Birla, son of Mr. Kumar Mangalam Birla and brother of Ms. Ananyashree Birla.
5. None of the Directors holds any convertible instruments of your Company.
6. Committees membership excludes chairmanship.
7. No Non-executive Director has attained the age of 75 years, except Smt. Rajashree Birla, for which the approval of the Members has been obtained by way of special resolution at the Annual General Meeting held on 29th August 2022.
8. List of core skills, expertise and competencies of the Board of Directors of the Company are forming part of this Integrated Report.

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 Procedures

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 the Act, 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;
- annual operating and capital expenditure budget;
- 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 and it 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 includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision and also covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. Audio Visual means 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 / 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.

During the year, the Board met 7 (Seven) times on 24th May 2022, 16th June 2022, 19th July 2022, 12th August 2022, 14th November 2022, 6th February 2023 and 14th February 2023. 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 29th August 2022
Mr. Kumar Mangalam Birla	7	6	Yes
Smt. Rajashree Birla	7	5	Yes
Ms. Ananyashree Birla[1]	1	1	Not Applicable
Mr. Aryaman Vikram Birla[1]	1	1	Not Applicable
Ms. Anita Ramachandran	7	7	Yes
Mr. N. Mohan Raj	7	7	Yes
Mr. Yazdi Piroj Dandiwala[2]	1	1	Not Applicable
Dr. Thomas M. Connelly, Jr.	7	7	Yes
Mr. V. Chandrasekaran	7	7	Yes
Mr. Adesh Kumar Gupta	7	7	Yes
Mr. Cyril Shroff	7	2	No
Mr. Raj Kumar	7	5	Yes
Dr. Santrupt Misra	7	6	Yes
Mr. Harikrishna Agarwal	7	7	Yes
Mr. Shailendra Kumar Jain[3]	5	5	Yes

1. Appointed as Non-executive Director w.e.f. 6th February 2023.
2. Appointed as an Independent Director w.e.f. 6th February 2023.
3. Resigned as Non-executive Director w.e.f. 1st February 2023.

Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 28th March 2023, 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.

Resignation of Non-executive Director

During the year, Mr. Shailendra Kumar Jain (DIN: 00022454) has stepped down as a Non-executive Director of the Company with effect from 1st February 2023, due to advancing age and need to devote time for family affairs including succession planning and pursue personal interest. Mr. Jain also confirmed that there is no reason other than provided above.

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/corporate-principles-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 the matters pertaining to the Company's affairs.

The details of familiarisation programme, imparted to the Independent 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 SEBI (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 Persons' and their relatives helps in weekly 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.

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 focuses and extensive discussions are required.

The composition of the following Committees of the Board as on 31st March 2023 are as under:

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. Yazdi Piroj Dandiwala • Mr. Harikrishna Agarwal	• Smt. Rajashree Birla (Chairperson) • Ms. Anita Ramachandran • Mr. Harikrishna Agarwal	• Mr. N. Mohan Raj (Chairman) • Dr. Thomas M. Connelly, Jr. • Mr. V. Chandrasekaran • Mr. Harikrishna Agarwal • Mr. Jayant V. Dhobley • Mr. Thomas Varghese • Mr. Rakshit Hargave	• Mr. Harikrishna Agarwal (Chairman) • Mr. Adesh Kumar Gupta • Dr. Santrupt Misra	• Mr. V. Chandrasekaran (Chairman) • Dr. Santrupt Misra • Mr. Harikrishna Agarwal

Note: Committee of Independent Directors and IGF Divestment Committee had been dissolved on 12th August 2022.

1. 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 2022, 16th June 2022, 12th August 2022, 20th October 2022, 14th November 2022, 14th February 2023 and 28th March 2023.

The details of composition as on 31st March 2023 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)	Independent Director	7	6
Dr. Thomas M. Connelly, Jr.	Independent Director	7	7
Mr. V. Chandrasekaran	Independent Director	7	7
Mr. Harikrishna Agarwal	Executive Director	7	7

The Chief Financial Officer of the Company is a permanent invitee to the Audit Committee meetings. The Joint Statutory Auditors, the Internal Auditors and senior executives as it considers appropriate 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 29th August 2022.

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 the Audit Committee Meetings. 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 or preferential issue or qualified institutions placement, 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;
22. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
24. 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 the Listing Regulation;
   b) annual statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/ notice in terms of the 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.

2. 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, 7 (Seven) NRC meetings were held on 24th May 2022, 16th June 2022, 19th July 2022, 12th August 2022, 14th November 2022, 6th February 2023 and 14th February 2023.

The recommendations of the NRC have been accepted by the Board.

The details of composition of NRC as on 31st March 2023 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	Independent Director	7	7
Mr. Kumar Mangalam Birla	Non-executive Director	7	6
Mr. Cyril Shroff	Independent Director	7	2
Mr. Adesh Kumar Gupta	Independent Director	7	7

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.

Remuneration of Directors and Others:

Your Company's executive remuneration philosophy supports the design of programmes that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities, with the long-term success of your Company's stakeholders.

The executive remuneration policy is designed to attract, retain, and reward talented executives who contribute to your Company's long-term success and thereby build value for stakeholders. It is intended to provide for monetary and non-monetary remuneration elements on a holistic basis; emphasise "pay for performance" by aligning incentives with business strategies to reward executives who achieve or exceed business and individual goals.

Executive pay practices and levels are dynamically tracked and aligned with peer companies in similar industries, geographies, size and function. Your Company aims to provide competitive remuneration opportunities to its executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive payouts at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. It recognises the size and scope of the role and the market standing, skills and experience of incumbents while positioning its executives. Your Company uses secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of your Company and its goals. A material proportion of compensation for senior management is performance based – 25% to 40% of compensation. It increases as the employee grows in the organisation and takes up roles of higher responsibility. The more senior the role, the weightage of business performance on the variable pay also increases in comparison to unit performance and individual performance. This ensures a competitive pay-mix which aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

Annual incentive plan pay-outs of executives is linked to relevant financial and operational metrics achievement and their individual performance. Financial and operational metrics are annually aligned with priorities / focus areas for the business. Long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool. Stock options are used as the primary long-term incentive vehicles as your Company believes that they best align executive incentives with stakeholder interests. Your Company also grants restricted stock units as a secondary long-term incentive vehicle, to motivate and retain its executives. The ratio of stock options and restricted stock units is generally 75:25.

Your Company has integrated climate change and sustainability targets in the key responsibility areas ("KRAs") of the executive directors and senior management. Thus, emission reduction targets and other improvement targets related to climate change are also linked with the incentives provided.

Non-executive Directors' Remuneration

Based on the recommendation of the NRC Committee, all decisions relating to remuneration of Directors are taken by your Company's Board in accordance with the shareholder's approval, wherever necessary.

Sitting fees are paid as under:

Board/Committee	Sitting Fee Per Meeting (₹)
Board	50,000
Audit Committee	25,000
All other Committees	20,000

In addition to the sitting fees, your Company also pays commission to the Non-executive Independent Directors of an amount not exceeding 1% per annum of the net profit of your Company. The amount of commission payable is determined after assigning weightage to various factors, which, *inter alia*, include providing strategic perspective, Chairmanship and contributions made by the Directors, type of meeting and responsibilities under various statutes, performance evaluation, etc. Based on the performance evaluation of each Director and the remuneration policy, the Board has recommended an amount of ₹ 370 lakh as commission to be paid to the Non-executive Directors for the financial year 2022-23.

Details of remuneration paid/to be paid to the Non-executive/ Independent Directors for FY 2022-23 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]	144.00	2.90
Ms. Ananyashree Birla[2]	2.50	0.50
Mr. Aryaman Vikram Birla[2]	2.50	0.50
Ms. Anita Ramachandran	28.50	5.70
Mr. N. Mohan Raj	33.50	5.40
Mr. Yazdi Piroj Dandiwala[3]	3.50	0.70
Dr. Thomas M. Connelly, Jr.	28.00	5.65
Mr. V. Chandrasekaran	30.00	6.05
Mr. Adesh Kumar Gupta	32.00	6.50
Mr. Cyril Shroff	9.00	1.40
Mr. Raj Kumar[4]	12.50	2.50
Dr. Santrupt Misra	18.00	3.60
Mr. Shailendra Kumar Jain[5]	26.00	4.30
Total	**370.00**	**49.90**

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. Appointed as Non-executive Director w.e.f. 6th February 2023.
3. Appointed as an Independent Director w.e.f. 6th February 2023.
4. Out of sitting fees of ₹ 2.50 lakh for FY 2022-23, ₹ 1.50 lakh paid to LIC and ₹ 1 lakh to Mr. Raj Kumar and Commission for FY 2022-23 will be paid to LIC.
5. Resigned as Non-executive Director w.e.f. 1st February 2023.

Notes:

There were no pecuniary relationships or transactions between your Company and its Non-executive/Independent Directors during the year.

Executive Directors' Remuneration

The NRC Committee while recommending to the Board the remuneration of Executive Directors, considers the performance of the business, individual performance, practices followed in other similar sized companies, among others, while also ensuring that the remuneration is in compliance with the terms and conditions of appointment as approved by the Members. All decisions relating to the remuneration of Executive Directors is taken by the Board based on the remuneration policy and in terms of the resolution passed by the Members of your Company.

Executive Director	Salary, Benefits, Bonus, Pension, etc., paid during the Year (₹ in lakh)	Performance-linked Incentive paid during the Year[1] (₹ in lakh)	Perquisite value of stock options/RSUs exercised during the year (₹ in lakh)
Mr. Harikrishna Agarwal, Managing Director	598.26	325.34	75.93

1. The Board has approved payment of performance - linked variable pay for the FY 2021-22 as aforesaid to the Managing Director on achievement of the target.
2. **Service Contract, Notice Period and Severance Fee:** 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. **Stock Option Details:** During the period under review, in terms of the Company's Employee Stock Option Scheme 2018 (ESOS 2018), Mr. Harikrishna Agarwal has been granted 56,817 Stock Options and 7,327 RSUs. 41,563 Stock Options and 4,172 RSUs have also been vested in Mr. Agarwal. In terms of the Company's ESOS 2018, Mr. Harikrishna Agarwal has exercised 4,665 RSUs.

Employee Stock Options Schemes (ESOS)

a) ESOS-2006

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 4,510 equity shares of ₹ 2 each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2006. During the year, ESOS-2006 has been completed.

b) ESOS-2013

During the year, the Stakeholders' Relationship Committee of the Board of Directors allotted 1,32,190 equity shares of ₹ 2 each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options under ESOS-2013.

c) ESOS- 2018

During the year, the NRC of the Board of Directors approved grant of 5,77,185 Stock Options and 1,82,193 Restricted Stock Units ('RSUs') to the eligible employees, including Managing Director of the Company, under ESOS-2018. The ESOS-2018 is being administered through the Grasim Employees' Welfare Trust ('Trust').

1,73,169 equity shares were transferred from the Trust account to the employees account on account of exercise of Stock Options and RSUs by the grantees.

d) ESOS 2022

Pursuant to the approval of the shareholders at the AGM held on 29th August 2022, a new scheme viz. 'Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022' ('ESOS-2022') has been adopted in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB & SE Regulations'). The ESOS-2022 is being administered through the Grasim Employees' Welfare Trust ('Trust').

During the year, no Stock Options or PSUs were granted under ESOS-2022.

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 SEBI SBEB & SE Regulations, are available on your Company's website at https://www.grasim.com/Upload/PDF/esos-disclosure-2023.pdf

A certificate from the Secretarial Auditors, with respect to implementation of your Company's ESOS, will be available at the ensuing AGM for inspection by the Members.

Directors and Officers Insurance:

In line with the requirements of Regulation 25(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.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meeting and Attendance

The Stakeholders' Relationship Committee ('SRC') comprises of 2 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 1st November 2022 and 28th March 2023.

The details of composition as on 31st March 2023 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)	Independent Director	2	2
Mr. Yazdi Piroj Dandiwala[1]	Independent Director	1	1
Mr. Harikrishna Agarwal	Managing Director	2	2
Mr. Shailendra Kumar Jain[2]	Non-executive Director	1	1

1. Appointed as the Member of the Committee w.e.f. 6th February 2023
2. Ceased to be the Member of the Committee w.e.f. 1st February 2023

During the year, the SRC was reconstituted on 6th February 2023.

The Company Secretary acts as Secretary to the SRC and is the Compliance Officer.

Ms. Anita Ramachandran, Chairperson of the SRC attended the last Annual General Meeting of the Company held on 29th August 2022.

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 2023 is given in the 'Shareholders' Information' section, which forms an integral part of this Annual Report.

Compliance Officer

Mr. Sailesh Kumar 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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, Meeting and Attendance

The Corporate Social Responsibility Committee ('CSR Committee') comprises of 1 Non-executive Director, 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 23rd May 2022 and 20th March 2023.

The CSR Report forms an integral part of this Annual Report.

The recommendations of the CSR Committee have been accepted by the Board.

The details of composition as on 31st March 2023 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 Director	2	2
Ms. Anita Ramachandran	Independent Director	2	2
Mr. Harikrishna Agarwal	Managing Director	2	2
Mr. Shailendra Kumar Jain*	Non-executive Director	1	1

*Ceased to be the Member of the Committee w.e.f. 1st February 2023

During the year, the CSR Committee was reconstituted on 6th February 2023.

Dr. Pragnya Ram, Group Executive President, CSR is a permanent invitee to the CSR Committee meetings.

The Company Secretary acts as the Secretary to the CSR Committee.

5. RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Composition, Meeting and Attendance

The Composition of Risk Management and Sustainability Committee ('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 15th July 2022 and 9th January 2023.

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 2023 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	Independent Director	2	2
Dr. Thomas M. Connelly, Jr.	Independent Director	2	2
Mr. V. Chandrasekaran	Independent Director	2	2
Mr. Harikrishna Agarwal	Managing Director	2	2
Mr. Jayant V. Dhobley	Business Head - CFI	2	2
Mr. Rakshit Hargave[1]	CEO - Paints	1	1
Mr. Kalyan Ram Madabhushi[2]	COO Pulp & Fibre	1	1
Mr. Thomas Varghese[3]	Business Head - Textiles	2	1

1. Appointed as the Member of the Committee w.e.f. 12th August 2022.
2. Ceased to be the Member of the Committee w.e.f. 12th August 2022.
3. Ceased to be the Member of the Committee w.e.f. 31st March 2023.

Note: Mr Kapil Agarwal, Business Head – Textile, appointed as the member of the Committee w.e.f. 1st April 2023 in place of Mr. Thomas Varghese.

During the year, the RMSC was reconstituted on 12th August 2022 and 14th February 2023.

The Chief Financial Officer is the Permanent Invitee to the Committee Meetings. The Company Secretary acts as the Secretary to the RMSC Committee.

Mr. Surya Valluri, Chief Sustainability Officer of the Company inducted as the Permanent Invitee to the Committee with effect from 16th June 2022.

The recommendations, if any, of the RMSC 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;
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.

6. FINANCE COMMITTEE

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, 8 (Eight) Finance Committee meetings were held on 2nd May 2022, 14th May 2022, 27th July 2022, 23rd September 2022, 1st November 2022, 2nd December 2022, 23rd January 2023 and 8th March 2023.

The details of composition as on 31st March 2023 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. Harikrishna Agarwal, Chairman[1]	Managing Director	8	8
Mr. Adesh Kumar Gupta	Independent Director	8	8
Dr. Santrupt Misra[2]	Non-executive Director	1	1
Mr. Shailendra Kumar Jain[3]	Non-executive Director	7	7

1. Appointed as the Chairman of the Committee w.e.f. 6th February 2023.
2. Appointed as the Member of the Committee w.e.f. 6th February 2023.
3. Ceased to be the Member of the Committee w.e.f. 1st February 2023.

During the year, the Finance Committee was reconstituted on 6th February 2023. 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.

7. PIT REGULATION COMMITTEE

Composition, Meetings and Attendance

The PIT Committee comprises of 1 Independent Director and 1 Non-executive Director and 1 Executive Director.

During the year, 2 (Two) PIT Regulation Committee Meetings were held on 18th November 2022 and 28th March 2023.

The Company Secretary acts as Secretary to the PIT Regulation Committee.

The details of composition as on 31st March 2023 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	Independent Director	2	2
Dr. Santrupt Misra	Non-executive Director	2	2
Mr. Harikrishna Agarwal	Managing Director	2	2

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.

GENERAL BODY MEETINGS

Details of the General Meetings of the Company held during the last 3 years are as follows:

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
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 Kumar Jain as Director of the Company.
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.
2021-22 / 75th Annual General Meeting	29th August 2022, 11.30 a.m.	Through Video Conference/ Other Audio-Visual Means	• Continuation of Smt. Rajashree Birla as a Non-executive Director of the Company. • Continuation of Mr. Shailendra Kumar Jain as a Non-executive Director of the Company. • Appointment of Ms. Anita Ramachandran as an Independent Director for a second term. • Adoption of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022. • Extending the benefits of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the Group companies, including subsidiary and associate companies of the Company. • Approval of (a) the use of the trust route for the implementation of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (the Scheme 2022); (b) secondary acquisition of the equity shares of the Company by the trust; and (c) grant of financial assistance/provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2022.

Postal Ballot

i. Details of special resolution passed by Postal Ballot:

During the year under review, below resolution was passed by means of postal ballot on 21st March 2023:

- Appointment of Mr. Yazdi Piroj Dandiwala as an Independent Director of the Company

ii. Details of Voting Pattern:

Mode of Voting	Total Shares	No. of votes polled	In favour		Against	
			No. of Votes	% of Votes	No. of Votes	% of Votes
E-voting	65,84,01,686	47,21,11,294	46,04,33,481	97.5265	1,16,77,813	2.4735

iii. Person who conducted the aforesaid postal ballot exercise:

Mr. Ashish Garg, Practicing Company Secretary (FCS 5181 & C.P. No. 4423) conducted the aforesaid postal ballot exercise in a fair and transparent manner.

iv. Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution is currently proposed to be conducted through postal ballot.

v. Procedure followed for Postal Ballot:

Pursuant to and in compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act and the rules made thereunder and Regulation 44 of the listing regulations Secretarial Standard-2 on General Meetings ('SS-2'), read with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings / conducting postal ballot process through e-voting vide General Circulars No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020, No. 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, No. 39/2020 dated 31st December 2020, No. 10/2021 dated 23rd June 2021, No. 20/2021 dated 8th December 2021, No. 3/2022 dated 5th May 2022 and No. 11/2022 dated 28th December 2022 issued by MCA and other applicable laws and regulations, as amended from time to time, the notice was sent to the Members of the Company to transact the special business as set out in the postal ballot notice for passing Ordinary / Special Resolution, as applicable, by remote e-voting process ('remote e-voting') only.

The Company had provided facility to the Members to exercise voting through electronic voting system ('remote e-voting') on the e-voting platform provided by KFin Technologies Limited, Registrar and Share Transfer Agent of the Company ('KfinTech').

Members whose names appears in the Register of Members / List of Beneficial Owners as on the cut-off date i.e., Wednesday, 15th February 2023 were eligible to cast their votes on the resolutions set out in the Notice. A person who was not a Member as on the cut-off date treated the Notice for information purpose only.

The Scrutiniser, after the completion of scrutiny, submitted his report in accordance with the provisions of the Act, the Rules framed thereunder and the SS-2. The consolidated results of the voting by postal ballot and e-Voting were then announced on 23rd March 2023 and are also available on the Company's website at www.grasim.com besides being communicated to BSE Limited ('BSE'), National Stock Exchange of India Limited ('NSE').

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 KFinTech 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.

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 other 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.

(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 ₹ 15.27 crore for the financial year 2022-23.

₹ in crore

Sr. No	Entity Name	M/s. KKC & Associates LLP and its affiliates	B S R & Co. LLP and its affiliates	S R B C & Co. LLP and its affiliates	Total
1	Grasim Industries Limited				
	Audit	1.45	1.62	0.22	3.29
	Others	0.02	0.11	-	0.13
Total		**1.47**	**1.73**	**0.22**	**3.42**
Subsidiaries					
2	UTCL	2.42	3.25	0.25	5.92
3	ABCL	0.52	1.73	2.35	4.60
4	Other Subsidiaries	1.17	-	0.16	1.33
Grand Total		**5.58**	**6.71**	**2.98**	**15.27**

(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: 4

b. Number of complaints disposed off during the financial year: 2

c. Number of complaints pending as on end of the financial year: 2

(x) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

(xi) Details of material subsidiaries of the listed entity

Sr. No.	Name of the material subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor(s)	Date of appointment of Statutory Auditor(s)
1	Aditya Birla Capital Limited	15/10/2007	Mumbai, Maharashtra	M/s. BSR & Co. LLP, Chartered Accountants	20th August 2021
2	UltraTech Cement Limited	24/08/2000	Mumbai, Maharashtra	M/s. BSR & Co. LLP, Chartered Accountants, M/s. KKC & Associates LLP, Chartered Accountants	12th August 2020 18th August 2021

(xii) 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.

(xiii) 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.

(xiv) 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. Financial results of the Company is being sent to the shareholders on quarterly basis through email.

c. There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31st March 2023.

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.

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.

COMPLIANCES

1. Your Company confirms the compliances with Corporate Governance requirements as specified in the Listing Regulations.

2. A Certificate from the 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.

3. There is a separate section for general Shareholder Information, which forms an integral part of this Annual Report.

4. Name and Designation of Compliance Officer: Mr. Sailesh Kumar Daga, Company Secretary.

5. During the year, all recommendations of the Committees of the Board, which were 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 Board Members and Senior Management for the year ended 31st March 2023.

Harikrishna Agarwal
Managing Director
DIN: 09288720

Place : Mumbai
Date : 26th May 2023

CEO / CFO CERTIFICATION

The Board of Directors
Grasim Industries Limited

We certify that:

A. We have reviewed the Financial Statement read with the Cash Flow Statement of Grasim Industries Limited ("the Company") for the year ended 31st March 2023 and 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;

(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 are responsible 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 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;

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or other employee having a significant role in the Company's internal control system over financial reporting.

Harikrishna Agarwal
Managing Director
DIN: 09288720

Pavan Kumar Jain
Chief Financial Officer

Place : Mumbai
Date : 26th May 2023

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
Birlagram, Nagda - 456331,
District - Ujjain, Madhya Pradesh, India.

We, BNP & Associates, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Grasim Industries Limited having CIN L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda - 456331, District - Ujjain, Madhya Pradesh, India (hereinafter referred to as 'the Company'), produced before us through the virtual data room / physically 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 verification of Directors Identification Number (DIN) status] in terms of the portal of Ministry of Corporate Affairs Government of India (MCA) www.mca.gov.in as considered necessary and pursuant to 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 on 31st March 2023 have been debarred or disqualified from appointment or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory 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	06625036	Ms. Ananyashree Birla	Non-executive Director	06/02/2023
4	08456879	Mr. Aryaman Vikram Birla	Non-executive Director	06/02/2023
5	00118188	Ms. Anita Ramachandran	Independent Director	14/08/2018
6	00181969	Mr. Mohanraj Narendranathan Nair	Independent Director	12/07/2019
7	01055000	Mr. Yazdi Piroj Dandiwala	Independent Director	06/02/2023
8	03083495	Dr. Thomas Martin Connelly Jr.	Independent Director	20/08/2010
9	03126243	Mr. Venkatadri Chandrasekaran	Independent Director	24/05/2021
10	00020403	Mr. Adesh Kumar Gupta	Independent Director	24/05/2021
11	00018979	Mr. Cyril Suresh Shroff	Independent Director	25/07/2000
12	06627311	Mr. Raj Kumar	Non-executive Director	12/11/2021
13	00013625	Dr. Santrupt Misra	Non-executive Director	13/06/2020
14	09288720	Mr. Harikrishna Agarwal	Managing Director	01/12/2021

*Date of appointment of Directors as appearing on MCA Portal.

Ensuring the eligibility of every Director for appointment / continuity on the Board is the responsibility of the Management of the Company. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
FRN.: P2014MH037400
PR No.: 637/2019

Avinash Bagul
Partner
FCS No.: F5578
COP No.: 19862
UDIN: F005578E000364521

Place: Mumbai
Date: 26th May 2023

Shareholder Information

1. ANNUAL GENERAL MEETING

Day, Date, Time and Venue	Friday, 25th August 2023 at 11.30 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
Participation through VC/OAVM for Annual General Meeting ('AGM')/ Webcast	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 2023
Second quarter and half year end	On or before 14th November 2023
Third quarter end	On or before 14th February 2024
Fourth quarter and year end	On or before 30th May 2024
AGM for the year ending 31st March 2024	On or before 31st August 2024

3. DATES OF BOOK CLOSURE

Saturday, 12th August 2023 to Friday, 25th August 2023 (inclusive of both days)

4. DIVIDEND PAYMENT DATE

On or after 28th August 2023

5. REGISTERED OFFICE

Birlagram, Nagda, Dist. Ujjain,
Madhya Pradesh, India - 456331
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, Non-convertible Debentures and Global Depository Receipts ('GDRs'):

Equity Shares and Non-convertible Debentures	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 Fees for the financial year 2023-24 has been paid to all Stock Exchanges and no amount is outstanding.

(b) Non-Convertible Debentures

The Company had issued unsecured redeemable non-convertible debentures ('NCDs') which are listed on BSE and/or NSE. The details are as under:

Series	Date of Issue	ISIN	Principal Amount (₹in crore)	Maturity Date	Debenture Trustee
Series 1920/I 7.85% GIL2024	2nd April 2019	INE047A08141	500	15th April 2024	IDBI Trusteeship Services Limited
Series 1920/II 7.60% GIL2024	4th June 2019	INE047A08158	750	4th June 2024	
Series 20-21 I 5.90% GIL 2023	17th June 2020	INE047A08174	500	16th June 2023	
Series 21-22 I 6.99% GIL 2031	5th April 2021	INE047A08182	1,000	4th April 2031	
Series 22-23 I, 7.50% GIL 2027	10th June 2022	INE047A08190	1,000	10th June 2027	
Series 22-23 II, 7.63% GIL 2027	1st December 2022	INE047A08208	1,000	1st December 2027	

Note: Series-18-19/I 17.65% GIL2022 (₹ 500 crore), Series-19-20/III 6.65% GIL2023 (₹ 500 crore) and 30th Series I 9.00% GIL2023 (₹ 200 crore) NCDs were redeemed on 15th April 2022, 17th February 2023 and 10th May 2023 respectively.

(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, as amended from time to time, the Company has no outstanding Commercial Paper as on 31st March 2023.

(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- 400001
Tel: 022 40807000
E-mail: itsl@idbitrustee.com

(e) Overseas Depository for GDRs: Citibank N.A.

Depository Receipt Services
390 Greenwich Street, 4th Floor, New York, 10013
Tel: +212-723-4483; Fax: +212-723-8023

(f) Domestic Custodian of GDRs: Citibank N.A.

Custodial Services
FIFC, 9th Floor, C 54 & 55, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
Tel.: 91-22-61757532/6992;
Fax: 8000404096/ 8000404124

9. STOCK CODE

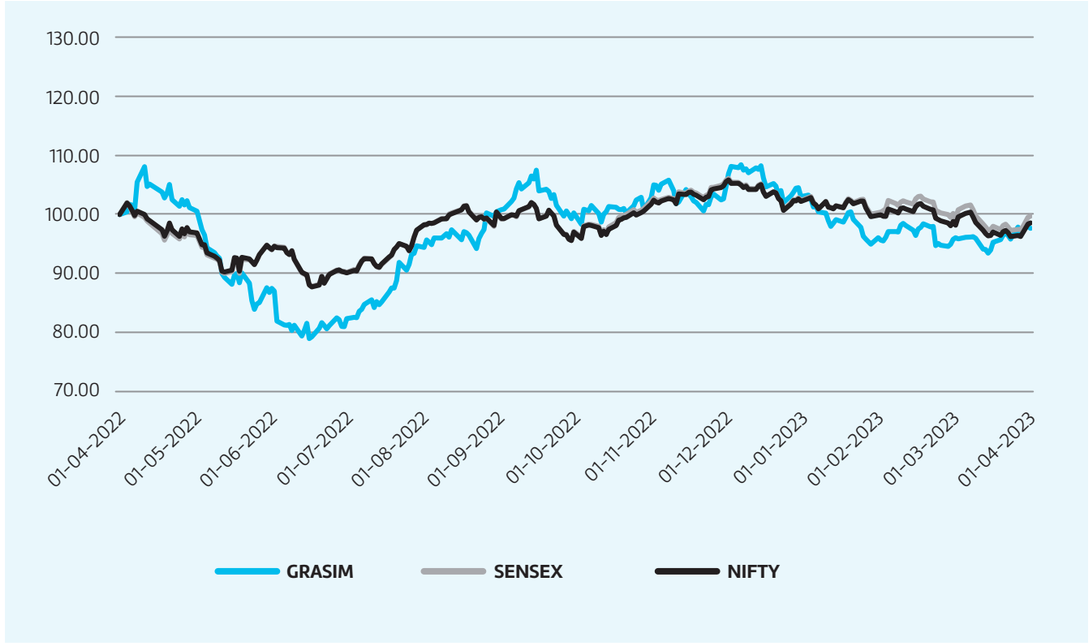
	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB Equity
NSE	GRASIM	GRAS.NS	GRASIM IS Equity
LSE	-	GRAS.LU	GRAS LX
ISIN of Equity Shares	INE047A01021	-	-
ISIN of GDRs	US3887061030 US3887064000	-	-

10. MARKET PRICE DATA

	BSE				NSE				LSE		
Month	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-22	1,830.20	1,652.10	1,692.05	5,20,896	1,830.90	1,658.00	1,692.30	1,93,09,544	24.00	21.80	22.20
May-22	1,702.00	1,341.00	1,427.65	15,41,151	1,703.50	1,340.25	1,428.60	2,12,63,099	22.00	17.70	18.40
Jun-22	1,455.00	1,276.90	1,321.50	10,83,310	1,450.00	1,276.60	1,320.75	2,91,82,332	18.70	16.50	16.70
Jul-22	1,645.50	1,305.95	1,573.10	11,17,166	1,587.70	1,305.30	1,573.00	1,62,58,351	19.90	16.80	19.80
Aug-22	1,692.55	1,543.40	1,678.90	9,97,684	1,692.00	1,542.65	1,678.65	1,90,07,273	21.00	19.60	20.80
Sep-22	1,816.35	1,644.50	1,675.25	9,21,713	1,816.25	1,643.95	1,674.85	1,67,40,532	22.80	20.20	20.60
Oct-22	1,740.50	1,628.60	1,722.75	12,41,153	1,740.50	1,628.05	1,721.70	1,07,07,128	21.00	20.00	20.80
Nov-22	1,794.10	1,676.75	1,757.90	4,39,494	1,795.10	1,676.00	1,759.75	1,54,80,512	21.60	20.60	21.60
Dec-22	1,839.30	1,700.25	1,725.95	6,52,507	1,839.50	1,704.00	1,723.50	1,12,86,297	22.40	20.60	20.80
Jan-23	1,748.00	1,549.65	1,590.50	16,61,450	1,748.00	1,549.50	1,590.20	1,28,44,246	21.00	19.10	19.40
Feb-23	1,668.05	1,554.35	1,577.80	3,40,351	1,668.80	1,554.05	1,578.55	1,23,20,019	20.00	18.90	19.10
Mar-23	1,650.35	1,528.00	1,632.50	3,23,714	1,651.65	1,527.05	1,632.70	1,04,77,748	19.90	18.70	19.90

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 AND NIFTY



12. STOCK PERFORMANCE AND RETURNS

(In Percentage)	1 Year	3 Years	5 Years
Absolute Returns (In %)			
GRASIM (NSE)	(2%)	243%	55%
GRASIM (BSE)	(2%)	243%	55%
BSE Sensex	1%	100%	68%
NSE Nifty	(1%)	102%	72%
Annualised Returns (In %)			
GRASIM (NSE)	(2%)	51%	9%
GRASIM (BSE)	(2%)	51%	9%
BSE Sensex	1%	26%	11%
NSE Nifty	(1%)	26%	11%

13. MARKET CAPITALISATION

(₹ in crore)

Financial Year Ended	BSE	NSE
31st March 2023	1,07,489	1,07,502
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

14. DISTRIBUTION OF SHAREHOLDING, DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH 2023

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-100	1,73,472	70.16	45,14,214	0.69
101-200	27,342	11.06	42,11,547	0.64
201-500	25,046	10.13	81,92,452	1.24
501-1,000	10,484	4.24	75,33,975	1.14
1,001-5,000	8,895	3.60	1,79,72,486	2.73
5,001-10,000	947	0.38	65,16,306	0.99
10,001 & above	1,079	0.43	60,94,91,146	92.57
Total	**2,47,265**	**100.00**	**65,84,32,126**	**100.00**
Physical Mode	28,644	15.19	1,83,57,768	2.79
Electronic Mode:	2,18,621	84.81	64,00,74,358	97.21
NSDL	1,27,807	49.58	58,16,66,723	88.34
CDSL	90,814	35.23	5,84,07,635	8.87

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2023

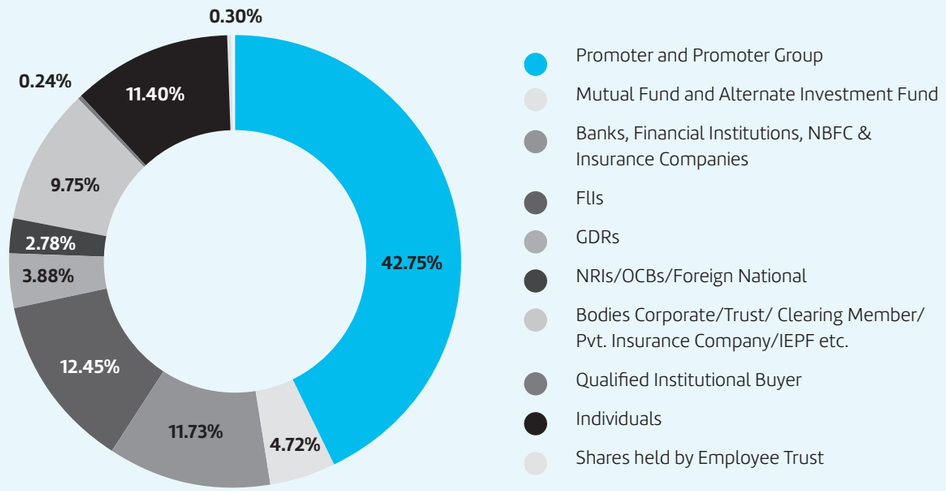
Categories	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group*	24	0.01	28,14,64,723	42.75
Mutual Fund and Alternate Investment Fund	63	0.03	3,10,50,401	4.72
Banks, Financial Institution, NBFC & Insurance Companies	143	0.06	7,72,35,857	11.73
FIIs	573	0.23	8,19,78,189	12.45
GDRs#	1	0.00	2,55,32,519	3.88
NRIs/OCBs/Foreign Nationals	8,309	3.36	1,83,12,938	2.78
Central Government/ State Government(s)	6	0.00	9,710	0.00
Bodies Corporate/ Trust/ Clearing Member, etc.	5,354	2.17	6,41,91,042	9.75
Qualified Institutional Buyer	3	0.00	15,81,239	0.24
Individuals	2,32,788	94.14	7,50,80,381	11.40
Shares held by Employee Trust	1	0.00	19,95,127	0.30
Total	**2,47,265**	**100**	**65,84,32,126**	**100**

*Includes 3,13,20,509 (4.76%) GDRs held by Promoters/Promoter Group. ECE Industries Ltd. forms part of Promoter Group. Since it's not holding any shares of the Company as on 31st March 2023 the same is not included in No. of shareholders.

Excludes GDRs held by Promoters/Promoter Group

Note: Entire shareholding of the Promoter and Promoter Group is in dematerialised form.

PERCENTAGE OF SHAREHOLDING



15. OUTSTANDING GDRS/WARRANTS AND CONVERTIBLE BONDS

5,68,53,028 GDRs (Previous Year: 5,67,52,955 GDRs) are outstanding as on 31st March 2023. Each GDR represents one underlying equity share of the Company. There are no warrants/convertible bonds outstanding as on 31st March 2023.

16. CORPORATE BENEFITS TO INVESTORS

Dividend declared during the last 5 years:

Financial Year	Date of Declaration	Dividend Per Share* (in ₹)
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
2021-22	29.08.2022	10.00

* Equity Share of face value of ₹ 2 each.

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.

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/Letter of Confirmation have been issued within thirty days of the date of lodgement of the complete documents for name deletion, name change, transmission, issue of duplicate certificate and had also filed the said certificate with the Stock Exchanges.

18. INVESTOR GRIEVANCE REDRESSAL

During the year under review, the Company received and redressed 60 complaints of the shareholders

Nature of Complaints	2022-23	
	Received	Redressed
Non-receipt of share certificate/Letter of confirmation	12	12
Non-receipt of dividend	12	12
Transmission of shares	10	10
Issue of duplicate share certificate	08	08
IEPF related	05	05
Others (Non updation of KYCs, Name correction, etc.)	13	13
Total	**60**	**60**

19. DETAILS ON USE OF PUBLIC FUNDS OBTAINED IN THE LAST THREE YEARS

No public funds have been raised during the last three years.

20. 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 in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November 2018.

21. CREDIT RATINGS

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies as given below:

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 CareEdge	AAA(Stable) Long Term, A1+ Short-Term
Out of Consortium Limits	CRISIL and CareEdge	AAA(Stable) Long Term, A1+ Short-Term
Company Rating	Indian Ratings and Research Private Limited	AAA(Stable)

22. REGISTRAR AND SHARE TRANSFER AGENT (RTA) & INVESTOR CORRESPONDENCE

Investor can contact the RTA of the Company relating to dividend, transmission, change of address, etc.

The contact details of RTA are as under:

Name	KFin Technologies Limited
Address for correspondence	Selenium Building, Tower-B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032
Email ID	einward.ris@kfintech.com
Toll Free/ Phone Number	1800 309 4001
WhatsApp Number	(+91) 910 009 4099
KPRISM (Mobile Application)	https://kprism.kfintech.com/
KFINTECH Corporate Website	https://www.kfintech.com
RTA Website	https://ris.kfintech.com
Investor Support Centre	https://ris.kfintech.com/clientservices/isc

23. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Correspondence with the Company/RTA

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and Client ID, in all correspondence with the Company/RTA.

All correspondence should be addressed to KFin Technologies Limited as per the details as mentioned above.

Shareholders may send correspondence through e-mail on einward.ris@kfintech.com or grasim.secretarial@adityabirla.com

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.

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, Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023, the Company has sent individual letters dated 8th February 2023 and 24th May 2023 respectively to all the Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination. Attention of the Shareholders holding shares of the Company in physical form is invited to go through the said important communication under the weblink at https://www.grasim.com/investors/investors-forms.

Furnishing of PAN, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities.

Folios wherein any one of the above-mentioned documents / details are not available on or after 1st October 2023 shall be frozen by KFin Technologies Limited (RTA) of the Company in terms of the SEBI Circular dated 16th March 2023 and you will not be eligible to lodge grievance or avail service request. Further effective 1st April 2024, payment of dividend for such frozen folios should be made through electronic mode only. The relevant forms viz., ISR 1, 2, 3, 4, 5 and SH-13 can be downloaded from the Company's website at https://www.grasim.com/investors/investors-forms or that of RTA website at www.kfintech.com.

After 31st December 2025, the frozen folios shall be referred by RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

Compulsory linking of PAN and Aadhaar by all holders of physical securities by 30th June 2023 or such other date as may be specified by the Central Board of Direct Taxes ('cut-off-date') to avoid freezing of Folios. If on cut-off date, the folios in which updated PAN is not linked with Aadhaar will be frozen.

Dematerialisation

Dematerialisation requests, duly completed in all respects are normally processed within 15 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 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.

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.

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).

Unclaimed Shares/Dividend

Pursuant to Sections 124 and 125 of the Act 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 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 which dividends 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 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 financial year 2022-23, transferred the unclaimed dividend to IEPF, outstanding for 7 years of the Company, erstwhile Aditya Birla Nuvo Limited, erstwhile Aditya Birla Chemicals (India) Limited (both have amalgamated with the Company) and the fractional sale proceeds of shares of erstwhile Aditya Birla Chemicals (India) Limited. 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 IEPF.

Statement of amount credited to IEPF during the year:

Sr. No.	Name of the Company	Amount credited (in ₹)	Financial year to which the amount relates
1	Aditya Birla Nuvo Limited	70,31,969	2014-15
2	Aditya Birla Chemicals (India) Limited	8,25,900	2014-15
3	Grasim Industries Limited	1,27,76,359	2014-15
4	Aditya Birla Chemicals (India) Limited (Fractional Sale proceeds)	10,69,824	2015-16

	Total number of shares	Total nominal
Shares Transferred to IEPF during the year	(Face value of ₹2 each)	amount
	1,53,531	3,07,062

Details of unpaid/unclaimed dividend and equity shares for the financial year 2014-15 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.

The due date of transfer of unpaid/unclaimed dividend to IEPF for the year 2015-16 onwards are as under:

Financial Year	Due date for transfer to IEPF	
	Grasim Industries Limited	Erstwhile Aditya Birla Nuvo Limited
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	
2021-22	29th September 2029	

Shareholders who have not encashed their dividend warrants/ demand drafts so far in respect of the aforesaid periods, are requested to send a request letter to the RTA of the Company well in advance for crediting the amounts through NEFT/ NECS/RTGS directly to your bank account along with copy of PAN Card.

IEPF Refund

Shareholders whose unclaimed/ unpaid amount or shares 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 equity shares from the IEPF:

Step 1
Send the relevant documents for issue of Entitlement Letter to RTA of the Company at KFin Technologies Limited, Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.

Step 2
Upon receipt of Entitlement Letter, register yourself on MCA website and login to website of MCA at https://www.mca.gov.in/mcafoportal/login.do

Step 3
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 in the Form.

Step 4
Upload the filled in e-form, save a copy of uploaded e-form, acknowledgement receipt and indemnity bond generated while uploading e-form.

Step 5
Submit self-attested copy of e- form, copy of acknowledgement, Indemnity Bond along with other documents mentioned in the form to the Nodal Officer of the Company at its corporate office: Grasim Industries Limited, Aditya Birla Centre, 'A' Wing, S.K. Ahire Marg, Worli, Mumbai – 400 030 in an envelope marked 'Claim for refund from IEPF Authority'.

Step 6
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 7
Based on e-verification report, claim is processed by the IEPF Authority.

Contact Details

IEPF Authority:
e-mail Id: iepf@mca.gov.in
Tel.: 1800 114 667

Company:
Nodal Officer: Mr. Sailesh Kumar Daga
Deputy Nodal Officer: Mr. Ullash Chandra Parida
e-mail ID: grasim.iepf@adityabirla.com
Tel.: +91 22 2499 5828/ 5000

Unclaimed shares in Physical Form

Pursuant to Regulation 39(4) of the Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares' share certificates which have been returned as 'undelivered' by the postal authorities, if any has to be dematerialised and held by the Company in its 'Unclaimed Suspense Account'.

In terms of Schedule VI to the 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 by submitting Form ISR-4 along with a copy of CML, PAN and Aadhaar Card.

All corporate benefits on such shares viz. bonus, etc. shall be credited to the unclaimed suspense account will remain for a period of seven (7) years and thereafter it will be transferred to IEPF in accordance with the provisions of IEPF Rules read with Section 124(6) of the Act.

The details of transactions carried out in 'Grasim Industries Limited Unclaimed Share Suspense Account' during the year are as under:

Particulars	No. of shareholders	No. of shares
Outstanding at the beginning of the year i.e. 1st April 2022	1,840	1,97,470
Shareholders/Legal Heirs who approached the Company and to whom shares were transferred from the Unclaimed Suspense Account during the year upon receipt and verification of necessary documents	8	183
Number of shares transferred to IEPF Authority during the year	51	9,995
Outstanding at the end of the year i.e. 31st March 2023	1,781	1,87,292*

*Voting Rights in respect of the aforesaid 1,87,292 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are credited in their demat account.

Shares in Suspense Escrow Demat Account

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 directed listed entities to issue securities in dematerialised form through letter of confirmation while processing investor services request and in cases where letter of confirmation is not submitted to DP with 120 days from the date of issuance of letter of confirmation, RTA/Company shall credit the same into the Suspense Escrow Demat Account of the Company.

In terms of SEBI Circular, your Company has credited the shares into 'Grasim Industries Limited Suspense Escrow Demat Account', in those cases where the Letter of Confirmation has not been submitted to DP within 120 days. In case your shares are lying in Suspense Escrow Demat Account of the Company, you are requested to claim the same by submitting Form ISR-4 along with a copy of CML, PAN and Aadhaar Card.

During the year under review, 3,959 equity shares pertaining to 14 Folios were transferred to Grasim Industries Limited Suspense Escrow Demat Account and voting rights in respect of the aforesaid shares are frozen till the time such shares are claimed by the concerned shareholders and the shares are credited in their demat account.

Service of documents in Electronic Form

In compliance with various MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for the year is being sent only through electronic mode to those Shareholders whose e-mail ID is registered with the RTA/Depositories.

Shareholders 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 and NSE at www.bseindia.com and www.nseindia.com respectively, and on the website of RTA at https://evoting.kfintech.com

Link for availing the electronic communication (Green Initiative) – https://www.grasim.com/investors/green-initiative

24. 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:

Viscose Stable Fibre:

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

Chlor-Alkali and Chlorine Derivatives:

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 Chemical Division at Century Rayon	Veraval – 362 266, Dist. Gir, Somnath, Gujarat Murbad Road, Shahad Station, Kalyan - 421 301, Dist. - Thane, Maharashtra

Salt Works:

Name	Address
Salt Pans at Singach	P.O. Singach, Via - Vadinar, Dist. - Jamnagar, Gujarat, 361 010
Salt Pans at Pundi	Pundi Galli, Vajrapukothuru, Dist. Srikakulam, 532 222, Andhra Pradesh

Speciality Chemicals (Epoxy Polymers & Curing Agents):

Name	Address
Grasim Epoxy Division, Vilayat	Plot No. 1, GIDC Vilayat Industrial Estate, P. O. Vilayat, Taluka: Vagra, Dist. Bharuch - 392 012 Gujarat

Textile:

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

Viscose Filament Yarn:

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:

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

25. 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.: + 91 22 4886 7000 and + 91 22 2499 7000 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 / Toll free: 1800-22-5533 Web: www.cdslindia.com

26. 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
Occupational Health Policy	https://www.grasim.com/Upload/PDF/occupational-health-policy.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
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
Information Security Policy	https://www.grasim.com/Upload/PDF/information-security-policy.pdf
Policy for control of Stationary by RTA	https://www.grasim.com/Upload/PDF/policy-for-control-stationery-by-rta-grasim.pdf
Privacy Policy	https://www.grasim.com/Upload/PDF/privacy-policy.pdf
Stakeholder Engagement Policy	https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf
Suppliers Code of Conduct	https://www.grasim.com/upload/pdf/suppliers-code-conduct.pdf
Terms and Conditions of Appointment of Independent Directors	https://www.grasim.com/upload/pdf/terms_conditions_independent_director.pdf
Anti-Corruption and Anti-Bribery Policy	https://www.grasim.com/Upload/PDF/anti-corruption-and-anti-bribery.pdf
Biodiversity Policy	https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf
POSH Policy	https://www.grasim.com/Upload/PDF/POSH-policy.pdf
Safety Policy	https://www.grasim.com/Upload/PDF/safety-policy.pdf

Business Responsibility and 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	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 2022 to 31st March 2023
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited 3. Luxembourg Stock Exchange
11.	Paid-up Capital	₹ 131.69 crore
12.	Contact details of the person who may be contacted in case of any queries on the BRSR report	
	Name of the Person	Mr. Sailesh Kumar Daga (Company Secretary)
	Telephone	022-2499 5000
	E-mail address	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 disclosures under this report covers the standalone operations of Grasim Industries Limited, however, for Principle 6 we have only considered the manufacturing plants and does not include the data pertaining to offices.

II. Product/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the entity
1.	Manufacturing	Fibre & Yarn	56%
2.	Manufacturing	Chemical and Allied Chemicals	39%

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

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Fibre & Yarn	24301 24303	56%
2	Chemicals	24297	39%

III. Operations

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

Location	Number of plants	No. of offices	Total
National	21	2*	23
International	-	1	1

There are one or more plants at a single geographical location.
*Corporate & Registered Office. (Does not include marketing and other offices).

17. Market served by the entity

		Locations	Numbers
a.	No. of Locations	National (No. of States)	28 states & 8 Union Territories
		International (No. of Countries)	84
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	13% of total operating revenue of the Company.	
c.	A brief on types of customers:		

Viscose – The customer base for viscose fibre includes all partners in the textiles value chain. VSF is shipped to yarn manufacturers to convert fibre into yarn and the weaving mills convert yarn into fabrics and eventually use it for garment manufacturing. In contrast, the non-woven value chain is shorter and involves convertors in roll-goods production, who are our customers for final products such as wipes.

Chemicals – Our Chlor-Alkali business caters to a wide range of applications, such as the production of aluminum, pulp and paper, soaps, detergents, viscose fibre, zeolites, food additives, textile processing, and more. The business primarily serves industrial sectors (B2B) that are diverse and critical. On the other hand, our Speciality Chemicals (epoxy polymers and curing agents) division produces products in the Epoxy value chain, which are used in various industries such as windmill blades and auto segments, paints, construction, coating, composite, and electrical applications, among others, and cater to different touchpoints across the value chain.

Textiles – Our Textiles business caters to both the textile value chain and retail customers, with certain products being made available through retail outlets. Our textiles business addresses demand of three sub-categories linen, wool and cotton fabrics.

IV. Employees

18. Details as at the end of Financial Year

a. Employees and Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	8,314	7,645	92	669	8
2.	Other than Permanent (E)	553	498	90	55	10
3.	**Total Employees (D + E)**	**8,867**	**8,143**	**92**	**724**	**8**
	Workers					
4.	Permanent (F)	16,141	16,002	99	139	1
5.	Other than Permanent (G)	18,121	17,667	97	454	3
6.	**Total Workers (F + G)**	**34,262**	**33,669**	**98**	**593**	**2**

b. Differently abled Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled employees					
1.	Permanent (D)	7	7	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total Employees (D + E)**	**7**	**7**	**100**	**-**	**-**
	Differently abled workers					
4.	Permanent (F)	28	28	100	-	-
5.	Other than Permanent (G)	18	18	100	-	-
6.	**Total Workers (F + G)**	**46**	**46**	**100**	**-**	**-**

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and % of females	
		No. (B)	% (B/A)
Board of Directors	14	3	21%
Key Management Personnel	3	-	-

20. Turnover rate for permanent employees and workers:

Particulars	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	18%	14%	9%	18%	9%	7%	12%	7%
Permanent Workers	4%	18%	4%						

V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or 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.	UltraTech Cement Limited*	Subsidiary	57.27	Yes
2.	Aditya Birla Capital Limited**	Subsidiary	54.15	Yes
3.	Aditya Birla Renewables Limited	Subsidiary	100	No

*UltraTech Cement Limited and its subsidiaries, associate companies and joint ventures follows its separate business responsibility initiatives.

**Aditya Birla Capital Limited and its subsidiaries, associate companies and joint ventures follows its separate business responsibility initiatives.

The Company's business responsibility initiatives apply to its other subsidiaries.

Please refer to Page No. 600 for the list of subsidiaries, associate companies, and joint ventures.

VI. CSR Details

22.	(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013:	Yes
	(ii) Turnover (in ₹)	26,840 crore
	(iii) Net worth (in ₹)	46,955 crore

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 2022-2023			FY 2021-2022		
		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	60	Nil	Nil	42	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	928	76	The pending complaints are under review	990	87	-
Value Chain Partners	Yes	Nil	Nil	Nil	4	-	-
Other* (Whistle-Blower)	Yes	3	1	Across Chemicals and Renewables business	5	1	-

Note: The policies are placed on the Company's website under the Corporate Governance & 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 some of the Whistle-blower cases the identity is not known, and they may belong to any of the above stakeholders' group.

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

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Consumption and GHG Emissions	Risk	Energy Consumption and GHG Emissions pose a risk for Grasim due to the environmental impact and regulatory compliance requirements. Rising energy costs, potential supply disruptions, and stricter emissions regulations can affect operations and profitability. By addressing energy efficiency, transitioning to cleaner energy sources, and implementing emission reduction measures, Grasim can mitigate these risks, enhance operational resilience, and contribute to a low-carbon future.	Energy constitutes a significant portion of Grasim's business expenses. However, the Company recognises the potential for cost savings by implementing energy efficiency initiatives. By adopting high-efficiency equipment, incorporating on-site renewable energy systems whenever possible, and pursuing other energy-saving projects, it not only reduces carbon emissions but also achieve financial savings. The Company's goal to eliminate direct greenhouse gas emissions from its operations not only enhance its energy supply resilience but also appeals to investors who view carbon emissions as a growing risk. This ambitious approach is expected to lower overhead costs while attracting environmentally conscious investors.	Negative
2.	Responsible Supply Chain	Opportunity	Investors, customers, and regulators are increasingly demanding organisations to tackle environmental, social, and governance (ESG) risks within their supply chains. Failing to adopt sustainable supply chain management practices exposes companies to various risks, such as labour disruptions, incidents related to workforce health and safety, human rights concerns, and shortages of raw materials.	Grasim acknowledges the potential of incorporating ESG considerations into its supply chain to mitigate risk comprehensively. Company has made substantial advancements in supply chain management by diversifying our suppliers and vendors, as well as implementing sustainable sourcing practices. The company prioritises sustainable sourcing for all operations, sourcing 100% of its pulp from certified vendors. There is a preference for local vendors, which not only promotes community development but also ensures sustainability.	Positive

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Climate Change Adaptation	Risk	Climate change and the requirement for adaptation measures can greatly impact Grasim's business operations. Extreme weather events like floods, storms, and droughts have the potential to disturb supply chains, cause damage to infrastructure and equipment, and result in higher expenses. In addition to these impacts, the emergence of new and potential regulations may introduce or escalate regulatory risks, further influencing the Company's operations. Grasim perceives climate change as both a challenge and an opportunity. Embracing the low-carbon transition allows it to enhance efficiency, drive innovation, and foster growth. Through strategic investments in clean technologies, its businesses can lower energy and material expenses, meet evolving customer needs, improve their reputations, and attract and retain top talent. These favourable outcomes arise from the Company's commitment to reducing emissions.	Grasim recognises the potential risks linked to climate change and has taken proactive steps to address them. It has incorporated the Task Force on Climate-related Financial Disclosure (TFCD) into its risk management framework and have effectively conducted assessments of both physical and transition risks this year.	Negative
4.	Waste Management	Risk	Waste management represents a risk for Grasim due to its potential environmental and regulatory implications. Inadequate waste management practices can result in pollution, legal non-compliance, and reputational damage. By addressing waste management effectively, Grasim can mitigate these risks, minimise environmental impact, and ensure compliance with regulations, while also exploring opportunities for resource recovery and circular economy practices.	Grasim demonstrates a dedicated approach to waste management by employing a comprehensive strategy. The company places emphasis on waste reduction, recycling, and responsible disposal practices throughout its operations. By implementing efficient waste segregation systems, embracing circular economy principles, and collaborating with certified waste management vendors, Grasim aims to minimise waste generation, optimise resource utilisation, and mitigate environmental risks.	Negative
5.	Product Stewardship	Opportunity	Product stewardship presents an opportunity for Grasim to demonstrate its commitment to responsible and sustainable business practices. By ensuring the safe and environmentally sound use, disposal, and lifecycle management of its products, Grasim can enhance customer trust, meet regulatory requirements, and differentiate itself in the market as a socially responsible company.	Grasim's approach to product stewardship encompasses several key initiatives. The Company employs Life Cycle Assessment to identify and address risks and concerns associated with its production and disposal activities. The Company's Closed Loop system ensures the reuse of by-products within its production cycle, promoting resource efficiency and waste reduction. By reducing its footprint, Grasim optimises its resource utilisation and generate sustainable value for society. Additionally, the Company prioritises product safety to ensure secure handling and transportation of its finished products, safeguarding both its customers and the environment.	Positive
6.	Human Rights	Risk	Human rights pose a risk for Grasim due to its vast supply chain and labour-intensive operations. Violations or non-compliance with human rights standards can damage the company's reputation, lead to legal consequences, and disrupt operations. Ensuring respect for human rights is essential to mitigate these risks and uphold ethical business practices.	Grasim upholds a strong commitment to respecting and promoting human rights throughout its operations. The company ensures compliance with internationally recognised human rights standards, both within its own workforce and across its supply chain. Through robust policies, regular audits, and capacity-building initiatives, Grasim strives to prevent human rights violations, foster a culture of diversity and inclusion, and empower stakeholders. By prioritising human rights, Grasim aims to create a safe, fair, and ethical work environment that aligns with global best practices.	Negative
7.	Water and Effluents	Risk	The availability and quality of water play a crucial role in our business operations. The nature of our operations makes us vulnerable to water scarcity, which can cause disruptions, supply chain challenges, rising raw material expenses, and potential health and safety risks for our employees and the community. Additionally, competing for water resources with local communities may jeopardise our social license to operate.	Grasim has undertaken a range of initiatives to uphold water stewardship. The company places a strong emphasis on water conservation, treatment, and reuse. Through continuous investments in cutting-edge technologies and process enhancements, Grasim strives to reduce its overall water consumption. Additionally, the implementation of Zero Liquid Discharge (ZLD) plants across its manufacturing facilities demonstrates a commitment to responsible water management, fostering sustainability for future generations.	Negative
8.	Innovation and R&D	Opportunity	Innovation and R&D offer a significant opportunity for Grasim by fostering technological advancements and product development. By investing in research, Grasim can stay ahead of market trends, enhance product performance, and explore new business avenues. This approach enables Grasim to maintain a competitive edge, drive growth, and adapt to evolving customer needs.	Through Grasim's dedicated R&D efforts, it strives to develop specialty chemicals, sustainable solutions, and novel production techniques. The Company recognises that innovation is key to stay competitive in a rapidly evolving market and meeting the changing needs of its customers. By investing in R&D, the Company not only drive continuous improvement but also position itself as industry leaders and pioneers in its field. Embracing innovation enables Grasim to seize opportunities, create value, and contribute to the sustainable development of our industry and society.	Positive

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Resource Efficiency	Opportunity	Resource efficiency presents a valuable opportunity for Grasim due to its potential to optimise resource utilisation and reduce waste. By implementing efficient practices in energy, water, and raw material consumption, Grasim can enhance operational efficiency, reduce costs, and minimise its environmental footprint, aligning with sustainability goals and gaining a competitive advantage.	Through the implementation of efficient technologies, process improvements, and responsible consumption practices, Grasim aims to maximise resource utilisation and minimise inefficiencies. This not only contributes to its environmental stewardship but also enhances its competitiveness in a resource-constrained world. By embracing resource efficiency, the Company can lower operational costs, increase productivity, and foster a more sustainable future for the company and the communities in which it operates.	Positive
10.	Occupational Health and Safety	Risk	Occupational Health and Safety is a significant risk for Grasim due to its labour-intensive manufacturing operations, which are prone to health and injury risks caused by machinery breakdowns and human negligence. Moreover, the Chemicals business further amplifies the risk with the production and handling of hazardous chemicals.	To mitigate risks and ensure safety at Grasim, the Company has implemented SA 8000 standards across its units. The Company has also developed and implemented critical safety standards, including the introduction of 'Life Saving Rules,' and established processes for identifying training needs at every employee level. Furthermore, Grasim continuously emphasise the importance of a safety culture throughout its workforce. To provide additional protection, it has secured adequate insurance coverage to address any unforeseen incidents or accidents that may occur.	Negative

*Please refer to Materiality Assessment on Page 52 for further details.

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		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	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	Yes. All policies which are required to be disclosed under various governing regulations have been placed on the website. Please see the below link – https://www.grasim.com/investors/policies-and-code-of-conduct https://www.birlacellulose.com/reports-policies.php https://www.adityabirlachemicals.com/reports-and-policies.php https://sustainability.adityabirla.com/policies.php https://www.jayashree-grasim.com/sustainability/								
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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Grasim has several certifications received and standards and codes to which it's aligns. They are as follow: **Principle 1:** IR framework, ISAE3000 **Principle 2:** FSC®, PEFC™, GOTS, OCS, GRS, RWS, OEKO TEX, Better Cotton Initiatives (BCI), REACH, HIGG INDEX, ISO 9001, ISO 14001, ISO 14040/44, ISO 50001, EcoVadis (Epoxy), **Principle 3:** SA 8000, ISO 45001 **Principle 4:** IR framework, SA 8000 **Principle 5:** SA 8000 **Principle 6:** GRI Standards, ISO 14001, ISO 50001, FSC, PEFC, GOTS, OCS, RWS, OEKO-TEX, BCI, HIGG INDEX, REACH **Principle 7:** IR framework, GRI standards **Principle 8:** SA 8000 **Principle 9:** ISO 27001 In addition, Grasim is committed to tackling climate change and water-related issues and reports to the Carbon Disclosure Project (CDP) on these critical issues. Grasim follows the Global Reporting Initiative (GRI) standards, which are widely regarded as the gold standard for sustainability reporting.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Grasim Industries, a flagship company of Aditya Birla Group has set ambitious goal to combat climate change and it aims in achieving those with its robust strategies and roadmap. Please refer ESG Framework sections page no. 36 for Company's goals and targets.								
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Grasim has set several ambitious targets for itself, and it aims in achieving those with its robust strategies and roadmap. Please refer ESG Framework sections page no. 36 for Company's performance.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, Leadership and Oversight										
7.	Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. Grasim recognises the significance of Environmental, Social, and Governance (ESG) practices in promoting sustainable and responsible business operations. In its commitment to ESG principles, Grasim has identified several challenges, targets, and achievements. For further details please refer message from the MD on page no. 8 of the Report and ESG framework on page no. 36 of the report.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). **Mr. Harikrishna 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.	The Risk Management and Sustainability Committee encompasses all aspects concerning sustainability. The committee evaluates the progress of the sustainability strategy, including its key performance indicators, and formulates suitable action plans periodically to ensure its achievement. Please refer to the 202 page of corporate governance report.								

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Yes, quarterly review by the executive management and quarterly / half yearly review by the Audit Committee and Risk Management and Sustainability Committee of the Board is undertaken covering some of the above principles.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Grasim has policies for all the principles which are reviewed on need basis. Reviews of performance and compliance tasks are undertaken through the Regulatory Compliance Module (RCM) and needful action is taken based on such reviews.								

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The policies are currently reviewed internally and will be subjected to external audits as and when required.								

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

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

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 programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	• Quality Journey: Research & Development • Safety and its values • Practices Across Value Chain • Water intake and Effluent generation • Sustainable Products & Circular Economy	100%
Key Management Personnel	2	• Quality Journey: Research & Development • Safety and its values • Practices Across Value Chain • Water intake and Effluent generation • Sustainable Products & Circular Economy • BRSR	100%
Employees other than BODs and KMPs	27	• Compliances under Code of Conduct • Pre and Post Budget sessions detailing implications on financial health of employees • Health and Safety Training • Skill Upgradation Training • Human Rights Training • Capacity building sessions on sustainability values	67%*
Workers	Multiple	• Health and Safety Training • Skill Upgradation Training • Human Rights Training	39%*

*Average percentage of persons covered by the awareness programmes.

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.

Monetary

Type	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			NIL		
Settlement			NIL		
Compounding fee			NIL		

Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL	
Punishment			NIL	

Note: For this disclosure, materiality threshold is considered as detailed in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been considered.

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.

The Company has an anti-corruption and anti-bribery policy that applies to all its employees and associates working on behalf of the Company, and it is communicated and disseminated to vendors, suppliers, and other stakeholders. To foster a culture of 'zero-tolerance' towards corruption and bribery, a third-party external agency has been appointed to receive and process complaints. The policy can be accessed through this web link: https://www.grasim.com/Upload/PDF/anti-corruption-and-anti-bribery.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:

Category	FY 2022-2023	FY 2021-2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Topic	FY 2022-2023		FY 2021-2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of KMPs	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.

No instances of corruption or conflicts of interest have been reported in financial year.

Leadership Indicators

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

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in value chain covered under the awareness programmes
The company actively organises programmes aimed at raising awareness among its value chain partners on important aspects such as health and safety, education, and adherence to the company's code of conduct. These programmes are designed to foster transparent business practices throughout the organisation. Furthermore, the company recognises its responsibility in promoting sustainability among its suppliers. To ensure alignment between supplier objectives and the company's own sustainability goals, specific supplier criteria have been developed. The company places great value on ESG (Environmental, Social, and Governance) aspects, in addition to evaluating general skills, finances, and capacity. In the past year, significant attention has been given to improving operational efficiency and reducing waste to enhance energy conservation. Moreover, the company has made progress in the procurement process, actively seeking out vendors who share their commitment to environmental stewardship and community engagement. For more detailed information on the company's interaction with suppliers, please refer to the Social and Relationship Capital section of the Integrated Reporting on Page No. 110.		

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

Yes, the Company has established a code of conduct specifically for the Board and Senior Management, as required by the Listing Regulations. Additionally, the Board Members and Key Managerial Personnel (KMPs) affirm that at the start of each financial year and whenever there are any changes, there are no significant financial or commercial transactions in which they have a vested interest that could potentially conflict with the Company's interest. Furthermore, if any such conflicts arise, the Directors abstain from participating in discussions or decision-making regarding agenda items at Board or Committee Meetings in which they have a personal or perceived interest.

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.

Type	FY 2022-2023	FY 2021-2022	Details of improvement in social and environmental aspects
Research & Development (R&D)	18%	7%	• Please refer to Board's report on page no. 160 for details
Capital Expenditure (CAPEX)	6%	7%	• Capex in technologies to improve Environmental impacts

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

Yes, the Company has implemented procedures for sustainable sourcing. The Company has integrated sustainability in the procurement process, also the 'Supplier Code of Conduct' establishes the standards required from all the suppliers who do business with us. The sourcing strategy is designed considering the management of risks pertaining to safety and environment, legal compliances, ethics, human rights, and fair wages, among other aspects related to functionality of materials and services.

In Viscose business, wood is a key raw material which is converted to dissolving grade pulp and this pulp in turn is converted to viscose fibre. Therefore, responsible sourcing of wood carries a very high importance in our sourcing strategy. We strictly implement our requirements of wood supply across all our pulp suppliers to ensure that the wood used by them are sourced from sustainably managed forests while also following the laws of the land in this regard. A 'Wood Sourcing Policy' which is aligned to global benchmark practices has been in place and fully implemented, which encompasses an internal mechanism and system of checks to trace the source and origin of woods that we use. All the wood/pulp sourced by the business is certified by globally recognised forestry standards such as Forest Stewardship Council® (FSC®). Viscose business also works with Canada based not-for-profit ENGO Canopy which has set standards for responsible wood sourcing and annually publishes a report called Hot Button Report and ranks all the global viscose producers on their wood sourcing practices. Viscose business has been ranked in the top category from last 3 years.

Please refer to our Wood Sourcing Policy: https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf

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

We source 100% of our pulp from sustainably managed forests and adhere to FSC®, SFI® and PEFCTM standards for wood sourcing. Additionally, our textiles business also sources significant portion of its raw materials like flax, and wool, from sustainable origins. Both these business account for 55% of the total Standalone revenues.

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.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	Under the Plastic Waste Management Rules, 2018, the Company is registered as a Brand Owner with Central Pollution Control Board (CPCB), we take appropriate actions for recycling, reusing and disposing of plastic at the end of the life.
b. E-Waste	E-waste is disposed of through a registered recycler.
c. Hazardous Waste	Hazardous waste is disposed of through pre-processing, co-processing, incineration, or landfill at TSDF or by selling to SPCB-authorised re-cycling & decontamination facilities of registered recyclers.
d. Other Waste	Bio-medical waste is disposed of through Common Bio-medical Waste Treatment and Disposal Facility (CBWTF) incinerator. Organic waste like food waste and gardening waste are processed to use as an organic fertiliser.

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.

The Company is subjected to Extended Producer Responsibility (EPR) solely for managing plastic waste in accordance with the PWM (Plastic Waste Management) rules of 2018.

Yes, Extended Producer Responsibility under Plastic Waste Management Rules is applicable for Grasim. The waste collection mechanism is in line with the guidelines and the process established by Central Pollution Control Board (CPCB). Brand Owner registration obtained for Grasim and EPR Plan submitted to CPCB as per the guidelines and Year wise % based target defined by CPCB. As per the applicable Year, through CPCB registered Plastic Waste Processors (PWPs) Category wise Plastics e.g., Rigid and Flexible recycled for the target quantity of Plastics Waste (Pre -Consumers and Post Consumers) and EPR Credits procured by Grasim. This process is operated and governed through CPCB online Portal for EPR Credit exchange.

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	47%	Cradle-to-gate	Yes	https://www.birlacellulose.com/policies_reports_files/policies_reports_pdf_36_1636614623.pdf#page=41
20116	Chlor-Alkali Product	30%	Cradle-to-gate	Yes	No
46411	Linen Fabric	4.4%	Cradle-to-gate	Yes	https://www.jayashree-grasim.com/wp-content/uploads/FY-19-20-and-21.pdf

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	Major contribution to Global Warming Potential (GWP) is from the on-site generation of electricity and steam from captive power plant (CPP)	1. Planning for decarbonisation and subsequently moving to green power and green steam required for fibre production. 2. More efficient coal-based steam and power generation. 3. Improving operational efficiency to achieve reduction in steam and power consumption. 4. 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.
Chlor-Alkali	Electricity used in the Electrolysis process leading to GHG emission	1. Technology up-gradation use of 6th generation electrolysers, timely recoating & re-membraning to optimise power consumption, installation of VFDs, Installation of IE-3 Grade 2. Motors by replacing the Old – Non-IE/below IE-2- Standard, installation of energy efficient equipment. 3. 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. 4. Increased share of renewable power/green energy footprint to reduce fossil fuels & carbon emissions.
Linen Fabric	1. Global Warming Potential on account of electricity consumed and steam consumption in the processing step 2. Blue Water Consumption	1. LOI signed for hybrid power for 30 lakh units. Renewable power share increased. 2. ZLD installed for 2 units.

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

Indicated input Material	Recycled or re-used input material to total material	
	FY 2022-2023	FY 2021-2022
	NIL	NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Topic	FY 2022-2023			FY 2021-2022		
	Reused	Recycled	Safely Disposed	Reused	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.

Indicated 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	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	7,645	7,110	93	7,566	99	-	-	4,832	63	2,148	28
Female	669	615	92	650	97	543	81	-	-	169	25
Total	**8,314**	**7,725**	**93**	**8,216**	**99**	**543**	**7**	**4,832**	**58**	**2,317**	**28**
Other than Permanent Employees											
Male	498	4	1	6	1	-	-	-	-	4	1
Female	55	4	7	-	-	4	7	-	-	4	7
Total	**553**	**8**	**1**	**6**	**1**	**4**	**1**	**-**	**-**	**8**	**1**

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	16,002	9,006	56	8,136	51	-	-	-	-	5,274	33
Female	139	87	63	32	23	106	76	-	-	84	60
Total	**16,141**	**9,093**	**56**	**8,168**	**51**	**106**	**1**	**-**	**-**	**5,358**	**33**
Other than Permanent workers											
Male	17,667	4988	28	5,527	31	-	-	-	-	4,323	24
Female	454	45	10	109	24	67	15	-	-	34	7
Total	**18,121**	**5,033**	**28**	**5,636**	**31**	**67**	**0.4**	**-**	**-**	**4,357**	**24**

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sr. No.	Benefits	FY 2022-2023			FY 2021-2022		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1.	PF	100	100	Yes	100	100	Yes
2.	Gratuity	100	100	Yes	100	100	Yes
3.	ESI	3	41	Yes	4	37	Yes
4.	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.

The Company has implemented a comprehensive strategy to ensure workplace accessibility, specifically for individuals with disabilities, across all existing and future infrastructure. Careful consideration has been given to the design and construction of work areas, restrooms, social spaces, and mobility areas within and around our facilities to promote accessibility. As a result, all our offices and facilities are accessible to employees with different abilities.

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.

Grasim provides an inclusive work culture and a discrimination free environment for all its employees. The Company has a code of conduct that ensures that no person is discriminated based on race, gender, religion/ beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other protected class of person in the country.

Weblink of the policy: https://www.grasim.com/Upload/PDF/corporate-principles-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 Rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate (%)
Male	99	76	-	-
Female	55	57	50	-
Total	95	75	25	-

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.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Grasim has implemented an internal grievance policy for its employees and workers, which is readily available on the company's intranet. In cases where an employee's actions are found to be in violation of the Code, appropriate disciplinary measures are taken. All employees and workers are encouraged to report any operational or performance issues and concerns to their immediate supervisor or reporting manager. For matters related to organisational issues, performance, and appraisal concerns, or if the complaint is against the supervisor or reporting manager, they are directed to the Human Resource Manager. To ensure a platform for addressing organisational issues, we have established a portal that allows employees to express any concerns they may have. Additionally, we conduct an annual survey to gather feedback and identify any potential complaints or grievances from employees. Please refer to our Grievance Handling Policy: https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-2023			FY 2021-2022		
	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)
Permanent Employees						
Male	7,645	-	-	6,800	-	-
Female	669	-	-	455	-	-
Total	**8,314**	**-**	**-**	**7,255**	**-**	**-**
Permanent Workers						
Male	16,002	14,715	92	16,210	15,775	97
Female	139	138	99	126	125	91
Total	**16,141**	**14,853**	**92**	**16,336**	**15,900**	**97**

8. Details of training given to employees and workers:

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	On Health and Safety measures		On skill upgradation		Total (D)	On Health and Safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	7,645	7,011	92	7,272	95	6800	6001	88	4927	72
Female	669	498	74	597	89	455	380	84	266	58
Total	**8,314**	**7,509**	**90**	**7,869**	**95**	**7,255**	**6,381**	**88**	**5,193**	72
Permanent Workers										
Male	16,002	12,402	78	7,040	44	16210	16210	100	7588	47
Female	139	51	37	17	12	126	126	100	56	44
Total	**16,141**	**12,453**	**77**	**7,057**	**44**	**16,336**	**16,336**	**100**	**7,644**	**47**

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

Category	FY 2022-2023			FY 2021-2022		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	7,645	7,595	99	6,800	6,800	100
Female	669	520	78	455	455	100
Total	**8,314**	**8,115**	**98**	**7,255**	**7,255**	**100**
Permanent Workers						
Male	16,002	3,070	19	16,210	1,705	10
Female	139	3	2	126	-	-
Total	**16,141**	**3,073**	**19**	**16,336**	**1,705**	**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, across all the units, the company has established an occupational health and safety management system. The system is diligently maintained and monitored through a three-tier safety governance structure. Occupational health and safety processes and procedures are aligned with ABG sustainability standards and meet the requirements of ISO 45001. These processes have been developed and implemented at our manufacturing units, and their efficacy is demonstrated through a Self-Assessment Questionnaire (SAQ) Assurance model. To validate their effectiveness, we have a dedicated group assurance team, the Business IMS core team, and periodic assessments conducted by a certification body
b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company has established a Risk Evaluation Management and Occupational Health Risk Assessment standard that includes TIER-1 and TIER-2 Risk Assessment requirements. To guide the Hazard Identification & Risk Assessment process in the business units and have implemented the Business Hazard Identification & Risk Assessment procedure. This procedure ensures that all routine and non-routine activities are identified, associated risks are analysed, and appropriate control measures are implemented. For critical and high potential tasks, we follow the Job Safety Analysis process. Grasim also has a mandatory practice of conducting toolbox talks for all contractors, followed by Job Safety Analysis and obtaining the necessary Permit to Work. Records of these activities are maintained and reviewed regularly. Furthermore, surprise visits by safety professionals are conducted to ensure adherence to the established processes. To provide additional controls for significant risks, Company has developed Operational Control Procedures, Work instructions and conduct HAZOP (Hazard and Operability Study) for identifying and assessing hazardous processes, to address the recommendations that arise from the study. Before commencing any job, Company conducts toolbox talks for all contractors, followed by Job Safety Analysis and the issuance of work permits.
c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	We have the online system of incident reporting which allows us to keep track of any incidents that occur at any location and based on such reporting Corrective Action and Preventive Action ('CAPA'), Learnings from Incident report is issued to all the concerned persons, which help us to prevent re-occurrence of similar incidents in future.
d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the Company provides round-the-clock access to non-occupational medical and healthcare services for its employees and workers.

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

Safety Incident/Number	Category	FY 2022-2023	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.21	0.22
	Workers	0.23	
Total recordable work-related injuries	Employees	52	-
	Workers	50	
No. of fatalities	Employees	1	2
	Workers	1	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	21	-
	Workers	27	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company has technical and management safety standard comprising various work practices such as Permit to Work for Confined Space, Hot Work, Machine Guarding, Working at Height, Electrical Safety, Management of Change, Process Safety Management etc. In addition, it has developed sufficient infrastructure to manage occupational health monitoring on periodic manner. Work-zone monitoring, and employee medical check-up is being ensured. Multiple safety and OH campaigns are held on regular basis. Training and capacity building sessions are conducted from time to time, as well as mock drill are carried out at regular intervals at each unit, and toolbox talks are an integral part of the system. 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 are organised across sites.

Grasim has a structured process of sharing knowledge management capsules on safety and across all units. OHS processes and procedures are in line with ABG sustainability standards and ISO 45001 requirement.
Business units are adhering their plant SOPs. Regular awareness programmes are being done for relevant employees and contract workmen as well.

The company has well-defined audit system for carrying out internal & external audit (Occupational Safety Parameters) as per schedule throughout the year and has already developed a pool of internal auditors trained in the different ISO Standards to review the compliance periodically. Internal and External Audits are conducted subsequently.
Behaviour Based Safety Observation Round module has also in place, through its online platform where all employees are eligible for reporting Safe and Unsafe practices as well as condition and near miss at workplace to reduce hazards along with corrective actions which are then reviewed for respective mitigation actions.

Besides this Grasim has structured Kaizen-scheme in place, where safety related Kaizens/Suggestions are captured from all levels of employees. Moreover, Safety Frameworks are also being audited by Group assurance team.
On top of everything, central safety committee and Department safety committee carry out periodic safety review to ensure safety practices are best implemented.

1. Safety Policy: https://www.grasim.com/Upload/PDF/safety-policy.pdf

2. Occupational Health Policy: https://www.grasim.com/Upload/PDF/occupational-health-policy.pdf

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

Topic	FY 2022-2023			FY 2021-2022		
	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:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (All units of Grasim are assessed by both internal and external parties)
Working Conditions	

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.

The company has a structured framework for incident investigation. Incidents are investigated and root cause & countermeasures are communicated & implemented across the plants. The company has a process to communicate high consequence incidents which happened in the sister companies. Preliminary incident investigation report is uploaded to the internal IT software within 24 hours, as per safety policy. In case of major incident, investigation process is carried out by cross functional to find the exact root cause of the incident and then it is taken forward to central safety committee meeting. Also, the company has certified Taproot professionals for Incident investigations.

We have well-defined audit system for carrying out internal & external audits (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 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 is conducted by the Group Sustainability Cell. We published our Sustainability report and Safety data being audited during Assurance process (DQS India). Incidents are investigated and root causes & countermeasures are communicated & implemented across the units. We have a process to communicate incidents that 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.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

A. Employees (Y/N): Yes

B. Workers (Y/N): Yes

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

- To ensure compliance with PF and ESIC regulations, we verify that contractor, vendors are making timely payments by requiring proof of compliance before releasing payment to them.
- We perform monthly reconciliations of GSTR-2B to verify that vendors are making timely GST payments and filing returns with the government on time.
- Our timely filing of GST returns enables our customers to avail GST credits on time, and we ensure that any issues related to GST credits are resolved in a timely manner.
- We follow up with customers and vendors to obtain TDS/TCS certificates (Form16A and Form27D) to ensure timely payments are being made.
- We make timely TDS/TCS payments and issue certificates to vendors, customers, and employees, allowing them to avail credits promptly.
- We collect Income Tax Returns from vendors annually to ensure proper levy of TDS rates and that vendors file their Income Tax Returns on time.
- We collect Tax Residency Certificate, Permanent Establishment Certificates, and 10F Forms for all foreign payments related to goods and services to prevent tax evasion by foreign entities and regularise foreign currency payments.
- To support the welfare of our employees, we make timely payments of the Labour Welfare Fund.

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

Category	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 2022–2023	FY 2021–2022	FY 2022–2023	FY 2021–2022
Employees	1	1	1	The employees/workers were compensated to their satisfaction
Workers	1	1	0	

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

   Yes, the Company assist employees during retirement or termination of their employment, even if they are not part of the company group. The company has dedicated programme named Enabling a New Life Post Retirement (ENLPR) which motivates and guides for new life post retirement. During the year, Company has provided transition assistance programme to eight employees.

5. **Details on assessment of value chain partners:**

Topic	% Of value chain partners (by value of business done with such partners) that were assessed
Health and Safety practices	There is a formal practice in our Textiles division to carry our supplier assessment which covers SA-8000, environmental laws and safety standards. While such formal framework is under preparation for all other business segments, we carry intermittent audits and evaluate the health and safety practices of all our partners in the value chain at their work sites. In case they are found to be non-compliant with safety regulations, we impose penalties.
Working conditions	

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.**

   Few recommendations were received during the assessments, which have been addressed internally. However, no significant risks/ concerns were observed owing to extreme vigilance and efforts put on health and safety within the Company.

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.**

   At Grasim, we have a systematic process for identifying key stakeholder groups. Here is an overview of its process:

   Stakeholder Mapping: The company conducts a comprehensive stakeholder mapping exercise to identify and categorise the key stakeholder groups relevant to our business. This process involves analysing the impact and influence of various individuals, organisations, and communities on our operations and vice versa.

   Internal Consultation: The company engages with its internal teams, departments, and leadership to gather insights and perspectives on stakeholders. This includes conducting workshops, meetings, and consultations to identify stakeholders who have a direct or indirect impact on its businesses.

   External Engagement: The company actively engages with external stakeholders through various channels, including surveys, interviews, focus groups, and public consultations. This enables Grasim to understand its stakeholder's expectations, concerns, and interests related to its operations and sustainability practices.

   Stakeholder Mapping Matrix: Based on the information gathered from internal and external consultations, the company developed a stakeholder mapping matrix. This matrix helps the company to prioritise and categorise stakeholders based on their level of influence, impact, and relevance to its business.

   Continuous Monitoring and Feedback: Grasim believes in maintaining an ongoing dialogue with its stakeholders to keep track of their evolving needs and expectations. The company regularly seeks feedback through surveys, feedback forms, meetings, and other channels to ensure that its engagement remains effective and meaningful.

   Stakeholder Engagement Plans: Once the key stakeholders are identified, the company develops tailored engagement plans for each group. These plans outline the objectives, strategies, and activities for engaging with stakeholders, considering their specific interests and concerns.

   By systematically identifying and engaging with its key stakeholders, Grasim aims to build strong relationships, foster trust, and align its business practices with their expectations. This approach enables the company to address its concerns, collaborate on shared goals, and create long-term value for all stakeholders involved.

   Please refer to our Stakeholder Engagement Policy: https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf

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

   Please refer to the Stakeholder Engagement of Integrated Report on page no. 50 for details.

Leadership Indicators

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

   Grasim recognises the crucial importance of meeting stakeholder expectations to succeed as an organisation and create value for shareholders. To gain valuable insights into stakeholder concerns and expectations, the company places great emphasis on effective stakeholder engagement.

   The diverse need of Grasim's stakeholders are acknowledged, and the company maintains regular interactions with them to understand their interests and address any issues they may have. Stakeholders can be broadly classified into two groups: internal and external. Grasim values its talented workforce as valuable internal stakeholders and places a high priority on their well-being, health, and fostering a positive working environment.

External stakeholders include customers, investors, government bodies, regulatory authorities, knowledge partners, trade and industry associations, and others. Grasim is dedicated to delivering superior products and ensuring the security of its operations and services for these external stakeholders. Moreover, the company actively promotes sustainable practices in social, environmental, and health management across its entire business value chain.

Engaging with stakeholders involves identifying and analysing the relationships that exist throughout the value chain of Grasim's operations. Stakeholders are individuals or groups who may be impacted by the company's business operations, as well as those who may have an influence on its growth prospects. Grasim manages its stakeholders using a stakeholder matrix, which outlines the methods of engagement, as well as the frequency and channels of communication the company maintains with them.

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

Yes, Grasim utilises stakeholder consultation to support the identification and management of environmental and social topics. The Company has implemented a dedicated stakeholder engagement process, which is facilitated by third-party consultants. This process involves seeking input from stakeholders on key triple bottom line factors, including environmental and social issues.

The inputs received from stakeholders through these consultations are carefully considered and incorporated into the policies and activities of the entity. The results of these engagements are submitted to the Board of Directors, ensuring that the perspectives and concerns of stakeholders are considered in decision-making processes.

Furthermore, Grasim recognises the importance of transparency and accountability. The outcomes of stakeholder consultations and the actions taken as a result of the inputs received are communicated to the public through Annual Integrated Reports. This enables stakeholders and the wider community to understand how their feedback has influenced the company's policies and activities.

By actively engaging with stakeholders and incorporating their inputs into its operations, Grasim demonstrates its commitment to sustainable practices and responsible business conduct. This approach helps the company identify and address environmental and social challenges effectively while fostering trust and collaboration with its stakeholders.

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

The company actively engages with vulnerable and marginalised stakeholder groups to understand their needs and concerns. Grasim implements various initiatives to address these needs and work towards their socio-economic upliftment. Their engagement activities include outreach programmes across 17 locations in 9 states and 15 districts.

For female gender and transgender groups, Grasim supports women empowerment through partnerships with Self-Help Groups, NGOs, and institutions. They also facilitate the formation of more groups and provide support for women's entrepreneurship and marketing. Regarding age, Grasim supports government schools and Anganwadis, benefiting around 1.50 lakh students. The company focuses on improving the quality of education and infrastructure in these institutions. To address descent/identity/ ethnicity-related issues, Grasim supports marginalised sections of society, providing necessities, relief support, and assistance in accessing government schemes. They also support historical fairs and mass marriages. For occupation-related concerns, Grasim implements the "Resilient Agriculture Development" program, benefiting 3,500 marginalised farmers. The company also facilitates skill development, knowledge sharing, and assistance in accessing government initiatives. Grasim conducts artificial limb fitment camps in partnership with organisations like the Karnataka Marwari Youth Federation, benefiting 224 differently able people from 15 locations. In terms of the community, Grasim focuses on sustainable livelihood initiatives, benefiting ~1.9 lakh people. They contribute to infrastructural development, support local employment, and participate in village celebrations, aiming to build strong relationships with the communities they operate.

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 2022–2023			FY 2021–2022		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	8,314	2,307	28	7,255	1,391	19
Other than permanent	553	–	–	–	–	–
Total Employees	**8,867**	**2,307**	**26**	**7,255**	**1,391**	**19**
Workers						
Permanent	16,141	1,525	9	16,336	2,141	13
Other than permanent	18,121	All contractors have been made aware of Human Rights Policy.		15,799	All contractors have been made aware of Human Rights Policy.	
Total Workers	**34,262**	**1,525**	**4**	**32,135**	**2,141**	**7**

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

Category	FY 2022–2023					FY 2021–2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	7,645	608	8	7,036	92	6800	53	1	6,747	99
Female	669	76	11	594	89	455	6	1	449	99
Total	**8,314**	**684**	**8**	**7,630**	**92**	**7,255**	**59**	**1**	**7,196**	**99**
Other than Permanent Employees										
Male	498	–	–	498	100	–	–	–	–	–
Female	55	–	–	55	100	–	–	–	–	–
Total	**553**	**–**	**–**	**553**	**100**	**–**	**–**	**–**	**–**	**–**
Permanent Workers										
Male	16,002	3,644	23	12,358	77	16,210	2,333	14	13,877	86
Female	139	62	45	77	55	126	49	39	77	61
Total	**16,141**	**3,706**	**23**	**12,435**	**77**	**16,336**	**2,382**	**15**	**13,954**	**85**
Other than Permanent Workers										
Male	17,667	All contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates.				15,381	All contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates.			
Female	454					418				
Total	**18,121**					**15,799**				

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)	13	₹ 18,00,000	3	₹ 28,50,000
Key Managerial Personnel	3	₹ 94,55,854	-	-
Employees other than BoD and KMP	7,642	₹ 7,67,444	669	₹ 7,78,922
Workers	16,002	₹ 3,82,086	139	₹ 2,10,227

Note: The median remuneration for FY 2022-23 is calculated for comparable Board of Directors, KMPs, Permanent Employees & Workers.

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 of Grasim's 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.

Grasim has an established internal mechanism to address grievances related to human rights issues in a prompt and effective manner. These mechanisms are guided by its comprehensive human rights policy, which is publicly available and accessible to all stakeholders.

To ensure that grievances are addressed appropriately, the company has a dedicated grievance redressal committee that handles all types of grievances, including those related to human rights. The committee comprises experienced and impartial members who are trained to handle sensitive matters with utmost confidentiality and sensitivity.

Employees and stakeholders who have concerns or grievances regarding human rights violations can raise their issues through the established channels. These channels include submitting written complaints to the designated focal point or member of the grievance redressal committee. The company encourage individuals to come forward and report any violations or instances of human rights abuses without fear of retaliation.

Once a complaint is received, the grievance redressal committee conducts a thorough investigation. The committee follows a fair and transparent process, which may involve collecting evidence, interviewing relevant parties, and seeking expert advice, if required. The committee aims to resolve grievances in a timely manner while upholding the principles of fairness and justice.

Throughout the grievance redressal process, the confidentiality and privacy of the individuals involved are respected. The company prioritise creating a safe and supportive environment for complainants, ensuring that they are protected from any form of harassment or victimisation during and after the investigation.

In addition to the internal mechanisms, it also encourages open dialogue and communication within the organisation to address human rights issues. Grasim promote a culture of respect, diversity, and inclusivity, fostering an environment where individuals feel empowered to raise concerns and contribute to the continuous improvement of our human rights practices.

By implementing these internal mechanisms, the company strives to ensure that grievances related to human rights issues are effectively addressed, leading to the protection and promotion of human rights within its organisation and across its value chain.

Please refer to our Human Rights Policy: https://www.grasim.com/upload/pdf/human-rights-policy.pdf

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

	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4	2*	-	3	1	-
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 one pending complaint was closed.

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

Grasim has implemented a comprehensive policy to prevent and address cases of discrimination and harassment, particularly sexual harassment, in the workplace. The company take all complaints regarding such incidents seriously and handle them with utmost diligence and strictness. Its aim is to ensure the well-being and protection of the complainant throughout the process. To prevent the incidents from happening the company mandates its employees to complete the learning programmes organised by the Business to develop deeper understanding on what constitutes sexual harassment and how to adopt appropriate behaviour at workplace.

In cases of discrimination and harassment, employees are encouraged to file a written complaint with the chairperson or any member of the relevant complaints committee if not directly then the employee can take assistance from manager or HR or colleague to file the written complaint. The identity of the complainant is treated with strict confidentiality and discretion. It is recommended that the complaints be filed as soon as possible, preferably within 30 days of the incident.

Upon receiving a complaint, the chairperson or a nominated committee member will promptly meet with the complainant to record the employee's statement. The complainant is also encouraged to provide any supporting evidence related to the incident. If the committee finds a *prima facie* case of sexual harassment, a committee meeting will be convened within 7 working days. The accused individual will be duly notified and given an opportunity to present their perspective on the matter.

The complaints committee will conduct a thorough investigation, which may involve interviewing the complainant, witnesses, and relevant experts, as well as reviewing any submitted evidence. Within two weeks, the committee will submit a detailed report of their findings to the relevant management team.

It is crucial to emphasise that during the investigation process, the complainant, witnesses, or anyone involved will not face any unfavourable treatment or victimisation. Grasim is committed to providing a safe and supportive environment for all individuals involved, and any form of retaliation or victimisation is strictly prohibited.

In cases where a complaint is found to be false or made with malicious intent, appropriate disciplinary action, including termination of employment, may be taken against the complainant. This is to ensure the integrity and fairness of the grievance resolution process.

The Company is dedicated to upholding the rights and dignity of every employee and ensuring that all individuals are treated with respect and equality. The Company continually review and improve its mechanisms to prevent adverse consequences to complainants and maintain a safe and inclusive work environment.

Please refer to our POSH Policy: https://www.grasim.com/Upload/PDF/POSH-policy.pdf

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

Yes, Grasim actively incorporates human rights requirements into its business agreements and contracts when applicable. The Company places great importance on upholding human rights across its operations and supply chain. To ensure this, Grasim includes explicit clauses in certain agreements and contracts that specifically address human rights considerations. These clauses align with the Company's Human Rights Policy and Code of Conduct for suppliers.

By integrating human rights requirements into its agreements and contracts, Grasim strives to foster ethical and responsible business practices. This commitment serves to raise awareness among its partners and suppliers about the importance of respecting human rights principles. It also ensures that they share Grasim's commitment to upholding these principles in their own operations.

Through this proactive approach, Grasim promotes a culture of respect for human rights throughout its business relationships and works towards creating a sustainable and responsible supply chain.

9. Assessments for the year:

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

The company conducts regular internal monitoring to ensure compliance with all relevant laws and policies related to these issues. No significant observations have been made by local regulatory authorities or third parties during the year. The company takes all necessary measures to prevent discrimination, child labour, and sexual harassment by our value chain partners. It internally monitors compliances of all the relevant laws and policies pertaining to these issues. There have been no material observations by local statutory authorities or third parties during the year. 100% of plants and offices are assessed internally.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

We internally monitor compliances of all the relevant laws and policies pertaining to these issues. There has 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 employees or stakeholders.

Leadership Indicators

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

Grasim has established a robust grievance redressal mechanism at its manufacturing sites to effectively address and resolve any human rights grievances or complaints. As part of this mechanism, the company has designated focal points at each plant who are responsible for receiving and handling such grievances from employees and stakeholders.

By implementing this process, the company aims to ensure that individuals with grievances have a direct and accessible channel to voice their concerns. The designated focal points are trained to handle human rights-related issues sensitively and impartially. They will carefully evaluate each complaint and take appropriate action in line with its commitment to respect and protect human rights. In addition, we have SA 8000 certified facilities which showcases our commitment towards creating better working environment for our employees and adhering to highest social standards. This modified business process provides a clear and structured approach to address human rights grievances, promoting transparency, fairness, and accountability. It enables the company to promptly investigate and resolve any issues raised, fostering a culture of respect and dignity within Grasim. The Company continually review and improve this process to ensure its effectiveness and alignment with internationally recognised human rights standards.

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

Grasim has implemented the Human Rights Due Diligence (HRDD) tool across all its plants, demonstrating a commitment to assessing and addressing human rights impacts throughout its operations. This tool helps in identifying, preventing, mitigating, and accounting for potential human rights risks and violations. The scope and coverage of the HRDD conducted include multiple locations, extending beyond individual plants. This indicates a comprehensive approach to human rights due diligence, encompassing various aspects of the company's activities and supply chain. By conducting HRDD at multiple locations, the company aims to ensure consistency and accountability in addressing human rights issues across its operations. Through the HRDD process, the Company evaluates its policies, practices, and procedures to ensure compliance with human rights standards.

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

Yes, Grasim ensures that its premises, including registered and corporate offices, as well as other plants, are accessible to differently abled visitors in compliance with the requirements of the Rights of Persons with Disabilities Act, 2016. Ramps have been installed to facilitate the movement of visitors with disabilities. In the case of corporate offices located in commercial buildings, they are either situated on the ground floor or equipped with elevators and facilities that cater to the needs of visitors with disabilities. This commitment to accessibility aims to provide equal opportunities and inclusivity for all individuals, regardless of their abilities.

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	During the company's onboarding process, an assessment is conducted to evaluate various risks, such as labour rights, health, safety, and issues like sexual harassment, discrimination, fair wages, child labour, and forced labour, for all third-party vendors, suppliers, and contract manufacturers. This assessment focuses on reviewing the policies and procedures already in place by these suppliers, vendors, and contract manufacturers to address these matters.
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

1. Details of total energy consumption (in million Gigajoules) and energy intensity, in the following format:

Parameter	FY 2022–2023	FY 2021–2022
Total electricity consumption **(A)**	7.35*	6.39
Total fuel consumption **(B)**	56.29*	53.54
Energy consumption through other sources **(C)**	–	–
Total energy consumption (A+B+C)	**63.64***	**59.93**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (Consumption per rupee of turnover)	2,370.98	2873.20
Energy intensity (optional)	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the indicators marked by '*' above.

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 out of 21 Grasim's sites are designated consumers under PAT scheme with target year FY25 and beyond.

Moreover, the company is actively working on changing employee behaviour and promoting awareness about the importance of energy conservation and management. Through these efforts, the company is committed to continuously improving its energy efficiency performance and achieving the targets set under the PAT scheme.

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

Parameter	FY 2022–2023#	FY 2021–2022
Water withdrawal by source (in million Cubic Metre)		
(i) Surface water	37.56*	36.28
(ii) Ground water	3.09*	2.18
(iii) Third party water	13.36*	10.87
(iv) Seawater / desalinated water	–	–
(v) Others (Rainwater)	0.03*	–
Total volume of water withdrawal (in million Cubic Metre) (i + ii + iii + iv + v)	**54.04***	**49.33**
Total volume of water consumption (in million Cubic Metre)**	**52.54***	**36.87**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore INR of revenue)	**1,957.64**	**1,767.96**
Water intensity (optional)	–	–

#In the current fiscal year, water disclosures also includes water consumed by residential colonies within the plant premises.

**Water consumption includes 24.14 million cubic meter of recycled water used in the processes/operations/residential premises.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the indicators marked by '*' above.

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

Yes, Out of the 21 manufacturing locations of Grasim, 9 have ZLD plants out of which one is under commissioning. This invention eliminates liquid effluents and recovers 95% of the water used in the viscose process, setting a new standard for closed-loop production. Grasim has implemented ZLD plants in Nagda, Renukoot, Ganjam, Rehla, and BB Puram for Chlor-Alkali business and in Nagda for VSF business. Veraval and Karwar have received MoEFCC permission for deep-sea discharge. ZLD facilities are also present in two textile plants and one Halol Insulators unit.

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

Parameter	Please specify unit	FY 2022–23	FY 2021–22
NOx	MT	2,128.67*	2,013.49
SOx	MT	7,273.01*	6,332.01
Particulate matter (PM)	MT	1,038.54*	1,311.72
Persistent organic pollutants (POP)	NA	–	–
Volatile organic compounds (VOC)	NA	–	–
Hazardous air pollutants (HAP)	NA	–	–
Others	NA	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the indicators marked by '*' above.

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

Parameter	Unit	FY 2022–2023	FY 2021–2022
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Million $MTCO_2e$	4.72*	4.57
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Million $MTCO_2e$	1.62*	1.39
Total Scope 1 and Scope 2 emissions per rupee of turnover	Emission per rupee of turnover	236.20	285.98
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	NA	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the indicators marked by '*' above.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail.

Yes, Grasim has implemented various projects aimed at reducing greenhouse gas emissions.

1. Energy efficiency initiatives:
   a. Increasing the efficiency of coal-based captive power plants through continuous performance monitoring and advanced process control.
   b. Implementing measures to reduce specific energy consumption in the process and eliminating energy-intensive steps in the operational series.
   c. Upgrading and optimising the generation for electrolysers through recoating/ re-membraning.
   d. Implementing electrolyser cell power optimiser and Life Cycle & Performance Management Systems.
   e. Optimisation of system & equipment efficiency throughout our operations.
   f. Proactively replacing conventional equipment with highly efficient latest-design equipment.
2. Renewable Energy (RE):
   a. Sourcing renewable energy by adding three more manufacturing units, taking the count to total 8 units. Additional sites are being evaluated for sourcing RE power.
   b. Increasing the share of RE power from 5% to 8% on Y-o-Y basis.
3. Green Power:
   a. Harihar unit in our Viscose business has successfully implemented a 10 MW green power generation system that utilises waste liquor, effectively reducing coal consumption.
   b. We are actively exploring additional initiatives to source power from waste steam, further enhancing our green power generation.
4. Alternate fuel:
   a. Pilot trial has been successfully carried out for replacing fossil fuels like coal with low carbon fuel or renewable fuel e.g. Agro waste/ Biofuel/ process waste as a fuel source.

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

Parameter	FY 2022-2023	FY 2021-2022
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	2,361.32*	-
E-waste **(B)**	104.60*	-
Bio-medical waste **(C)**	21.10*	-
Construction and demolition waste **(D)**	12,537.31*	-
Battery waste **(E)**	99.79*	-
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	2,29,316.38*	1,33,865.01**
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	6,54,238.62*	8,94,063.10
Total (A+B + C + D + E + F + G+ H)	**8,98,679.11***	**10,27,928.11**
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	1,39,567.40	49,720.53
(ii) Re-used		
(iii) Other recovery operations	20,010.77	16,797.33
Total	**1,59,578.17**	**66,517.86**
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	5,81,717.33	7,70,193.66
(ii) Re-used		
(iii) Other recovery operations	67,684.90	86,451.10
Total	**6,49,402.23**	**8,56,644.76**
For each category of waste generated, the waste disposed by nature of disposal (in metric tonnes) (Hazardous Waste)		
(i) Incineration	1,174.78	870.06
(ii) Landfilling	1,09,765.91	66,477.10
(iii) Other disposal operations		
Total	**1,10,940.69**	**67,347.16**
For each category of waste generated, the waste disposed by nature of disposal (in metric tonnes) (Non-Hazardous Waste)		
(i) Incineration	21.05	0.44
(ii) Landfilling	9,601.92	37,417.90
(iii) Other disposal operations	-	-
Total	**9,622.97**	**37,418.34**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the indicators marked by '*' above.

**The bifurcation was not assured last year.

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.

Grasim's waste management system is well defined to manage its operational waste and ensures responsible waste management practices. All our sites comply with local waste management regulations for disposal and classification. Our waste management approach continues to evolve as we strive to better identify and account for our waste. Most of the waste generated at our sites is recycled, reused, or recovered, and we focus on reducing the amount of waste that goes to landfills or incineration. We follow the principles of the circular economy in our waste management, meaning that we aim to use waste as a resource for other processes or industries. Any hazardous waste generated at our facilities is either supplied to authorised recyclers, disposed of through Treatment, Storage, and Disposal Facilities (TSDF), or used as raw material by other industries.

Proper segregation and methodical inventory management of solid waste is one of the key pillars for effective solid waste management at Grasim.

Organic Waste having calorific value finds application to replace fossil fuel and inorganic waste based on composition can be used as substitute to virgin raw material for co-processing. One of the examples is gypsum generated from wastewater treatment plant can replace natural gypsum and fly ash generated from captive power plants is used in cement plants/ brick manufacturing. As well as bio-sludge from ETPs are used in captive power plant to replace coal. Solid waste management becomes important as incineration process adds to GHG emission and landfilling is cost intensive as well as sensitive to seasonal changes.

P&F business levers are being devised based on above philosophy to achieve goal of zero waste.

Further we have comprehensive waste management plan, which includes identification and categorisation based on its characteristic and schedule of HWMR-2016. Waste stored in designated storage area as per CPCB/SPCB guidelines. Our Chemical sector is continuously increasing multi-source procurement of super washed/washed salt, which helps in reduction of sludge generation. Further we are in process of installing treatment system to eliminate/reduce sulphate and thus achieve sludge reduction up to 30%. Company is in advance phase of initiation to send the sludge to fertiliser industries to produce NPK Fertiliser as well.

In addition to this our facility has a Chemical Management team as per our Chemical Management policy. Workmen are using these chemicals with proper PPEs (gloves, safety shoes, googles etc). Periodic trainings are given to educate and aware them on the hazards of the Chemicals. Chemical spill kits are also available in all the chemical handling department. We are in process of developing chemical management professional and we always prefer our suppliers to provide Manufacturing Restricted Substance List (MRSLS), Restricted Substance List (RLS) declarations along with Material Safety Data Sheet (MSDS).

Some of our units are certified with EUBAT complying with stringent norms of waste disposal as well as in the process of achieving Zero Discharge of Hazardous Chemicals.

We are therefore placing persistent efforts in reducing waste to landfill or incineration.

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:

None of the sites are located in ecologically sensitive areas. However, the company is planning to conduct biodiversity impact assessments for selected sites to understand and mitigate any potential impact on biodiversity.

Please refer to Biodiversity Policy: https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf

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, Chamarajanagar, Karnataka	EC22B023KA154511	11-04-2022	Yes	Yes	https://www.grasim.com/Upload/PDF/ec-state-level-environment-impact-assessment-authority-seiaa-karnataka.pdf
Grasim Industries Birla Paints Division, Mahad, Maharashtra	EC22B023MH151788	24-08-2022	Yes	Yes	https://www.grasim.com/Upload/PDF/environment-clearance-mahad.pdf
Grasim Industries Birla Paints Division, Kharagpur, West Bengal	EC22B023WB164110	06-12-2022	Yes	Yes	https://www.grasim.com/Upload/PDF/environmental-clearance-birla-paints-kharagpur-nov22.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:

S. No.	Specify the law/ regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Alleged pollution of water	SCN issued by JSPCB on alleged water pollution.	₹2,07,37,500 paid to JSPCB in the full and final settlement without admitting liability. The matter was dismissed as withdrawn.	All points are complied and closed. Full and Final settlement without admitting liability.

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 2022-2023	FY 2021-2022
From Renewable Sources		
Total electricity consumption **(A)**	0.95	0.78
Total fuel consumption **(B)**	2.59	2.52
Energy consumption through other sources **(C)**	-	-
Total energy consumed from renewable sources (A+B+C)	**3.54**	**3.30**
From Non-Renewable Sources		
Total electricity consumption **(D)**	6.39	5.61
Total fuel consumption **(E)**	53.71	51.01
Energy consumption through other sources **(F)**	-	-
Total energy consumed from non-renewable sources (D+E+F)	**60.10**	**56.62**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the above indicator.

2. Provide the following details related to water discharged:

Parameter	FY 2022–2023	FY 2021–2022
Water discharge by destination and level of treatment (in million Cubic Metre)		
(i) To Surface water		
- No treatment	–	-
- With treatment – Secondary Level Treatment	10.22	13.27
(ii) To Groundwater		
- No treatment	–	-
- With treatment	–	-
(iii) To Seawater		-
- No treatment	–	-
- With treatment – Secondary Level Treatment	9.84	15.45
(iv) Sent to third-parties		
- No treatment	–	-
- With treatment – Secondary Level Treatment	5.58	0.03
(v) Others		
- No treatment	–	-
- With treatment	–	-
Total water discharged (in Million Cubic Metre)	**25.64**	**28.75**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

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: Since all our plant regions fall under any of the parameters of water stress, drought risk or water depletion as per WRI Aqueduct Tool, we have considered all regions under water stress. Please refer to Page No. 26 for our plant locations.

(ii) Nature of operations: Not Applicable

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

Parameter	FY 2022–2023	FY 2021–2022
Water withdrawal by source (in Million Cubic Metre)		
(i) Surface water	37.56	36.28
(ii) Groundwater	3.09	2.18
(iii) Third party water	13.36	10.87
(iv) Seawater / desalinated water	–	-
(v) Others (Rain Water)	0.03	-
Total volume of water withdrawal (in Million Cubic Metre)	**54.04**	**49.33**
Total volume of water consumption (in Million Cubic Metre)	**52.54**	**36.87**
Water intensity per rupee of turnover (Water consumed / turnover)	**1,957.64**	**1,767.96**
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) To Surface water		
- No treatment	–	-
- With treatment – Secondary level of treatment	10.22	13.27
(ii) To Groundwater		
- No treatment	–	-
- With treatment	–	-
(iii) To Seawater		
- No treatment	–	-
- With treatment – Secondary level of treatment	9.84	15.45
(iv) Sent to third-parties		
- No treatment	–	-
- With treatment – Secondary level of treatment	5.58	0.03
(v) Others		
- No treatment	–	-
- With treatment	–	-
Total Water Discharged	**25.64**	**28.75**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No.

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

Parameter	Unit	FY 2022–2023	FY 2021–2022
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Million $MTCO_2e$	5.57^	4.81
Total Scope 3 emissions per rupee of turnover	Emission per rupee of turnover	207.43	230.85
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	–	-

^Categories 1, 2 , 3, 4, 5, 6, 7 and 9 considered for calculation of scope 3 GHG emissions

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, limited assurance has been undertaken by Price Waterhouse Chartered Accountants LLP for the above indicator.

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
1.	Waste Heat Recovery	With help of Pinch analysis, we have been able to carry out utilisation of low temperature waste hot stream for heating process fluid and thus reducing equivalent requirement of energy.	Reduction in Steam Consumption for process heating. Reduction in power consumption of Effluent treatment plant.
2.	Condensate Recovery	Utilisation of vapor condensates in place of soft water for product washing.	Decrease in freshwater consumption in process washing.
3.	Installation of high efficiency equipment	Increasing number of stages of evaporators, thus increasing the evaporation efficiency.	Increase in steam economy, thus reduction in absolute steam consumption.
		Replacement of old Economiser with higher Heat Transfer Area and Efficiency new Economiser to extract more heat from Gases.	Increased waste heat recovery and reduction in equivalent steam consumption.
		Replace old low efficiency air compressor with high energy efficient air compressor.	Equipment specific power consumption reduction.
		Replacement of conventional lights by LED lights.	Reduction in illumination power consumption.
		Upgradation of Conventional Ceiling fan with BLDC fans.	Reduction in power consumption.
4.	Power Plant Performance Monitoring and Improvement	Improve Steam to Fuel ratio from of Boiler by various energy conservation measures and operational excellence.	Reduction in Non-Renewable fuel consumption.
		Upgradation of turbine by Installing New Rotor and Diaphragms for Energy Efficiency-Boiler House.	Drop in steam and power consumption.
5.	RE Power	Sourcing RE power in form of Solar and Wind Power.	Site specific reduction in GHG Emission intensity.
6.	Green Power	Utilising waste liquor as fuel to run boilers.	Equivalent reduction of Non-Renewable fuel consumption.
		Power generation using waste steam	
7.	Waste Characterisation	Identifying the characteristics of each type of waste generated and finding suitable use for each of the waste. For e.g. Successfully being able to divert effluent plant waste sludge from land fill to cement industries. Further looking for innovative solutions to reduce the waste generation at source.	Circularity of waste and thus reduction in waste to landfill.
8.	Zero Liquid Discharge/Minimum Liquid Discharge	Installation of RO for recovering water.	Reduction in freshwater consumption as well as effluent discharge.

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

As part of our commitment to conduct operations in a safe manner we prepare to respond to crises that may occur. A "Crisis" is an inherently abnormal, unstable, and complex situation that represents a threat or harm to people, the environment, the strategic objectives, reputation, or financial viability of an organisation. A crisis may arise from negative press coverage that threatens reputation, government investigation, high-profile law suites, natural disasters, terrorist attacks, cyber-attacks, data breaches, workplace or external accidents (fire, explosion, severe injury to personnel), workplace or community violence and pandemics.

Grasim expects its Businesses to be resilient if confronted by any crisis mentioned above.

The goal of this plan is to prepare to take actions quickly to mitigate the adverse implications of the crisis. The objective of crisis management is to mobilise competent personnel with sufficient seniority and the necessary resources and to manage the consequences/outcomes of a crisis on People, Environment, Shareholder & Brand Value, Infrastructure, Reputation).

Grasim is strongly committed to maintaining a safe and secure operational environment. As part of this commitment, the company has developed a comprehensive business continuity and disaster management plan. These plans are communicated across all locations and undergo regular testing to ensure their effectiveness in the event of an unforeseen incident. To further enhance emergency preparedness, Grasim has partnered with an agency to manage Code Red and Call Centre operations specifically for its India Operations. In case of an emergency, any employee within the Aditya Birla Group can contact the Code Red emergency number to report an incident. The Code Red team verifies the employee's information and gathers more details about the situation. During a crisis, the Site Incident Command System (ICS) contacts the call centre to inform them about the specific 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?

There is not adverse impact to the environment from our value chain entities.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact.

We ensure that 100% of our pulp suppliers undergo thorough assessments to evaluate their environmental impact.

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.

Twenty Two (22)

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.

S. 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.	India Chemical Council	National
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4.	Alkali Manufacturer Association of India	National
5.	Confederation of Indian Industry (CII)	National
6.	Association Of Man-made Fibre Industry Of India (AMFII)	National
7.	The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	National
8.	Confederation of Indian Textile Industry (CITI)	National
9.	Apparel Export Promotion Council (AEPC)	National
10.	Indian Technical Textile Association	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.

No new cases were filed in the current financial year.

Listed below cases are ongoing cases from the previous years.

Name of Authority	Brief of the case	Corrective action taken
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 C301.61 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 C3.49 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 C301.61 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.

S. No	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
1.	Recommendations to the Ministries to facilitate and enhance export demands • Free Trade Agreements (FTAs) - Provided recommendations that highlight the potential benefits and growth prospects for this sector resulting from FTAs. • Suggested organising regular market promotion events in international geographies (Europe, USA and Japan) that have a largest consumer base for wool products.	We have provided regular inputs and recommendations specifically tailored to our sector to the respective Ministries of the government with aim to contribute to policymaking and provide valuable insights that address the unique needs and challenges of our industry, fostering growth and development.	No	As and when required.	NA
2.	Pre-budget expectations (Income Tax budget announced in February'23)				
3.	Recommendation for Technology Upgradation Fund Scheme (TUFS) for Textile Sector Recommended changes and sought clarification from the Ministry of Textiles regarding the previous Textile Upgradation Fund (TUF) Scheme.				
4.	Recommendation for revisions in Drawback Rate as per Customs Act, 1962 Recommended revisions to the drawback rate to the Ministry of Finance.				
5.	Engagement with Central Pollution Control Board (CPCB) Actively engaged with the Central Pollution Control Board (CPCB) through the "EPR Portal for Plastic Packaging" to ensure the appropriate processing of our plastic packaging waste.	We have provided regular inputs and recommendations specifically tailored to our sector to the respective Ministries of the government with aim to contribute to policymaking and provide valuable insights that address the unique needs and challenges of our industry, fostering growth and development.	No	As and when required.	NA
6.	Recommendation for revising the Goods and Services Tax rate to Nil for selected textile raw materials Recommended revising the Goods and Services Tax (GST) rates for Noil and other textile raw materials to Nil in order to promote and support Small and Medium Enterprises (SMEs).				
7.	Recommendation to National Handloom Development Corporation Recommended maintaining stock of wool yarn in strategic hubs such as Srinagar, Amritsar, and Bhadohi to facilitate seamless supply to Small and Medium Enterprises (SMEs), thereby enabling increased exports, as corporates are reluctant to operate in these areas due to associated risks.				

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)	Resulted communicated in public domain (Yes/ No)	Relevant Web Link
Rural Development Project	NA	17-07-2023	Yes	Yes	https://www.grasim.com/Upload/PDF/impact-assessment-report-rural-development-project-1.pdf
Curative Healthcare Project	NA	17-07-2023	Yes	Yes	https://www.grasim.com/Upload/PDF/impact-assessment-report-curative-healthcare-project-1.pdf
Education Project	NA	17-07-2023	Yes	Yes	https://www.grasim.com/Upload/PDF/impact-assessment-report-education-project-1.pdf

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

S. No.	Name of project for which R&R is ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts Paid to PAFs in the FY (in INR)
NIL						

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

Grasim has implemented an effective system for receiving and addressing grievances from the community. The company has taken prompt and appropriate actions to address these complaints, ensuring timely closure and conducting follow-ups to prevent their recurrence.

Furthermore, it has established a dedicated grievance redressal mechanism specifically designed for community. The company actively communicates this procedure to stakeholders to raise awareness and promote transparency in how they can voice their grievances. To facilitate this process, stakeholders can approach our Admin & Liaison Officer, who will then escalate their concerns to the Grievance Committee for further action.

Grievance Mechanism Process: Our 6-step process is followed up to resolve any grievances.

Step 1: Receive Grievance

Step 2: Record

Step 3: Screen

Step 4: Investigate

Step 5: Act

Step 6: Follow up and close out

Firstly, all formal grievances are recorded in the Grievance Register, and relevant forms are saved for documentation. Upon submission of a grievance, it is acknowledged within five working days. The Stakeholder officer and employees are responsible for investigating the grievance, which may involve site visits, consultations, and record-keeping. The gathered information is analysed to determine the appropriate steps for resolution. The Stakeholder officer creates an action plan, assigns tasks, monitors progress, and informs the external stakeholder once the grievance is resolved. Finally, three weeks after resolution, the Stakeholder officer follows up with the external stakeholder to ensure satisfaction and collect feedback on the process.

For detailed information on our stakeholders' grievance redressal policy, please refer to the following web link: https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-2023	FY 2021-2022
Directly sourced from MSMEs/ Small producers	15%	7%
Sourced directly from within the district and neighbouring districts	20%	24%

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
Lack of quality and skilled teachers	Adopted Digital learning in Government-run schools by creating technology-oriented learning system. The digital classroom has made teaching and learning easy, interactive and advanced. E-literacy programme has benefited more than 6,000 children.
Low level of student participation	Educational kits along with school bags were provided to kids. Also health checkups of more than 3,500 students of 27 primary schools were conducted.
Women Empowerment	More than 700 girls and women in the villages were distributed new machines to undertake tailoring course. The course has helped women of all ages making them self-sufficient and find sources of income generation.
Poor school Infrastructure	Provided support to Anganwadi and Primary schools through various ways like financial support for infrastructure aid in schools, providing furniture and equipment, sports facilities, etc.
Afford ability of healthcare services	Set up hospitals and clinics and also taken up very useful initiatives of Mobile health camps across villages. Supported healthcare initiatives at Indubai Parekh Memorial Hospital (Nagda) and Jan Kalyan Hospital (Kharach)
High dependency of farmers on single crop	Over 2,300 farmers were covered through on-field demonstration of crop varieties, conducting training and exposure visits and helping to avail the benefits from Government Schemes. More than 28,000 saplings of forestry, fruit and shade tress are distributed every year
Clean and safe drinking water	Setup RO water plant in one village at Nagda, providing clean drinking facility through tankers to five villages covering population of over 5,000. RO water was installed in 3 villages near Vilayat along with water tank at Derol village having 1,500 beneficiaries.

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

S. No.	State	Aspirational District	Amount spent (₹)
1	Jharkhand	Palamu & Garhwa	1,31,85,099
2	Uttar Pradesh	Sonbhadra	50,00,000

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?

Not Applicable

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

Not Applicable

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating of benefits shared
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.

Name of authority	Brief of case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects.

S. No	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Healthcare initiatives	5,87,741	100%
2	Education initiatives	1,45,341	100%
3	Sustainable livelihood initiatives	1,90,525	100%
4	Infrastructural Development Initiatives	1,16,549	100%
5	Social Welfare Initiatives	65,594	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.

The company has established a structured mechanism to receive and address the consumer complaints and feedback in a timely manner. The company's senior management regularly review the complaints to ensure appropriate action is taken to resolve in an effective manner. The specific escalation process may vary depending on the nature of the business, considering both B2B and B2C components.

The company's mechanism

Step 1: Compliant registration → **Step 2:** Process Input → **Step 3:** Process Interface → **Step 4:** Feedback

Step 1: Complaint registration – Customers can submit complaints online through the Customer Relationship Management system (DWOL), managed by the Customer Care Services (CTS) team which is further sent to the marketing team. Another method by which the customers can register their compliant is by writing an email.

Step 2: Process input – Customer complaint details, including the product name, batch number, and type of complaint, are obtained from the marketing department through an email.

Step 3: Process interface – In this stage, several actions are taken to analyse the customers' complaints.

- Marketing personnel enter the complaint into the Customer Relationship Management (CRM) system and generate a unique Ticket ID.
- The marketing department communicates the complaint details to the relevant departments.
- Quality-related complaints are promptly investigated and communicated to the Supply Chain Management (SCM) and marketing departments.
- If necessary, the marketing department requests a complaint sample from the customer.
- Genuine complaints undergo a detailed root cause analysis, which is escalated for further action.
- The detailed root cause analysis and corrective action report are shared with the customer through the marketing department. The response time depends on the customer's location:
    - Domestic customers: Quality, packaging documentation, and label complaints are addressed within 15 days, while weight shortage and application complaints are addressed within 60 days.
    - Export customers: Quality, packaging documentation, and label complaints are addressed within 30 days, while weight shortage and application complaints are addressed within 60 days.
- If a complaint is found to be not genuine, the customer is informed accordingly.
- If feasible, the Quality Assurance (QA) department may recommend visiting the customer to better understand and verify the complaint's authenticity.

Step 4: Feedback – The company provides an online mechanism for customer feedback through Mission Happiness, a highly active portal. Approximately 95% of its customers provide feedback through this platform.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

This information is available in a product 'Safety data sheet' (SDS).

The Company's products confirm to all applicable statutory parameters.

	As a percentage to total turnover
Environment and Social parameters relevant to product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-2023			FY 2021-2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	–	Nil	Nil	–
Advertising	Nil	Nil	–	Nil	Nil	–
Cyber-security	Nil	Nil	–	Nil	Nil	–
Delivery of essential services	Nil	Nil	–	Nil	Nil	–
Restrictive Trade Practices	Nil	Nil	–	Nil	Nil	–
Unfair Trade Practices	Nil	Nil	–	Nil	Nil	–
Others	389	67	–	53	Nil	–

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

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, The Company has a framework and policy on cyber security and risks related to data privacy. Grasim has implemented a comprehensive framework and policy to ensure the safety and integrity of its data. The policy provides guidelines on asset usage, data classification and sharing, data backup, asset security, software usage, internet usage, email practices, and more. The company emphasises the importance of adopting best practices to maintain the highest standards of cyber security in the workplace.

You can find the information security policy of Grasim at the following web link: https://www.grasim.com/Upload/PDF/information-security-policy.pdf & 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 incidence was reported in the last financial year, thus no corrective actions taken.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

We have a range of websites that cater to different aspects of information on products and services which are listed below

Overall
- Grasim Industries: www.grasim.com
- Mission Happiness: www.missionhappiness.com (For feedback)

Viscose
- Birla Cellulose: www.birlacellulose.com
- Livaeco: www.livaeco.com
- Liva Fluid Fashion: https:// www. livafluidfashion.com/
- Liva Home: http://www.liva-home.in/
- Navyasa: https://navyasabyliva.in/

Textiles
- Jayashree Textiles: www.jayashree-grasim,com
- Grasim Premium Fabrics: www.grasimpremiumfabrics.com
- Linen Club: https://www.linenclub.com/

Chemicals
- Aditya Birla Chemicals: www.adityabirlachemicals.com
- Speciality Chemicals: www.abg-am.com

These sites provide products based on their application or end-use industry segment, chemistry, and brands. We also offer an "Enquiry" facility on the website, where potential customers can inquire about specific products. Additionally, we are working on making CRM (Customer Relationship Management) available soon, providing customers with a live view of our offerings.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company effectively showcases product information using various methods including bale packaging, hang tags and similarly on website clearly presenting the product names, attributes, and benefits. Additionally, The Company has incorporated a 'molecular tracer' in select speciality fibres, enabling customers to obtain comprehensive information about the product's source and the certified sustainable forestation practices involved. We prioritise responsible product usage by providing safety sheet for all our products. We provide Material Safety Data Sheet (MSDS) with all our Chemicals products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Grasim, as a responsible organisation, has established robust mechanisms to inform consumers of any potential risks related to disruption or discontinuation of essential services. These mechanisms include proactive communication channels such as official websites, social media platforms, and dedicated customer service helplines. Grasim ensures that consumers are promptly notified about any upcoming maintenance, upgrades, or potential disruptions that may impact their access to essential services. By prioritising transparent and timely communication, Grasim aims to minimise inconveniences for consumers and maintain a strong relationship built on trust and reliability.

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, Grasim goes beyond the requirements mandated by local laws and displays additional product information to provide comprehensive details to consumers.

   The Company ensures product information is displayed through various mediums. Starting from bale packaging to hang tags, the product names, attributes, and benefits are clearly communicated. Additionally, the Company maintains a website where detailed information about its products and their usage is readily available. In a noteworthy initiative, the Company has incorporated 'molecular tracer' technology in select specialty fibres. This innovative feature provides complete transparency regarding the product's origin and verifies sustainable forestation practices certified by reputable third-party agencies. By implementing such measures, the Company aims to enhance consumer trust and promote sustainable sourcing practices. Grasim believes in empowering consumers to make informed choices.

   Regarding consumer satisfaction surveys, Grasim regularly conducts surveys to gauge consumer satisfaction. These surveys cover various aspects such as major products/services, significant operational locations, and the overall entity. By understanding consumer feedback, Grasim strives to continuously improve its offerings and enhance customer experiences.

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

      NA

Towards Inclusive Growth: CSR Report 2022-23

"Global development is not possible without women's participation", *a profound statement made by our Honourable Prime Minister, Shri Narendra Modiji, at the G20 Summit in Bali, clearly signals the fact that women are indeed at the core of India's G20 agenda. The Government of India is soon to hold the G20 Ministerial Conference on Women Empowerment. In this context, EMPOWER is the G20 alliance fixated on empowerment and progression of women's economic representation. A McKinsey report mentions that India can line its GDP up to 18 percent if it can work out ways to bridge the gender equity gap. This is the outcome of envisioning the positive power of women, if their creative potential was tapped to the maximum. Our Government is a signatory to the UNSDG Goals, among which SDG-5 is a commitment to gender equality. Phenomenal steps has been taken to rise up to this goal and assiduously pursue the upliftment of women every which way.*

As you may be aware, G20 Presidency of India is ongoing. Within its frame EMPOWER is championing women led development pivoted on women entrepreneurship, leadership inclusive at all levels, grassroots and above as well as education. FICCI has been named the official G20 EMPOWER Secretariat. One is privileged to serve on this team and even more heartened to see that all of its objectives are already embedded in our Aditya Birla Group companies, and we are totally in sync with its focus, both at the corporate level and in the interiors.

At the corporate level, over 7,500 women are in the management cadre of which 10 percent are in leadership roles. Our constant endeavour is to go on fostering the enabling ecosystem and the inclusive culture that ABGites experience and take pride.

We are engaged in enriching lives in 9,000 villages pan India, through our multiple CSR initiatives. A call-out of our selective women centered projects:

- *More than 20,280 women were served through livelihood programmes enabled by the Nudge Foundation's Asha Kiran project with our support.*
- *Over 14,000 women are employed in our fashion business. These are unlettered and come from villages.*
- *Honing skills and training vulnerable communities in different vocations.*
- *Strengthening the women farmer community, endeavouring to close the marketing loop and forming women led Farmer Producer Organisations (FPO) on high value agriculture.*
- *Setting up watershed management and water harvesting processes towards sustainable livelihood.*
- *We have trained ~ 50,000 women in different skills set.*
- *We have empowered ~ 45,000 women through the creation of 5,000 SHGs. They are engaged in income generation activities such as tailoring (our uniforms at the manufacturing plants are tailored by the SHG women), also running salons, making masalas, papads and other kitchen condiments, which again are looped back to us besides the local market. Livestock rearing, horticulture and vegetable cultivation, besides toy making are some of the areas, these SHGs specialise in with our handholding on the financial side, helping them access loans.*
- *In the domain of education, we reach out to well over 100,000 students through our network of formal (52 schools) and non-formal educational institutes. Of these girls constitute 50%. Furthermore, we foster the cause of the girl child through 52 Kasturba Gandhi Balika Vidyalayas.*

In our journey up until now, in different phases, we have seen women evolve and develop grit and substance, reflecting the triumph of the human spirit.

Your Company is equally committed to unlock the creative potential of women to the optimal, with a clear linkage to the SDG Goals. Read on."

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

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, we are aiming to significantly lowering the current rate of malnutrition from 5% to 3% of the population in the foreseeable future. Unfortunately of the undernourished, more than 70% constitutes the girl child.

WATER POSITIVITY

Up until now we have constructed 9 check dams and ponds, 98 rainwater harvesting structures, soak pits, large ponds, roof water harvesting, farm well, underground water tanks. This has enabled us conserve 3.37 billion liters of water reaching out to 18,360 farmers (Nagda, Veraval, Harihar, Rishra). Furthermore, a 196 acre horticulture plot developed has been a boon to our farming populace at Nagda, Harihar, Halol, Renukoot, Ganjam, Vilayat, Veraval and Rehla. Organic farming (Nagda, Halol and Veraval) is much encouraged.

Veterinary camps aided over 8,856 cattle owners. Nearly 24,169 cattle were immunised and 4,945 cattle were artificially inseminated. It has enhanced the income of the farmers as the milk outcome notched up by 30%. Farmer training programmes have been intensified. Collectively there has been an upswing in their earnings. Through our initiatives in dairy development, vermi-compost, nutrition and agriculture, we were able to touch the lives of 10,582 women.

SDG-3: ENSURING, HEALTHY LIVES AND PROMOTING WELL-BEING FOR ALL, IN ALL AGE GROUPS

Over 5.88 lakh people recourse to our 2,142 healthcare camps.

Our 5 ambulances attend to a 37,931 strong populace. Alongside, we tend to patients at our company's five hospitals and dispensaries.

Furthermore, eye camps, dental checkups, blood donation, homeopathy, Thalassemia, hemoglobin testing, Tuberculosis, Diabetic, Blood Pressure, Thyroid, Cancer Screening, Skin Care and general health counselling resulted in benefitting 12,652 families.

Importantly, collaborating with the District Health Department, our 47 Family Welfare Centres, we reached out to 18,425 women (antenatal, post-natal care, mass immunisation, nutrition and escort services for institutional delivery). Over 38,253 children were immunised against polio, BCG, DPT and Hepatitis-B across the Company's locations. Our engagement qualitatively impacted the lives of 2,94,000 women.

SDG-4: EDUCATION

Our close involvement with the Kasturba Gandhi Balika Vidyalayas has motivated 2,188 girls to pursue formal education.

Over digital literacy programmes delighted 3,626 students from the villages (Nagda, Vilayat, Renukoot, Veraval, Kalyan, Ganjam and Harihar).

Nearly 4,950 children enrolled at 166 Anganwadis that we support (Nagda, Vilayat, Harihar, Rehla, Karwar, Veraval). Under the Integrated Child Development Scheme (ICDS), 389 malnourished children were nurtured by us on the road to health.

At six Aditya Birla Public Schools (Nagda, Kharach, Harihar, Rehla), we have 4,842 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, Vilayat, Kharach, Veraval and Renukoot, 3,326 students have been given a scholarship.

Through project 'Shishya' (Rishra) 402 students attained proficiency in English.

Bettering the infrastructure of 6 school buildings (Nagda, Vilayat, Rehla and Karwar), helped accord sanitation and drinking water facilities at several schools. Our initiatives to foster the education of the girl child drew more than 10,152 girls to formal education.

SDG-5: WOMEN EMPOWERMENT AND GENDER EQUALITY

In the 350 Self-Help Groups (SHGs) totaling 3,650 women, each one of them has been on a transformative journey, with some of them becoming spawning micro enterprises.

At Harihar, our SDG women group have made 49,608 spinning candle bags and 51,000 face masks. In all, Grasim's SHGs made 91,500 face masks. Yet another group of our SHGs stitched 1.14 lakh 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 2,00,461 villagers.

Additionally, 34 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). In the domain of drinking water and sanitation, 7,615 women reaped the benefits directly.

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 10,813 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, Washing Platform, have improved the lives of 1,16,549 women.

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. In sum, the total number of women beneficiaries crossed 3,84,270, which is indeed notable.

Accolades/Awards received:

Grasim, Nagda

- **Best CSR Impact Awards at the 7th Edition Corporate Social Responsibility Summit & Awards 2023**
- **The CSR Journal Excellence Awards 2022 (1st Runner-up)- Agriculture and Rural Development**

Grasim, Rishra

- **Award won for Promoting Education at the 5th Indian Chamber of Commerce (ICC) Social Impact Awards, 2023**
- **20th Federation of Indian Chambers of Commerce & Industry (FICCI) CSR Awards – "Appreciation Plaque for Commendable CSR Work"**

Grasim, Harihar

- **Gold Award won for Health & Medical Care at the Grow Care India CSR Excellence Awards**

Our CSR spends

This year the Company has spent ₹54.19 crore excluding CSR expenditure of ₹4.50 crore which remained unspent and classified as ongoing projects by the Board and it has been transferred to separate bank account in April 2023. Your Company spent ₹34.16 crore towards obligatory CSR activities and additionally ₹20.03 crore as voluntary CSR activities.

For having come this far, we deeply acknowledge the unflinching support of our Chairman and Chairperson (CSR Committee), and their commitment to the larger good of society. We thank 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 11 lakhs 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"), and Grasim Employee Welfare Trust ("Trust") which comprise the standalone balance sheet as at 31st March 2023, 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 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 of the Company on standalone financial statements of such Trust as were audited by one of the joint auditors of the Company, 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 31st March 2023, and its 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 report of one of the joint auditors of the Company 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 judgement, 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.

The key audit matter	How the matter was addressed in our audit
Assessment of impairment of investments in subsidiaries, associates and joint ventures	
As disclosed in note 2.4 of standalone financial statements, the Company has investments in subsidiaries, associates and joint venture companies of ₹ 22,300 crores (P.Y – ₹ 21,856 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, judgemental 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.	Our audit procedures included the following: • Tested the design and operating effectiveness of internal controls (including review controls) over the impairment assessment process, including the approval of forecasts and valuation models 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, where applicable. • We challenged the key assumptions used by management in developing the forecasts by applying sensitivities and evaluating plausible downside scenarios. • Evaluated competence, capabilities and independence of the specialist engaged by the Company and analysed the valuation reports issued by such specialist. • Involved our internal valuation expert to assist in evaluating the key assumptions and methodology of the valuations. • Tested the arithmetical accuracy of the computation of recoverable amounts of investments. • Evaluated past performance where relevant and assessed historical accuracy of the forecast produced by management.
Regulations – Litigation pertaining to matters related to Competition Commission of India	
As disclosed in note 4.2 of the standalone financial statements, the Company has pending litigation with regards to order issued by the Competition Commission of India ("CCI") on the Viscose Staple Fibre ("VSF") business amounting to ₹ 301.61 crore alleging the Company for abuse of dominant position 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 legal opinion, when considering whether, and how much to provide or in determining the required disclosure for the potential exposure of this matter. This is due to highly complex nature along with the fact that CCI proceedings may span over multiple years and may involve protracted negotiations or litigation. These estimates could change substantially over time.	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 proceedings and provision made, if any. • Obtained and read the details of legal 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 correspondences as applicable between Management and Legal counsel for CCI matters. • Obtained and evaluated independent confirmations from the Legal counsel representing the Company before the Legal authority • Assessed adequacy of disclosures in note 4.2 made in relation to the CCI matter for compliance with disclosure requirements.

Other Information

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 auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/ Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors 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 Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Trustees are responsible for assessing the ability of the Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of Trust 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 of the Company, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Company and Trust included in the standalone 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 standalone financial statements of the current period 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. The standalone financial statements of the Company for the year ended 31st March 2022 were audited by the then joint auditors B S R & Co. LLP and S R B C & CO LLP, whose report dated 24th May 2022 had expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

b. The standalone financial statements include the audited financial statements of the Trust, which has been audited by one of the joint auditors of the Company whose report has 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. Our opinion is not modified in respect of this matter.

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 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 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 Auditor's 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 31st March 2023 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 of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the note 4.13(viii) to the standalone financial statements, 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 Intermediary 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 of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the note 4.13(ix) to the standalone financial statements, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 4.8.4 to the standalone financial statements, the Board of Directors of the Company have proposed 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.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's 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 by the Company 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) of the Act 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
ICAI UDIN: 23105317BGVTON1714

Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN: 23117348BGSZIO7672

Date: 26th May 2023

Annexure A

To the Independent Auditor's Report on the Standalone Financial Statements of Grasim Industries Limited for the year ended 31st March 2023

(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 standalone 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 the 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 linked 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) 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 made investments in companies and has not made any investment in firms, limited liability

partnership or any other parties during the year. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted unsecured loans to Companies and other parties, in respect of which the requisite information is as below:

₹ in crore

Particulars	Loans
Aggregate amount during the year	
- Subsidiaries	169.81
- Joint Ventures	5.00
- Others	5.31
Balance outstanding as at balance sheet date	
- Subsidiaries	79.92
- Others	11.24

(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 there are no instances of loans falling due during the year which were renewed or extended or settled by fresh loans.

(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 account 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 liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July 2017, these statutory dues has been subsumed into Goods and Service 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 Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company 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 Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

(b) 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 (as defined under the Act).

(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 Standard of 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 the 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) (a) 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

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

Vikas R Kasat
Partner
Membership No: 105317
ICAI UDIN: 23105317BGVTON1714

Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN: 23117348BGSZIO7672

Date: 26th May 2023

Annexure I

Title Deed Not in the name of the Company

Description of item of property	Gross carrying value (₹ in crores)	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
Building	190.43	Aditya Birla Nuvo Limited	No	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
Building	15.77	Indian Rayon Corporation Limited	No	Apr-1987	
Building	2.43	Indian Rayon and Industries Limited	No	Apr-1998	
Building	25.39	Jayashree Textiles Limited	No	Apr-1972	
Building	7.62	Jiyajee Rao Cotton Mills	No	Apr-2015	Under Legal Proceeding.
Building	6.10	Solaris Chemtech Limited	No	Apr-2008	
Freehold Land	286.26	Aditya Birla Nuvo Limited	No	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
Freehold Land	23.44	Indian Rayon Corporation Limited	No	Apr-1987	
Freehold Land	3.61	Indian Rayon and Industries Limited	No	Apr-1998	
Freehold Land	47.50	Jayashree Textiles Limited	No	Apr-1972	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	1.77	Solaris Chemtech Limited	No	Apr-2008	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	56.64	Andhra Pradesh Industrial Investment Corporation	No	Apr-2019	Transfer is in Process.
Freehold Land	38.60	Bharat Commerce & Industries Limited	No	Apr-2014	Under Legal Proceeding.
Freehold Land	0.51	Various individual Parties	No	1985-2015	Under Legal Proceeding.
Leasehold Land	1.10	Bihar Caustics and Chemicals Limited	No	Apr-1980	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.
Leasehold Land	1.01	Aditya Birla Chemical Industries Limited	No	May-2011	
Leasehold Building	4.70	Aditya Birla Nuvo Limited	No	Apr-2017	
Leasehold Land	0.20	Welspun India Limited	No	May-2009	Under Legal Proceeding.

Annexure II

Statutory Dues Disputed

Name of the Statute	Nature of the Dues	Period to which the amount relates	Total (₹ In crores)	Forum where case is pending
Income Tax	Income Tax and Interest	2001-2021	70.87	Appellate Authority
		2001-2023	79.24	Assessing Authority
Entry Tax	Entry Tax and Interest	2004-2012	0.67	Assessing Authority
		2004-2018	22.73	High Court
Excise Duty	Excise Duty, Interest and Penalty	1994-2017	52.10	Appellate Authority
		1974-2018	36.81	Assessing Authority
		1996-2018	1.07	High Court
Sales Tax/VAT/GST	Sales Tax, VAT, Interest and Penalty	2005-2018	25.07	Appellate Authority
		2001-2021	8.38	Assessing Authority
		2008-2014	16.30	High Court
Service Tax	Service Tax, Interest and Penalty	2005-2011	13.31	Appellate Authority
		1997-2016	3.84	Assessing Authority
		2005-2014	52.99	High Court
Customs Duty	Custom Duty, Interest and Penalty	2004-2020	20.39	Appellate Authority
		1985-2020	9.58	Assessing Authority
		1975-1988	2.37	High Court
		2001-2014	0.87	Supreme Court
Stamp Duty	Stamp Duty & Interest	2013-2014	23.90	High Court
Employee State Insurance Act, 1948	Tax and Interest	2004-2005	0.20	High Court
Land Related Matters	Property Tax and Interest	1992-2005	5.36	High Court
		2001-2002	0.64	Appellate Authority

Annexure B

To the Independent Auditor's Report on the standalone financial statements of Grasim Industries Limited for the year ended 31st March 2023

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 Act

(Referred to in paragraph 2(A)(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 31st March 2023 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 31st March 2023, 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 and Board of Directors' Responsibilities 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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
ICAI UDIN: 23105317BGVTON1714

Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN: 23117348BGSZIO7672

Date: 26th May 2023

Standalone Balance Sheet

as at 31st March 2023

₹ in crore

	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	14,634.81	13,645.17
Capital Work-in-Progress	2.1	2,919.09	1,740.14
Goodwill		2.78	2.78
Other Intangible Assets	2.2	817.75	896.18
Intangible Assets Under Development	2.2	6.60	2.65
Right of Use Assets	2.3	764.29	313.57
Financial Assets			
Investments in Subsidiaries, Joint Ventures and Associates	2.4	22,300.03	21,855.56
Other Investments	2.5	8,541.12	12,086.23
Loans	2.6	100.31	9.14
Other Financial Assets	2.7	339.21	311.36
Non-Current Tax Assets (Net)		191.43	59.88
Other Non-Current Assets	2.8	840.13	205.77
Total Non-Current Assets		**51,457.55**	**51,128.43**
Current Assets			
Inventories	2.9	4,492.78	3,940.84
Financial Assets			
Investments	2.10	3,055.63	4,748.98
Trade Receivables	2.11	1,597.26	1,690.42
Cash and Cash Equivalents	2.12	16.48	52.69
Bank Balances other than Cash and Cash Equivalents	2.13	457.89	172.64
Loans	2.14	3.68	26.44
Other Financial Assets	2.15	133.91	95.64
Other Current Assets	2.16	961.93	780.14
Total Current Assets		**10,719.56**	**11,507.79**
TOTAL ASSETS		**62,177.11**	**62,636.22**

Standalone Balance Sheet (Contd.)

as at 31st March 2023

₹ in crore

	Note No.	As at 31st March 2023	As at 31st March 2022
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.17	131.69	131.67
Other Equity	2.18	46,823.24	48,484.12
Total Equity		**46,954.93**	**48,615.79**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.19	4,273.23	3,034.49
Lease Liabilities	2.3	74.37	55.63
Other Financial Liabilities	2.20	10.61	3.10
Provisions	2.21	64.23	54.87
Deferred Tax Liabilities (Net)	2.22	1,534.80	1,841.38
Other Non-Current Liabilities	2.23	7.08	71.67
Total - Non-current Liabilities		**5,964.32**	**5,061.14**
Current Liabilities			
Financial Liabilities			
Borrowings	2.24	981.00	1,086.28
Lease Liabilities	2.3	23.00	24.13
Supplier's Credit	2.25	–	183.40
Trade Payables	2.26		
Total Outstanding due of Micro and Small Enterprises		121.41	90.55
Total Outstanding due of Creditors other than Micro and Small Enterprises		4,589.79	4,560.18
Other Financial Liabilities	2.27	1,617.82	1,203.99
Other Current Liabilities	2.28	988.04	1,067.46
Provisions	2.29	322.39	287.05
Current Tax Liabilities (Net)		614.41	456.25
Total Current Liabilities		**9,257.86**	**8,959.29**
TOTAL EQUITY AND LIABILITIES		**62,177.11**	**62,636.22**

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Standalone Statement of Profit and Loss

for the year ended 31st March 2023

₹ in crore

	Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
Continuing Operations			
INCOME			
Revenue from Operations	3.1	26,839.71	20,856.84
Other Income	3.2	1,018.34	895.31
Total Income (I)		**27,858.05**	**21,752.15**
EXPENSES			
Cost of Materials Consumed	3.3	12,695.07	9,794.47
Purchases of Stock-in-Trade	3.4	466.22	152.90
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(261.91)	(538.59)
Employee Benefits Expense	3.6	2,023.49	1,774.29
Finance Costs	3.7	367.67	247.24
Depreciation and Amortisation Expense	3.8	1,097.29	913.96
Power and Fuel		4,745.01	3,434.26
Other Expenses	3.9	3,991.94	3,023.35
Total Expenses (II)		**25,124.78**	**18,801.88**
Profit Before Exceptional Items and Tax from Continuing Operations (I) – (II)		2,733.27	2,950.27
Exceptional Items	3.10	(88.03)	(69.11)
Profit Before Tax from Continuing Operations		**2,645.24**	**2,881.16**
Tax Expense	3.11		
Current Tax		433.71	113.89
Deferred Tax		87.80	71.82
Total Tax Expense		**521.51**	**185.71**
Profit for the Year from Continuing Operations (III)		**2,123.73**	**2,695.45**
Discontinued Operations	4.4		
Profit before tax from Discontinued Operations		–	155.98
Exceptional items (net)		–	510.79
Tax expenses on Profit from discontinued operations		–	(310.95)
Profit for the Year from Discontinued Operations (IV)		**–**	**355.82**
Profit for the Year (V= III+IV)		**2,123.73**	**3,051.27**

Standalone Statement of Profit and Loss (Contd.)

for the year ended 31st March 2023

₹ in crore

			Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
Other Comprehensive Income			3.12		
A	(i)	Items that will not be reclassified to profit or loss		(3,482.59)	3,443.92
	(ii)	Income Tax relating to items that will not be reclassified to profit or loss		400.12	(224.86)
				(3,082.47)	**3,219.06**
B	(i)	Items that will be reclassified to profit or loss		14.20	0.50
	(ii)	Income Tax relating to items that will be reclassified to profit or loss		(5.74)	(0.49)
				8.46	**0.01**
Other Comprehensive Income for the Year (VI)				**(3,074.01)**	**3,219.07**
Total Comprehensive Income for the Year (V + VI)				**(950.28)**	**6,270.34**
Paid-up Equity Share Capital (Face Value ₹ 2 per share)				131.69	131.67
Earnings Per Equity Share (Face Value ₹ 2 each)			3.13		
Basic - Continuing Operations (₹)				32.34	41.05
Diluted - Continuing Operations (₹)				32.31	40.99
Basic - Discontinued Operations (₹)				–	5.42
Diluted - Discontinued Operations (₹)				–	5.41
Basic - Continuing Operations and Discontinued Operations (₹)				32.34	46.47
Diluted - Continuing Operations and Discontinued Operations (₹)				32.31	46.40

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Standalone Statement of Changes in Equity

for the year ended 31st March 2023

A. EQUITY SHARE CAPITAL

Year Ended 31st March 2023

₹ in crore

Balance as at 1st April 2022	Changes in Equity Share Capital during the year (Note 2.17.3)	Balance as at 31st March 2023
131.67	0.02	131.69

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

B. OTHER EQUITY

As at 31st March 2023

₹ in crore

Particulars	Note No.	Reserves and Surplus						Other Comprehensive Income (OCI)			Total
		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	
Balance as at 1st April 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
Profit for the Year		–	–	–	–	2,123.73	–	–	–	–	2,123.73
Other Comprehensive Income for the Year		–	–	–	–	@ (2.57)	–	(2.39)	(3,079.90)	10.85	(3,074.01)
Total Comprehensive Income for the Year		**–**	**–**	**–**	**–**	**2,121.16**	**–**	**(2.39)**	**(3,079.90)**	**10.85**	**(950.28)**
Dividends Paid		–	–	–	–	(657.65)	–	–	–	–	(657.65)
Purchase of Treasury Shares		–	–	–	(108.04)	–	–	–	–	–	(108.04)
Issue of Treasury Shares		–	–	–	18.76	–	–	–	–	–	18.76
Employee Stock Options Exercised		9.92	–	–	–	–	(10.74)	–	–	–	(0.82)
Employee Stock Options Granted (net of lapses)		–	–	–	–	–	37.15	–	–	–	37.15
Balance as at 31st March 2023	2.18	**23,741.42**	**11,584.56**	**3,670.17**	**(240.21)**	**9,476.76**	**97.23**	**4.12**	**(1,522.21)**	**11.40**	**46,823.24**

Standalone Statement of Changes in Equity (Contd.)

for the year ended 31st March 2023

As at 31st March 2022

₹ in crore

Particulars	Note No.	Reserves and Surplus						Other Comprehensive Income (OCI)			Total
		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	
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
Balance as at 31st March 2022	2.18	**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 (Net of Tax)

Significant Accounting Policies and Key Accounting Estimates and Judgements – 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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Standalone Statement of Cash Flows

for the year ended 31st March 2023

₹ in crore

	Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	2,645.24	2,881.16
	Adjustments for:		
	Exceptional Items	88.03	69.11
	Depreciation and Amortisation Expense	1,097.29	913.96
	Finance Costs	367.67	247.24
	Interest Income	(117.38)	(59.43)
	Dividend Income	(668.67)	(643.02)
	Unrealised Exchange (Gain)/Loss (Net)	(32.26)	(1.49)
	Allowance for Credit losses (Net)	5.13	(10.43)
	Provisions against Warranty and Contingent Liabilities Created / (Written Back)	(1.06)	(0.25)
	Loss on Sale/Discard of Property, Plant and Equipment (Net)	10.33	9.48
	Employee Stock Option/Stock Appreciation Right Expenses	38.12	34.85
	Unrealised Gain on Investments measured at Fair Value through Profit or Loss (Net)	(118.39)	(114.48)
	Profit on Sale of Investments (Net)	(45.47)	(33.48)
	Operating profit Before Working Capital Changes	**3,268.57**	**3,293.22**
	Adjustments for Changes in Working Capital :		
	Trade Receivables	100.28	(358.75)
	Financial and Other Assets	(160.79)	(306.31)
	Inventories	(551.94)	(1,761.85)
	Trade Payables, Other Liabilities and Provisions	69.81	2,440.08
	Cash Generated from Operations	**2,725.93**	**3,306.39**
	Income Taxes Paid (Net of Refund)	(407.10)	(650.15)
	Net Cash Generated from Operating Activities (A)	**2,318.83**	**2,656.24**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Other Intangible Assets	(4,022.47)	(2,538.15)
	Proceeds from Disposal of Property, Plant and Equipment	11.13	6.55
	Asset transfer cost on Merger	–	(28.39)
	Acquisition/Investments in Subsidiaries, Joint Ventures and Associates	(444.48)	(98.72)
	Investment in Other Non-Current Equity Investments	–	(38.78)
	Sale of Other Non-Current Equity Investments	0.10	–
	Sale/(Purchase) of Current Investments (Net)	1,911.86	(1,352.52)
	Loans and Advances given to Subsidiaries, Joint Ventures and Associates	(174.81)	(5.00)
	Receipt against Loans and Advances given to Subsidiaries, Joint Ventures and Associates	104.19	15.21
	Investment in Bank Deposits (having original maturity more than 3 months) and earmarked balances with Banks	(285.25)	(109.17)
	Interest from Subsidiaries, Joint Ventures and Associates	7.43	2.77
	Interest from Others	33.40	17.47
	Dividend from Subsidiaries, Joint Ventures and Associates	628.27	611.74
	Dividend from Others	40.40	31.28
	Net Cash (Used) in Investing Activities (B)	**(2,190.23)**	**(3,485.71)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital under ESOS	7.71	8.95
	Treasury Shares acquired by ESOP Trust	(108.04)	(61.95)
	Issue of Treasury Shares	10.15	10.48
	Proceeds from Non-Current Borrowings	2,000.00	1,000.00
	Repayments of Non-Current Borrowings	(1,056.08)	(132.76)
	Proceeds/(Repayment) of Current Borrowings (Net)	193.51	(905.08)
	Proceeds/ (Payment) of Supplier's credit	(183.40)	183.40
	Payments of Lease Liabilities	(25.30)	(20.46)
	Payments of Interest on Lease Liabilities	(6.84)	(5.07)
	Interest and Finance Charges Paid	(339.10)	(262.60)
	Dividend Paid	(657.42)	(591.51)
	Net Cash (used) in Financing Activities (C)	**(164.81)**	**(776.60)**
D.	**Net Decrease in Cash and Cash Equivalents (A+B+C)**	(36.21)	(1,606.07)
	Cash and Cash Equivalents at the Beginning of the year	52.69	69.22
	Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	–	1,589.54
	Cash and Cash Equivalents at the End of the year from Continued Operations	**16.48**	**52.69**
	Discontinued Operations		
	Cash and Cash Equivalents at the Beginning of the Period	–	–
	Net Cash Used in Operating Activities (A)	–	(217.33)
	Net Cash Used in Investing Activities (B)	–	(48.93)
	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
	Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	–	(1,589.54)
	Cash and Cash Equivalents at the End of the Period of Discontinued Operations	**–**	**–**
	Cash and Cash Equivalents at the End of the year	**16.48**	**52.69**

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March 2023

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 2022	Cash flows	Non-Cash changes: Fair Value Adjustment	Reclassified	Balance as at 31st March 2023
Non-Current Investments	33,941.79	444.38	(3,545.02)	–	30,841.15
Current Investments	4,748.98	(1,866.39)	173.04	–	3,055.63
	38,690.77	**(1,422.02)**	**(3,371.98)**	**–**	**33,896.78**

₹ 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**

(b) Changes in liabilities arising from financing activities

₹ in crore

Particulars	Balance as at 1st April 2022	Cash flows	Debt issuance cost	Non-Cash changes: Fair Value Adjustment	Balance as at 31st March 2023
Non-Current Borrowings *	4,101.55	943.92	(3.46)	(0.51)	5,041.50
Current Borrowings	19.22	193.51	–	–	212.73
Supplier's Credit	183.40	(183.40)	–	–	–

₹ 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
Non-Current Borrowings *	3,241.79	867.24	(2.98)	(4.50)	4,101.55
Current Borrowings	921.65	(905.08)	–	2.65	19.22
Supplier's Credit	–	183.40	–	–	183.40

* including Current Maturities of Non-Current Borrowings

(c) Refer note 2.3.I.B for Movement in lease liabilities.

Significant Accounting Policies and Key Accounting Estimates and Judgements - 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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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, Speciality and allied Chemicals) and others (Insulators, Textiles, Paints, B2B E-Commerce and Solar Power Designing).

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. The accounting policies have been consistently applied for all the periods presented in the financial statements.

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 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.

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, Ind AS-1 and other criteria set out in the Division II of 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 recognised 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(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.

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) - Carpeted Roads-other than RCC - Non-Carpeted Roads	10 years 5 years 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

S. No.	Nature of Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life of the Assets
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.

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 recognised 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 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 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.

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.

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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). 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 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 recognised in the other comprehensive income (OCI). However, the Company recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company 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 recognised 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 recognised 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 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

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

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.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

1.23 Revenue Recognition:

(a) Revenue from contracts with customers;

- Revenue is recognised when the Company satisfies a performance obligation on the basis of approved contracts regarding the transfer of goods or services to a customer. This is achieved when control of the product has been transferred to the customer.
- The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. The transaction price of goods sold and services rendered is net of variable consideration and excludes taxes and duties collected on behalf of the Government.
- 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(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 Contract liability

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements.

1.25 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;
- 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

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.

1.26 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 recognised in Statement of Profit and Loss in the period in which they are incurred.

1.27 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 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.

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.

1.28 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.

1.29 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.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

1.30 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS requires judgements, 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 recognised 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.

- **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 investment in 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

- **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.

1.34 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company is evaluating impact of above amendments in its financial statements.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in crore

Description	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April 2022	Additions	Adjustments/ Deductions	As at 31st March 2023	As at 1st April 2022	For the Year	Adjustments/ Deductions	As at 31st March 2023	As at 31st March 2023
TANGIBLE ASSETS #									
Freehold Land	1,202.42	45.82	–	1,248.24	–	–	–	–	1,248.24
Leasehold Improvements	6.97	11.04	–	18.01	2.57	3.34	–	5.91	12.10
Buildings	2,595.21	269.41	(0.31)	2,864.31	476.31	99.49	(0.15)	575.65	2,288.66
Plant and Equipment	13,665.00	1,517.49	(77.38)	15,105.11	3,591.88	789.25	(60.45)	4,320.68	10,784.43
Furniture and Fixtures	91.39	19.99	(2.80)	108.58	57.57	10.36	(0.57)	67.36	41.22
Vehicles	142.11	41.95	(14.85)	169.21	85.15	19.71	(11.47)	93.39	75.82
Office Equipment	233.36	60.22	(10.33)	283.25	86.37	34.65	(11.71)	109.31	173.94
Salt Pans, Reservoir and Condensers	7.41	–	–	7.41	7.04	–	–	7.04	0.37
Railway Sidings	21.82	2.98	–	24.80	13.63	1.14	–	14.77	10.03
Total Tangible Assets	**17,965.69**	**1,968.90**	**(105.67)**	**19,828.92**	**4,320.52**	**957.94**	**(84.35)**	**5,194.11**	**14,634.81**

₹ in crore

Description	Gross Block					Accumulated Depreciation					Net Block
	As at 1st April 2021	Additions	Adjustments/ Deductions	Deduction on account of Discontinued Operations (note 4.4)	As at 31st March 2022	As at 1st April 2021	For the Year	Adjustments/ Deductions	Deduction on account of Discontinued Operations (note 4.4)	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**

Net Block of Tangible Assets amounting to ₹ 444.80 crore (Previous Year ₹ 433.27 crore) is pledged as security against the secured borrowings.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.1.1 Capital-Work-in Progress (CWIP)

₹ in crore

	As at 31st March 2023	As at 31st March 2022
Opening Balance	**1,740.14**	**4,033.43**
Add: Additions during the year	3,147.85	2,404.41
Less: Capitalisation / Deductions during the year	(1,968.90)	(4,697.70)
Closing Balance	**2,919.09**	**1,740.14**

As at 31st March 2023

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	2,385.87	312.02	85.17	83.36	2,866.42
Projects temporarily suspended	–	–	–	52.67	52.67
Total	**2,385.87**	**312.02**	**85.17**	**136.03**	**2,919.09**

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:					
Ethylene Diamine Tetra-Acetic Acid (EDTA) and CS2 Absorption Plant (CAP)	233.75	–	–	–	233.75
Caustic Soda - 400 TPD and 3 Value Added Products	163.06	–	–	–	163.06
Wet Sulphuric Acid Plant	86.53	–	–	–	86.53
Sea Water Intake and Outfall System	83.30	–	–	–	83.30
ECH (Epichlorohydrin) Project	47.86	–	–	–	47.86
Others	272.43	10.70	–	–	283.13
Sub Total	**886.93**	**10.70**	**–**	**–**	**897.63**
ii) Projects temporarily suspended:					
Aditya Birla Tower	–	–	–	52.67	52.67
	–	**–**	**–**	**52.67**	**52.67**

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	1687.47
Projects temporarily suspended	–	–	–	52.67	52.67
Total	**1,195.45**	**208.75**	**196.37**	**139.57**	**1,740.14**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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	170.63	-	-	-	170.63
45MW Turbine Project	84.34	-	-	-	84.34
Ethylene Diamine Tetra-Acetic Acid (EDTA) and CS2 Absorption Plant (CAP)	80.66	-	-	-	80.66
CSY Expansion-12 Machine	70.67	-	-	-	70.67
Wet Sulphuric Acid Plant	70.12	-	-	-	70.12
Others	280.51	37.72	1.13	-	319.36
Sub Total	**756.93**	**37.72**	**1.13**	**-**	**795.78**
ii) Projects temporarily suspended:					
Aditya Birla Tower	-	-	-	52.67	52.67
Sub Total	**-**	**-**	**-**	**52.67**	**52.67**

2.1.2

Title deeds of Immovable Properties not held in name of the Company as on 31st March 2023

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	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
		23.44	Indian Rayon Corporation Limited	No	Apr-1987	
		3.61	Indian Rayon And Industries Limited	No	Apr-1998	
		47.50	Jayashree Textiles Limited	No	Apr-1972	
		1.77	Solaris Chemtech Limited	No	Apr-2008	
		56.64	Andhra Pradesh Industrial Investment Corporation	No	Apr-2019	Transfer is in Process
		38.60	Bharat Commerce & Industries Limited	No	Apr-2014	Under Legal Proceeding
		0.51	Various Individual Parties	No	1985-2015	
		602.25				
	Building (B)	190.43	Aditya Birla Nuvo Limited	No	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
		15.77	Indian Rayon Corporation Limited	No	Apr-1987	
		2.43	Indian Rayon And Industries Limited	No	Apr-1998	
		25.39	Jayashree Textiles Limited	No	Apr-1972	
		7.62	Jiyajee Rao Cotton Mills	No	Apr-2015	Under Legal Proceeding
		6.10	Solaris Chemtech Limited	No	Apr-2008	
		344.56				
	Total (A+B)	**946.81**				

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
		23.44	Indian Rayon Corporation Limited	No	Apr-1987	
		3.61	Indian Rayon And Industries Limited	No	Apr-1998	
		47.50	Jayashree Textiles Limited	No	Apr-1972	
		1.77	Solaris Chemtech Limited	No	Apr-2008	
		57.23	Andhra Pradesh Industrial Investment Corporation	No	Apr-2019	Transfer is in Process
		38.60	Bharat Commerce & Industries Limited	No	Apr-2014	Under Legal Proceeding
		0.51	Various Individual Parties	No	1985-2015	
		602.84				
	Building (B)	154.93	Aditya Birla Nuvo Limited	No	Apr-2017	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	Jayashree Textiles Limited	No	Apr-1972	
		15.77	Indian Rayon Corporation Limited	No	Apr-1987	
		2.43	Indian Rayon And Industries Limited	No	Apr-1998	
		23.54	Jayashree Textiles Limited	No	Apr-1972	
		7.62	Jiyajee Rao Cotton Mills	No	Apr-2015	Under Legal Proceeding
		6.10	Solaris Chemtech Limited	No	Apr-2008	
		307.21				
	Total (A+B)	**910.05**				

₹ in crore

	As at 31st March 2023	As at 31st March 2022
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	5.19	2.17
Vehicles	0.07	0.07
Office Equipments	8.26	2.21
Gross Block	**86.68**	**77.61**
Net Block	44.67	43.01
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	197.27	182.44
Net Block	108.59	102.95
Additions during the Year	14.39	7.12
Capital Work-in-Progress	8.08	1.82

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

	As at 31st March 2023	As at 31st March 2022
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	53.75	59.90
Contribution to Provident and Other Funds	1.62	2.48
Contribution to Gratuity Fund	0.20	0.41
Expenses on Employee Stock Option Scheme	0.19	0.33
Borrowing Costs	26.28	97.02
Power and Fuel	0.03	6.74
Consumption Of Stores, Spare Parts And Components, Packing Materials And Incidental Expenses	0.01	1.59
Repairs and Maintenance	0.23	6.01
Insurance	0.85	0.25
Rent	0.04	1.39
Miscellaneous Expenses	23.78	29.76
	106.98	**226.96**
Less: Income Earned during the year		
Sale of Trial Run Production	0.03	24.99
Stock of Trial Run Production	0.13	–
	0.16	**24.99**
Total Pre-Operative Expenses incurred during the year	**106.82**	**201.97**
Add: Pre-Operative Expenditure Incurred upto Previous Year	130.39	292.38
Less: Pre-Operative Expenditure Allocated to PPE during the Year	38.70	363.96
Total Pre-Operative Expenses Pending Allocation	**198.51**	**130.39**

2.2 OTHER INTANGIBLE ASSETS

₹ in crore

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1st April 2022	Additions	Adjustments/ Deductions	As at 31st March 2023	As at 1st April 2022	For the Year	Adjustments/ Deductions	As at 31st March 2023	As at 31st March 2023
INTANGIBLE ASSETS									
Computer Software	32.35	10.24	(2.44)	40.15	24.26	4.54	(2.30)	26.50	13.65
Value of License/Right to Use	97.01	–	–	97.01	43.42	8.41	–	51.83	45.18
Customer Relationship	369.90	–	–	369.90	77.01	16.84	–	93.85	276.05
Distribution Network	20.03	–	–	20.03	12.06	4.01	–	16.07	3.96
Order Back Log	16.70	–	–	16.70	16.70	–	–	16.70	–
Technical Know-how	27.24	–	–	27.24	9.82	2.42	–	12.24	15.00
Trade Mark and Brand	67.96	–	–	67.96	33.69	7.82	–	41.51	26.45
Right to Manage and Operate Manufacturing Facilities	666.50	–	–	666.50	184.55	44.49	–	229.04	437.46
Non-Compete	21.50	–	–	21.50	21.50	–	–	21.50	–
Total Intangible Assets	**1,319.19**	**10.24**	**(2.44)**	**1,326.99**	**423.01**	**88.53**	**(2.30)**	**509.24**	**817.75**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ 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 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 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**

2.2.1 Intangible Assets Under Development (IAUD) :

₹ in crore

	As at 31st March 2023	As at 31st March 2022
Opening Balance	**2.65**	**–**
Add: Additions during the year	14.19	41.53
Less: Capitalisation / Deductions during the year	(10.24)	(38.88)
Closing Balance	**6.60**	**2.65**

As at 31st March 2023

A) Ageing 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	3.95	2.65	–	–	6.60
Projects temporarily suspended	–	–	–	–	–
Total	**3.95**	**2.65**	**–**	**–**	**6.60**

B) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan : Nil

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

As at 31st March 2022

A) Ageing 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 2023

₹ in crore

	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April 2022	Addition during the Year	Deletion during the Year	As at 31st March 2023	As at 1st April 2022	Depreciation for the Year	Deletion during the Year	As at 31st March 2023	As at 31st March 2023
Land #	269.94	456.30	(0.25)	725.99	25.78	22.67	(0.05)	48.40	677.59
Building	117.08	39.20	(12.19)	144.09	49.30	24.86	(7.62)	66.54	77.55
Plant and Machinery	8.29	–	–	8.29	6.66	1.30	–	7.96	0.33
Software Platform	–	10.81	–	10.81	–	1.99	–	1.99	8.82
Total	**395.31**	**506.31**	**(12.44)**	**889.18**	**81.74**	**50.82**	**(7.67)**	**124.89**	**764.29**

Carrying value of right of use assets as at 31st March 2022

₹ in crore

	Gross Block					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	Depreciation for the year *	Deletion during the year	(Transfer) from Discontinued Operations	As at 31st March 2022	As at 31st March 2022
Land #	222.50	0.10	47.34	–	269.94	17.18	5.12	–	3.48	25.78	244.16
Building	86.98	43.64	–	(13.54)	117.08	38.74	18.41	(7.85)	–	49.30	67.78
Plant and Machinery	8.60	–	–	(0.31)	8.29	5.17	1.71	(0.22)	–	6.66	1.63
Total	**318.08**	**43.74**	**47.34**	**(13.85)**	**395.31**	**61.09**	**25.24**	**(8.07)**	**3.48**	**81.74**	**313.57**

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 2023

Title deeds of lease deed not held in name of the Company as on 31st March 2023

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	Lease Hold land (A)	1.10	Bihar Caustics And Chemicals Limited	No	Apr-1980	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.
		1.01	Aditya Birla Chemical Industries Limited	No	May-2011	
		0.20	Welspun India Limited	No	May-2009	Under Legal Proceeding
	Lease Hold Building Gross Block(B)	4.70	Aditya Birla Nuvo Limited	No	Apr-2017	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)	**7.01**				

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	Lease Hold land (A)	1.10	Bihar Caustics And Chemicals Limited	No	Apr-1980	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.
		1.01	Aditya Birla Chemical Industries Limited	No	May-2011	
		0.20	Welspun India Limited	No	May-2009	Under Legal Proceeding
	Lease Hold Building Gross Block(B)	4.70	Aditya Birla Nuvo Limited	No	Apr-2017	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)	**7.01**				

B. The following is the movement in lease liabilities during the year ended:

₹ in crore

Particulars	31st March 2023	31st March 2022
Opening Lease Liabilities	79.76	59.79
Addition during the year	49.12	52.26
Cancellation of lease contracts	(6.21)	(11.83)
Finance Cost accrued during the period	6.84	5.07
Payment of Lease Liabilities - Principal	(6.84)	(5.07)
Payment of Lease Liabilities - Interest	(25.30)	(20.46)
Closing Lease Liabilities	**97.37**	**79.76**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

Maturity analysis of lease liability

₹ in crore

Maturity analysis – contractual undiscounted cash flows	31st March 2023	31st March 2022
Less than one year	28.16	25.22
One to five years	69.55	84.62
More than five years	30.58	6.31
Total undiscounted lease liabilities as on	**128.29**	**116.15**
Lease liabilities included in the statement of financial position		
Current	23.00	24.13
Non-Current	74.37	55.63

Amounts recognised in the Statement of Profit and Loss

₹ in crore

Particulars	31st March 2023	31st March 2022
Interest on lease liabilities	6.84	5.07
Variable lease payments not included in the measurement of lease liabilities	-	0.15
Expenses relating to short-term leases	16.87	15.70
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.04	0.86

Amounts recognised in the statement of cash flows

₹ in crore

Particulars	31st March 2023	31st March 2022
Total cash outflow for leases	32.14	25.53

The Company has entered in to leasing arrangements for various assets referred in Right of Use table. These leases generally have lease terms between 2 to 99 years.

The weighted average incremental borrowing rate applied to these leases ranges between 5.17% to 8.70%.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.4 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES – NON-CURRENT

(Fully paid up)

₹ in crore

	Face Value	Number of Shares	As at 31st March 2023	Number of Shares	As at 31st March 2022
Equity Shares					
Quoted:					
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
			20,483.20		**20,483.20**
Unquoted:					
Subsidiaries: Carried at Cost					
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	753,015,872	759.92	378,228,795	385.12
Aditya Birla Solar Limited	₹ 10	66,585,354	66.83	66,585,354	66.83
ABReL Solar Power Limited	₹ 10	45,906,432	45.91	5,033,600	5.03
Grasim Business Services Private Limited	₹ 10	100,000	0.10	-	-
			988.05		**572.27**
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	TL 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	22,732,740	22.73
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	25,000,000	25.00	15,000,000	15.00
			783.43		**773.43**
Associates: Carried at Cost					
Aditya Birla Science & Technology Company Private Limited	₹ 10	9,899,500	11.35	9,899,500	11.35
Greenyana Sunstream Private Limited	₹ 10	3,217,970	4.18	-	-
Renew Surya Uday Private Limited	₹ 10	9,785,162	29.82	5,104,000	15.31
			45.35		**26.66**
			1,816.83		**1,372.36**
			22,300.03		**21,855.56**

WPV – Without Par Value

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.4.1 Aggregate Book Value of:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted Investments	20,483.20	20,483.20
Unquoted Investments	1,816.83	1,372.36
	22,300.03	**21,855.56**
Aggregate Market Value of Quoted Investments	146,124.31	123,253.19

2.5 OTHER INVESTMENTS – NON-CURRENT

₹ in crore

	Face Value	Number of Shares /Securities	As at 31st March 2023	Number of Shares /Securities	As at 31st March 2022
Quoted:					
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	156.28	13,988,570	155.48
Hindalco Industries Limited	₹ 1	88,048,812	3,569.06	88,048,812	5,014.38
Vodafone Idea Limited	₹ 10	3,317,566,167	1,924.19	3,317,566,167	3,201.45
Aditya Birla Fashion and Retail Limited	₹ 10	97,593,931	2,091.93	97,593,931	2,948.31
			7,741.46		**11,319.62**
Unquoted:					
Investments in Equity Shares:					
Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 4.10 A}					
P.T. Indo Bharat Rayon Co. Limited, Indonesia	USD 100	5,000	676.46	5,000	644.78
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	2.40	422,496	2.73
Birla International Limited - British Virgin Islands	USD 100	2,500	5.46	2,500	5.18
Bhadreshwar Vidyut Private Limited	₹ 10	-	-	5,069,000	0.10
			684.32		**652.79**
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	36.45	6,750,000	34.28
1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million	WPV	160,000	49.11	160,000	49.88
Others					
8% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited	₹ 10	500,000	1.02	500,000	0.98
			86.58		**85.14**
Investment in Limited Liability Partnership: Carried at Fair Value through Profit or Loss (FVTPL)					
Clean Max Power 3 LLP			26.60		26.60
Investments In various Mutual Funds units: Carried at Fair Value through Profit or Loss (FVTPL) {Note 4.10 A}			2.16		2.08
			28.76		**28.68**
			799.66		**766.61**
			8,541.12		**12,086.23**

All shares are fully paid-up, unless otherwise stated

WPV - Without Par Value

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.5.1 Aggregate Book Value of:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted Investments	7,741.46	11,319.62
Unquoted Investments	799.66	766.61
	8,541.12	**12,086.23**
Aggregate Market Value of Quoted Investments	7,741.46	11,319.62

2.6 LOANS – NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Loans to Employees	7.56	9.14
Loans to Related Parties (Note 4.6.3, 2.14.1 and 2.14.2)	92.75	-
	100.31	**9.14**

2.7 OTHER FINANCIAL ASSETS – NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed Deposits with Banks with maturity more than 12 months #	0.34	1.74
Security Deposits to Related Parties (Note 4.6.3)	35.90	35.90
Receivable towards divested businesses*	44.24	46.26
Less : Provision towards divested businesses	(9.11)	(11.14)
Security Deposits	229.13	194.71
Less: Provision on deposits	(0.44)	(0.44)
Government Grant and Incentives Receivable	45.85	48.09
Less: Provision towards Government Incentives	(6.70)	(3.76)
	339.21	**311.36**

* The Company has to receive from purchaser towards tax refunds of ₹ 35.13 crore (Previous year ₹ 35.12 crore)

Lodged as security with Government Departments

2.8 OTHER NON-CURRENT ASSETS

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Advances for Purchase of Property, Plant and Equipment	757.83	116.05
Other Advances (Deposits with Government Authorities, etc.)	82.30	89.72
	840.13	**205.77**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.9 INVENTORIES

(Valued at lower of cost and net realisable value)

₹ in crore

	As at 31st March 2023			As at 31st March 2022		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,174.79	1,169.77	2,344.56	1,264.41	970.57	2,234.98
Work-in-Progress	261.90	–	261.90	233.99	–	233.99
Finished Goods	967.94	181.84	1,149.78	740.32	191.64	931.96
Stock-in-trade	42.54	–	42.54	25.04	–	25.04
Stores and Spare Parts	444.98	242.07	687.05	387.72	119.01	506.73
Waste/Scrap (valued at Net Realisable Value)	6.95	–	6.95	8.14	–	8.14
	2,899.10	**1,593.68**	**4,492.78**	**2,659.62**	**1,281.22**	**3,940.84**

2.9.1 The Company follows adequate provisioning 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 ₹ 16.50 crore (Previous year ₹ 18.20 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 INVESTMENTS – CURRENT

₹ in crore

	Face Value	Number of Shares/ Securities	31st March 2023	Number of Shares/ Securities	31st March 2022
Quoted:					
Investment in Equity Share: Carried at FVTOCI					
Larsen & Toubro Limited	₹ 2	1,495,993	323.76	1,495,993	264.44
Investments in Debentures and Bonds: Carried at FVTOCI					
7.34 % Indian Railway Finance Corporation Limited -Tax-Free Bond - 2028	₹ 1,000	600,000	65.33	600,000	67.97
7.18 % Indian Railway Finance Corporation Limited -Tax-Free Bond - 2023	₹ 1,000	-	–	190,000	19.52
			389.09		**351.93**
Unquoted:					
Investment in various Mutual Funds Units: Carried at FVTPL			2,476.54		4,207.05
Investment in Certificate of Deposits Carried at FVTPL			190.00		190.00
			2,666.54		**4,397.05**
			3,055.63		**4,748.98**

All shares are fully paid-up, unless otherwise stated

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.10.1 Aggregate Book Value of:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted Investments	389.09	351.93
Unquoted Investments	2,666.54	4,397.05
	3,055.63	**4,748.98**
Aggregate Market Value of Quoted Investments	389.09	351.93
Aggregate Impairment in Value of Investments	–	–

2.11 TRADE RECEIVABLES *

(Unsecured, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Considered Good@ {Secured ₹ 50.77 crore, Previous Year ₹ 61.38 crore}	1,597.26	1,690.42
Trade Receivables which have significant increase in credit risk	13.18	5.73
Trade Receivables- credit impaired	33.18	38.70
	1,643.62	**1,734.85**
Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired	46.36	44.43
	1,597.26	**1,690.42**
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)	11.44	9.38
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	129.05	260.51

2.11.1 (a) Working Capital Borrowings are secured by hypothecation of Book debts of the Company (refer note 2.19).

(b) 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 2023						
Undisputed Trade receivables – considered good	253.08	6.11	2.80	0.05	–	262.04
Undisputed Trade receivables – which have significant increase in credit risk	0.52	5.12	3.04	0.10	0.05	8.83
Undisputed Trade receivables – credit impaired	–	–	–	1.15	14.33	15.48
Disputed Trade receivables – considered good	0.16	0.14	0.17	–	–	0.47
Disputed Trade receivables – which have significant increase in credit risk	–	0.03	0.45	1.38	2.49	4.35
Disputed Trade receivables – credit impaired	0.08	0.08	0.17	2.16	15.21	17.70
Total (A)						**308.87**
Not Due – Undisputed (B)						**1,334.75**
Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired (C)						46.36
Net Total (A+B–C)						**1,597.26**
Add: Unbilled Revenue						–
Grand Total						**1,597.26**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ 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**

2.12 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Banks		
In Current Account	6.27	47.29
In Deposit Account – Original Maturity of 3 Months or Less	5.90	–
In EEFC Account	0.61	0.03
Cheques in Hand	2.88	4.43
Cash on Hand	0.82	0.94
	16.48	**52.69**

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 2023	As at 31st March 2022
Earmarked Balance with Banks		
In Government Treasury Saving Account	0.03	0.03
Unclaimed Dividend (including Unclaimed Fractional Warrants)	18.50	18.28
Bank Deposits (with maturity more than 3 months but less than 12 months)*	439.36	154.33
	457.89	**172.64**

– There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March 2023 and 31st March 2022.

* Includes

Lodged as Security with Government Departments	32.27	31.62
Of this the Company is in the process of transferring Fixed Deposits, including interest in its own name	4.50	4.24

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.14 LOANS – CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Loans to Related Parties (Note 4.6.3, 2.14.1 and 2.14.2)	–	22.13
Loans to Employees	3.68	4.31
	3.68	**26.44**

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 (Note 2.6 and 2.14):

₹ in crore

Name of Companies	Terms	Maximum Balance Outstanding during the		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Subsidiaries:					
ABReL SPV 2 Limited	Interest rate 6.60% to 8.21% p.a., repayment in 3 years	79.92	–	79.92	–
Aditya Birla Solar Limited	Interest rate 8.25% p.a., repayment in 360 days	3.00	9.00		3.00
ABREL Century Energy Limited	Interest rate 8.90% p.a., repayment in 30 Days	26.00	–	–	–
Aditya Birla Renewables Limited	Interest rate 8.25% p.a., repayment in 360 days	3.00	5.00	–	3.00
ABREL Green Energy Limited	Interest rate 9% p.a., repayment in 45 days	25.00	–	–	–
ABREL Solar Power Limited	8.25% & 8.30% – 60 days with option of prepayment	23.89	–	–	–
Joint Venture:					
Birla Advanced Knits Private Limited	Interest rate 8.10% p.a., repayment in 60 days	5.00	5.00	–	–
Associate:					
Aditya Birla Science & Technology Company Private Limited	Interest rate 7.10% p.a., repayment in 3 year with early repayment options	16.13	18.34	12.83	16.13
	Total	**181.94**	**37.34**	**92.75**	**22.13**

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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.14.2 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties–

₹ in crore

S. No.	Type of Borrower	31st March 2023		31st March 2022	
		Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
1	Related Parties	92.75	89%	22.13	62%

2.15 OTHER FINANCIAL ASSETS – CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued on Investments	28.45	7.21
Other Receivables from Related Parties (Note 4.6.3)	7.69	0.56
Derivative Assets - Carried at Fair Value	20.85	0.01
Government Incentive Receivable	9.53	26.41
Security Deposits	33.10	42.85
Others (includes Insurance Claim Receivable, etc.)	34.29	18.60
	133.91	**95.64**

2.16 OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Government Authorities	493.26	355.56
Less: Provision towards doubtful dues	(11.33)	(11.33)
Other Receivables from Related Parties (Note 4.6.3)	6.63	1.76
Advances to Suppliers	333.73	294.31
Less: Loss Allowance	(4.48)	(4.62)
Others (includes Prepayments)	144.12	144.46
	961.93	**780.14**

2.17 EQUITY SHARE CAPITAL

2.17.1 Authorised*

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
2,062,500,000 Equity Shares of ₹ 2 each (Previous Year 2,062,500,000 Equity Shares of ₹ 2 each)	412.50	412.50
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	**423.50**

* 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.17.2 Issued, Subscribed and Fully Paid-up

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
658,432,126 Equity Shares of ₹ 2 each (Previous Year 658,295,426 Equity Shares of ₹ 2 each) fully paid-up	131.68	131.66
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
	131.69	**131.67**

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.

2.17.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

	Number of Shares		₹ in crore	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Outstanding as at the beginning of the year	658,323,721	658,073,139	131.67	131.62
Issued during the year under Employee Stock Option Scheme	136,700	250,582	0.02	0.05
Outstanding as at the end of the year	**658,460,421**	**658,323,721**	**131.69**	**131.67**

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 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Birla Group Holdings Private Limited	125,004,398	18.99%	125,004,398	18.99%
Life Insurance Corporation of India	61,547,074	9.35%	60,011,298	9.12%
IGH Holdings Private Limited	42,436,393	6.45%	42,436,393	6.45%
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)	56,853,028	8.63%	56,752,955	8.62%

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.17.8 Shareholding of Promoters and Promoters group:

Sr. No.	Promoter Name	As at 31st March 2023			As at 31st March 2022		
		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%	0.00%	125,004,398	18.99%	-0.01%
2	IGH Holdings Private Limited	42,436,393	6.45%	0.00%	42,436,393	6.45%	0.68%
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%	0.00%
5	Pilani Investment and Industries Corporation Ltd.	24,714,527	3.75%	0.00%	24,714,527	3.75%	-0.01%
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%	0.00%
8	Anatole Investments Pte Ltd*	4,459,323	0.68%	0.00%	4,459,323	0.68%	0.27%
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%	0.00%
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 Kumar Mangalam 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**	**42.75%**	**0.00%**	**281,464,723**	**42.76%**	**0.93%**

* GDRs held by Promoter Group

		No. of Shares As at 31st March 2023	No. of Shares As at 31st March 2022
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)	2,036,941	1,696,470
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

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.18 OTHER EQUITY

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
a)	**Securities Premium**		
	Balance at the beginning of the year	23,731.50	23,713.41
	Add: ESOP Exercised	7.68	8.90
	Transferred from Employee Stock Option Reserve	2.24	9.19
	Balance at the end of the year	**23,741.42**	**23,731.50**
b)	**General Reserve**		
	Balance at the beginning of the year	11,584.56	11,584.56
	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	(150.93)	(108.53)
	Add: Purchase of Treasury Shares	(108.04)	(61.95)
	Less: Issue of Treasury Shares	18.76	19.55
	Balance at the end of the year	**(240.21)**	**(150.93)**
e)	**Employee Stock Option Reserve**		
	Balance at the beginning of the year	70.82	56.71
	Add: Employee Stock Options Granted (net of lapses)	37.15	32.37
	Less: Loss on Treasury Shares issued to employees	(8.50)	(9.07)
	Less: Transfer to Securities Premium on Exercise of Options	(2.24)	(9.19)
	Balance at the end of the year	**97.23**	**70.82**
f)	**Retained Earnings**		
	Balance at the beginning of the year	8,013.25	5,529.53
	Add : Profit for the year	2,123.73	3,051.27
	Add : Gain on remeasurement of Defined Benefit Plan (Net of tax)	(2.57)	24.71
	Less : Dividends paid	(657.65)	(592.26)
	Balance at the end of the year	**9,476.76**	**8,013.25**
g)	**Other Comprehensive Income**		
	(i) Debt Instruments through Other Comprehensive Income		
	Balance at the beginning of the year	6.51	8.54
	Add: Gain/(Loss) during the year (Net of Tax)	(2.39)	(2.03)
	Balance at the end of the year	**4.12**	**6.51**
	(ii) Equity Instruments through Other Comprehensive Income		
	Balance at the beginning of the year	1,557.69	(1,636.66)
	Add: Gain/(Loss) during the year (Net of Tax)	(3,079.90)	3,194.35
	Balance at the end of the year	**(1,522.21)**	**1,557.69**
	(iii) Hedging Reserve		
	Balance at the beginning of the year	0.55	(1.49)
	Add: Gain during the year (Net of Tax)	10.85	2.04
	Balance at the end of the year	**11.40**	**0.55**
	Total	**46,823.24**	**48,484.12**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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. 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.

e. 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.

f. Retained Earnings: Amount of retained earnings represents accumulated profit and losses of the Company 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.

g. 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 and loss on disposal of such instruments.

h. 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.

i. Hedging Reserve: It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

2.19 BORROWINGS – NON-CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particular	Non-current Portion as at		Current Maturities as at *		Total as at	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Secured						
Subsidised Government Loan	–	48.82	56.59	66.63	56.59	115.45
Unsecured						
Non-Convertible Debentures	4,241.15	2,945.22	699.97	999.48	4,941.12	3,944.70
Deferred sales tax Loan (refer note 4.8.2)	32.08	40.45	11.71	0.95	43.79	41.40
	4,273.23	**3,034.49**	**768.27**	**1,067.06**	**5,041.50**	**4,101.55**

* Current Maturities of non-current borrowings have been disclosed under "2.24 Borrowings - Current"

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.19.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

I: Secured Borrowings:

₹ in crore

Particular	Note	Rate of Interest Current Year/ (Previous Year)	End of tenure	31st March 2023		31st March 2022	
				Gross	Carrying Value	Gross	Carrying Value
Subsidised Government Loan							
Technology Development Board	(i)	5% / (5%)	01-04-2024	55.60	56.59	111.20	115.45

(i) 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 Fibre Division Plant at Kharach. Repayment Terms is 9 half yearly instalments from 1st April 2020. Remaining 2 Installments of ₹ 27.80 crore.

Effective cost for the above loans is at 5% per annum. (Previous Year: 5% per annum.)

II: Unsecured Borrowings:

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.

(a) Non- Convertible Debentures

₹ in crore

	End of tenure	As at 31st March 2023		As at 31st March 2022	
		Gross	Carrying Value	Gross	Carrying Value
(i) 6.99% Series 21-22/I Non-Convertible Debentures Repayment Terms : Redeemable at par	04-Apr-31	1,000.00	997.45	1,000.00	997.20
(ii) 7.63% Series 22-23/II Non-Convertible Debentures Repayment Terms : Redeemable at par	01-Dec-27	1,000.00	998.50	-	-
(iii) 7.50% Series 22-23/I Non-Convertible Debentures Repayment Terms : Redeemable at par	10-Jun-27	1,000.00	997.50	-	-
(iv) 7.60% Series 19-20/II Non-Convertible Debentures Repayment Terms : Redeemable at par	04-Jun-24	750.00	748.33	750.00	747.26
(v) 7.85% Series 19-20/I Non-Convertible Debentures Repayment Terms : Redeemable at par	15-Apr-24	500.00	499.37	500.00	498.90
(vi) 5.90% 1st Series Non-Convertible Debentures Repayment Terms : Redeemable at par	16-Jun-23	500.00	499.85	500.00	499.82
(vii) 9.00% 30th Series Non-Convertible Debentures Repayment Terms : Redeemable at par	10-May-23	200.00	200.12	200.00	202.03
(viii) 6.65% Series 19-20/III Non-Convertible Debentures Repayment Terms : Redeemable at par	17-Feb-23	–	–	500.00	499.52
(ix) 7.65% Series 18-19/I Non-Convertible Debentures Repayment Terms : Redeemable at par	13-Apr-22	–	–	500.00	499.97
Total		**4,950.00**	**4,941.12**	**3,950.00**	**3,944.70**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(b) Deferred sales tax Loan

₹ in crore

	Rate of Interest	End of tenure	As at 31st March 2023		As at 31st March 2022	
			Gross	Carrying Value	Gross	Carrying Value
Government of Karnataka	0%	25-Mar-28	8.94	6.54	8.94	6.05
Government of Uttar Pradesh	0%	17-Nov-25	2.95	2.36	2.95	2.16
Government of Uttar Pradesh	0%	17-May-25	5.45	4.65	5.45	4.31
Government of Uttar Pradesh	0%	29-Oct-24	7.68	6.85	7.68	6.34
Government of Uttar Pradesh	0%	25-Dec-23	6.36	6.04	6.36	5.53
Government of Uttar Pradesh	0%	07-Aug-23	5.84	5.67	5.84	5.19
Government of Uttar Pradesh *	0%	27-May-22	–	–	0.95	0.94
Government of Karnataka	0%	17-Jun-27	15.87	11.68	15.87	10.88
Total			**53.09**	**43.79**	**54.04**	**41.40**

* Repaid during the year

2.19.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

		Maturity Profile @		
		Not later than 1 year	1 to 5 years	Later than 5 years
Secured				
Subsidised Government Loan		55.60	-	-
Unsecured				
Non-Convertible Debentures		700.00	3,250.00	1,000.00
Deferred Sales Tax Loans (includes amount recognised in Notes 2.23 and 2.28)		12.20	40.89	-
Total	**Current Year**	**767.80**	**3,290.89**	**1,000.00**
	Previous Year	1,056.55	2,069.69	1,000.00

@ The above figures are as per contractual cashflows.

2.20 OTHER FINANCIAL LIABILITIES – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Security and Other Deposits	9.87	2.54
Other Liabilities payable to Related Parties (Note 4.6.3)	0.06	0.05
Other Liabilities	0.68	0.51
	10.61	**3.10**

2.21 PROVISIONS – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
For Employee Benefits (Contractor Workman Gratuity, Pension and other employee benefits)	64.23	54.87
	64.23	**54.87**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.22 DEFERRED TAX LIABILITIES (NET)

₹ in crore

	As at 31st March 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31st March 2023
Deferred Tax Liabilities:				
Property, Plant & Equipment and Intangible Assets	1,609.21	31.38	-	1,640.59
Fair Valuation of Investments, Cash flow hedge, Contractor Gratuity	438.84	3.08	(394.38)	47.54
Others	4.64	(3.48)	-	1.16
	2,052.69	**30.98**	**(394.38)**	**1,689.29**
Deferred Tax Assets:				
Provision allowed under tax on payment basis	126.87	(34.60)	-	92.27
Expenses Allowable in Instalments in Income Tax	6.84	(3.28)	-	3.56
Income offered for tax, to be excluded in future	29.31	(8.20)	-	21.11
Short Term Capital Loss	48.62	(10.05)	-	38.57
Others	(0.33)	(0.69)	-	(1.02)
	211.31	**(56.82)**	**-**	**154.49**
Deferred Tax Liabilities (Net)	**1,841.38**	**87.80**	**(394.38)**	**1,534.80**

₹ in crore

	As at 1st April 2021	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, Cash flow hedge, Contractor Gratuity	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**
(i) Deferred Tax Liabilities (Net)	**1,733.94**	**(111.08)**	**218.52**	**1,841.38**

(ii) During current year, the Company has decided to opt for lower tax regime from the financial year 2022-23 in terms of provision of Section 115BAA of Income tax Act, 1961. Provision for current and deferred tax expenses has been recognized accordingly.

(iii) During the previous year considering significant capitalisation of assets, the Company had 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 previous year in the Statement of Profit and Loss.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.23 OTHER NON-CURRENT LIABILITIES

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Government Subsidy (refer note 4.8.2)	7.08	71.67
	7.08	**71.67**

2.24 BORROWINGS – CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Loans Repayable on Demand from Banks		
Secured:		
Working Capital Borrowings- Rupee Loans	212.73	19.22
Current Maturities of Long-Term Debts (Note 2.19)	56.59	66.63
Unsecured:		
Current Maturities of Long-Term Debts (Note 2.19)	711.68	1,000.43
Other Loans		
Unsecured:		
Commercial Papers*	–	–
	981.00	**1,086.28**
* Maximum balance outstanding during the year	500.00	850.00

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 account.

2.24.2 The Company had Undrawn Facility of ₹ 900 crore as on 31st March 2023 and ₹ 590 crore as on 31st March 2022.

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 2023	As at 31st March 2022
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 during the year was in the range of 5.30% to 7.50% (Previous year 5.30%).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.26 TRADE PAYABLES

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Total Outstanding due of Micro and Small Enterprises (refer note 4.8.1)	121.41	90.55
Due to Related Parties (Note 4.6.3)	72.18	100.93
Acceptances	1,274.75	1,066.90
Others	3,242.86	3,392.35
	4,711.20	**4,650.73**

2.26.1 Trade Payables ageing schedule

₹ in crore

Particulars	Unbilled (A)	Not Due (B)	Outstanding for following periods from due date of payment				Total (C)	Grand Total (A+B+C)
			Less than 1 year	1–2 years	2–3 years	More than 3 years		
As at 31st March 2023								
Micro and Small Enterprises	–	115.10	5.22	–	–	–	5.22	120.32
Other than Micro and Small Enterprises	683.27	2,990.18	854.35	–	–	–	854.35	4,527.80
Disputed dues – Micro and Small Enterprises	–	–	1.01	0.08	–	–	1.09	1.09
Disputed dues – Others	2.61	–	21.97	11.78	6.89	18.74	59.38	61.99
Total	**685.88**	**3,105.28**	**882.55**	**11.86**	**6.89**	**18.74**	**920.04**	**4,711.20**
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**

2.27 OTHER FINANCIAL LIABILITIES – CURRENT

(Carried at Amortised Cost, Unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued but not Due on Borrowings	278.57	232.82
Unclaimed Dividends (including Unclaimed Fractional Warrants) $	18.50	18.27
Security and Other Deposits (Trade Deposits)	103.83	94.02
Liability for Capital Goods * #	576.02	355.04
Accrued Expenses Related to Employees	360.74	324.82
Derivative Liability-Carried at Fair Value	8.14	12.37
Other Liabilities payable to Related Parties (Note 4.6.3)	32.77	26.30
Other Payables (including Retention money, Liquidated damages, etc.)	239.25	140.35
	1,617.82	**1,203.99**

*Includes amount of ₹ 105.22 crore (previous year ₹ 35.95 crore) payable related to Micro and Small enterprises.

Includes acceptances of ₹ Nil (previous year ₹ 58.62 crore) towards capital goods.

$ It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

2.28 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Liabilities	330.93	404.64
Contract liability	264.55	379.92
Deferred Government Subsidy	31.09	28.95
Other Current Liabilities-Related Parties (Note 4.6.3)	3.63	3.04
Other Payables (including Legal Claims)	357.84	250.91
	988.04	**1,067.46**

2.29 PROVISIONS – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
For Employee Benefits (Gratuity, Compensated Absences and Pension)	249.40	213.00
For Assets Transfer Cost {Note 2.29.1 (a)}	29.53	29.53
For Warranty Provision {Note 2.29.1 (b)}	0.99	1.82
For Provision against contingent liability {Note 2.29.1 (c)}	42.47	42.70
	322.39	**287.05**

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 2023	As at 31st March 2022
Opening Balance	29.53	57.92
Add: Provision during the year	–	–
Less: Utilisation during the year	–	28.39
Closing Balance	**29.53**	**29.53**

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 2023	As at 31st March 2022
Opening Balance	1.82	1.82
Add: Provision during the year	–	–
Less: Utilisation during the year	–	–
Less: Unused amount reversed	0.83	–
Closing Balance	**0.99**	**1.82**

Considering the past experience of returns and replacements claims, provision recognised in earlier years for expected warranty claims on Insulators product has been reversed during the current year.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

c. Provision against Contingent Liability:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	42.70	43.05
Add: Provision during the year	–	–
Less: Utilisation during the year	–	0.10
Less: Unused amount reversed	0.23	0.25
Less: Provision classified as liability held for sale	–	–
Closing Balance	**42.47**	**42.70**

During earlier year, as per Ind-AS 103 (Business Combinations) 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.

3.1 REVENUE FROM OPERATIONS

A. Revenue from contracts with customers disaggregated based on nature of product or services

₹ in crore

Particulars			Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue from Sale of Products				
a. Manufactured goods			26,203.96	20,467.66
b. Traded goods			370.25	158.95
		(i)	**26,574.21**	**20,626.61**
Revenue from Sale of Services				
a. Project Management Services			1.40	5.82
b. O&M for Supervision & Monitoring Services and others			0.46	0.50
		(ii)	**1.86**	**6.32**
Revenue From Contract With Customers	(iii)	(i+ii)	**26,576.07**	**20,632.93**
Other Operating Revenue				
Export Incentives			74.07	81.25
Scrap Sales (Net)			106.65	94.63
Other Miscellaneous Income (Insurance Claims, Sales Tax Incentive, transportation income, etc.)			82.92	48.03
		(iv)	**263.64**	**223.91**
REVENUE FROM OPERATIONS	(v)	(iii+iv)	**26,839.71**	**20,856.84**

B. Revenue from contracts with customers disaggregated based on geography

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
a. Domestic	23,027.36	17,066.18
b. Exports	3,548.71	3,566.75
Revenue From Contract With Customers	**26,576.07**	**20,632.93**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

C. Reconciliation of Gross Revenue from Contracts With Customers

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Gross Revenue	27,280.88	21,592.03
Less : Discount, incentives, price concession, etc.	695.60	955.29
Less : Returns	9.21	3.81
Net Revenue recognised from Contracts with Customers	**26,576.07**	**20,632.93**

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 ₹ 379.92 crore (Previous year ₹ 97.60 crore), out of which ₹ 327.32 crore (Previous year ₹ 87.76 crore) has been recognised as revenue during the year ended 31st March 2023 and balance amount are refunded during the year.

3.2 OTHER INCOME

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest Income on:		
Non-Current Investments - Debentures or Bonds (measured at FVTOCI)	30.18	9.02
Bank Accounts and Others	76.21	37.11
Unwinding up of Loans and Deposits	10.99	13.30
Dividend Income from:		
Subsidiary Companies (carried at cost)	628.27	611.74
Non-Current Investments - Others (measured at FVTOCI)	37.11	28.59
Current Investments - Others (measured at FVTOCI)	3.29	2.69
Profit on Sale of:		
Investment - Mutual Funds' Units (measured at FVTPL)	45.47	33.48
Gain on Fair Valuation of:		
Preference Shares (measured at FVTPL)	1.43	2.32
Mutual Funds' Units (measured at FVTPL)	116.96	112.16
Miscellaneous Income	68.43	44.90
	1,018.34	**895.31**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

3.3 COST OF MATERIALS CONSUMED

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening Stock	2,234.98	1,184.82
Add : Purchases and Incidental Expenses	12,821.31	10,850.68
Less : Sale of raw material	16.67	6.05
Less : Closing Stock	2,344.55	2,234.98
	12,695.07	**9,794.47**

3.4 PURCHASES OF STOCK-IN-TRADE

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Purchase of stock-in-trade	466.22	152.90
	466.22	**152.90**

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

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening 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**
Less : Closing Stock		
Finished Goods	1,149.78	931.96
Stock-in-Trade	42.54	25.04
Work-in-Progress	261.90	233.99
Waste/Scrap	6.95	8.14
	1,461.17	**1,199.13**
(Add) /Less: Stock of trial run production	(0.13)	-
(Increase)/Decrease in Stocks	**(261.91)**	**(538.59)**

3.6 EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Salaries, Wages and Bonus	1,722.62	1,502.33
Contribution to Provident and Other Funds (Notes 4.7.1.3 and 4.7.2)	105.62	97.21
Contribution to Gratuity Fund (Note 4.7.1.1)	41.61	40.30
Staff Welfare Expenses	115.52	99.77
Expenses on Employee Stock Option Scheme including SAR (4.9.6)	38.12	34.68
	2,023.49	**1,774.29**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 2023	Year Ended 31st March 2022
Expenses on Employee Stock Option Scheme	–	0.17

3.7 FINANCE COSTS

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest on Debt and Borrowings	357.02	322.44
Finance Cost of Lease Liability	6.84	5.07
Interest on Income tax	4.11	3.89
Interest on Subsidised Government Loan (note 4.8.2)	3.34	3.16
Interest - Others	22.64	9.70
	393.95	**344.26**
Less: Capitalised	26.28	97.02
	367.67	**247.24**

Borrowing costs are capitalised using rates based on specific borrowings ranging from 6.99% to 7.50% per annum (Previous Year: 6.65% to 7.85% per annum)

3.8 DEPRECIATION AND AMORTISATION EXPENSE

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Depreciation on Property, Plant and Equipment	957.94	802.81
Amortisation of Intangible Assets	88.53	85.91
Depreciation of Right of Use Assets	50.82	25.24
	1,097.29	**913.96**

3.9 OTHER EXPENSES

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Consumption of Stores, Spare Parts and Components and Incidental Expenses	523.17	435.17
Consumption of Packing Materials	308.48	263.07
Processing and Other Charges	484.91	214.39
Repairs to Buildings	83.63	61.72
Repairs to Machinery	336.53	249.33
Repairs to Other Assets	93.29	75.52
Advertisement	56.62	37.40
Sales Promotion and Other Selling Expenses	182.97	122.29
Freight and Handling Expenses	1,015.77	871.77
Allowance for Doubtful Debts and advances (net)	5.13	(10.43)
Insurance	63.91	49.81
Rent	17.91	16.71

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Rates and Taxes	26.91	25.12
Research Contribution and Expenses	32.40	25.54
Directors' Fees	0.50	0.45
Directors' Commission	3.70	4.00
Exchange Rate Difference (Net)	85.15	63.79
Loss on Sale of Property, Plant and Equipments (Net)	10.33	9.48
Business Support Expenses	208.10	141.95
Miscellaneous Expenses	452.53	366.27
	3,991.94	**3,023.35**

3.9.1 Auditors' Remuneration (excluding GST) Charged to the Standalone Statement of Profit and Loss (included under Miscellaneous Expenses)

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Payments to Statutory Auditors:		
Audit Fee	3.29	3.46
Tax Audit Fee	–	0.33
Fees for Other Services	0.02	0.26
Reimbursement of Expenses	0.11	0.04
Payments to Cost Auditors:		
Audit Fee	0.19	0.17

3.10 EXCEPTIONAL ITEMS

(i) During the year, the Company has provided for Interest payable on custom duty on account of decision to pay custom duty on import of capital goods cleared at zero duty under EPCG scheme in earlier years.

(ii) During the previous year, Company had provided for ₹ 69.11 crore against disputed water charges pertaining to earlier years.

3.11 TAX EXPENSE

(a) Major components of income tax expenses for the year

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Current Tax		
Current income tax charge	435.27	434.50
Write back of tax relating to prior years	(1.56)	(320.61)
	433.71	**113.89**
Deferred Tax		
Deferred Tax Expense	87.80	71.82
	87.80	**71.82**
Total Tax Expense	**521.51**	**185.71**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(b) Reconciliation of Effective Tax Rate

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Applicable Tax Rate	25.17%	34.94%
Income not considered for tax purpose	-0.91%	-5.61%
Expenses not allowed for tax purpose (including Exceptional Item)	0.88%	0.54%
Additional Allowances for tax purpose	-6.28%	-7.68%
Effect of change in Tax Rate (DTL reversal) (refer note 2.22(iii))	0.34%	-5.56%
Deferred Tax reversal on Slump Sale of Fertilizer business	-	-5.16%
Tax paid at lower rate	0.09%	11.58%
Others	0.48%	0.17%
Effective Tax Rate	**19.77%**	**23.22%**
Provision for Tax of earlier years written back (refer note below)	-0.06%	-9.04%
Effective Tax Rate after write back	**19.71%**	**14.18%**

During the previous 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.

3.12 OTHER COMPREHENSIVE INCOME

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	(3,487.20)	3,415.50
Income Tax relating to Equity Instrument through Other Comprehensive Income	407.30	(221.15)
Re-measurement of Defined Benefit Plan	4.61	28.42
Income Tax relating to Re-measurement of Defined Benefit Plan	(7.18)	(3.71)
Items that will be reclassified to Profit and Loss		
Debt Instruments through Other Comprehensive Income	(3.16)	(2.64)
Income Tax relating to Debt Instruments through Other Comprehensive Income	0.77	0.61
Gain on cash flow hedge	17.36	3.14
Income Tax relating to Gain on cash flow hedge	(6.51)	(1.10)
	(3,074.01)	**3,219.07**

3.13 EARNINGS PER EQUITY SHARE (EPS)

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
i **Net Profit for the Year Attributable to Equity Shareholders Continuing Operations (₹ crore)**	2,123.73	2,695.45
ii **Net Profit for the Year Attributable to Equity Shareholders Discontinued Operations (₹ crore)**	-	355.82
Net Profit for the Year Attributable to Equity Shareholders (i+ii)	**2,123.73**	**3,051.27**
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	658,386,746	658,186,289
Less: Weighted-Average Number of Equity Shares held by ESOP Trust (Nos.) of Face Value of ₹ 2/- each	1,780,174	1,505,968
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	656,606,572	656,680,321
Basic EPS for Continuing Operations (₹ Per Share)	32.34	41.05
Basic EPS for Discontinued Operations (₹ Per Share)	-	5.42
Basic EPS – Continuing and Discontinued Operations (₹ Per Share)	32.34	46.47

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	656,606,572	656,680,321
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	555,999	870,437
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.)	657,224,556	657,612,743
Diluted EPS for Continuing Operations (₹ Per Share)	32.31	40.99
Diluted EPS for Discontinued Operations (₹ Per Share)	-	5.41
Diluted EPS – Continuing and Discontinued Operations (₹ Per Share)	32.31	46.40

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 2023	As at 31st March 2022
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	13.58	12.99
		- Demand of differential duty on import of Caustic Soda Flakes under project import category	1.66	1.62
		- Demand of duty on project import due to increase in rate of duty in Budget 1986-87	7.52	7.31
		- 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.	6.85	5.48
II	Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002	- Appeal before CESTAT against excise duty demand on freight recovery from customers	12.42	11.58
		- Department's appeal before CESTAT against order of Commissioner allowing exemption under notification 30/2004-CE dated 09.07.2004	15.62	14.73
		- SCN demanding duty alleging that mixing of dyes amounted to manufacture	10.15	9.86
		- Demand disputing classification of "Wipes"	11.98	11.18
		- Duty demanded on clearance of waste and scrap of capital goods	5.98	5.75
		- Duty demanded by including subsidy received from State Government in the assessable value of goods cleared	4.07	2.54
		- SCN disputing CENVAT availed in respect of CVD paid under protest on imported coal pending classification issue	4.87	4.63
		- Demand of excise duty as original payment was made under incorrect registration number.	2.15	3.25
		- Demand notice disputing availment of Cenvat credit on capital goods alleging that the capital goods were exclusively used for manufacture of exempted products.	3.49	3.31
		- Demand disputing quantum of Cenvat Credit reversed on clearance of used capital goods.	2.75	2.63
		- Appeal before CESTAT against denial of cenvat credit taken suo-moto after reversing in response to Departmental audit objection.	2.38	2.26
		- 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.	3.01	3.86

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2023	As at 31st March 2022
III	Service Tax - The Finance Act, 1994	- Denial of Cenvat credit on input services alleging not used for providing output services	50.11	47.18
		- Demand of service tax on goods transportation agency services through payment in cash/ PLA instead of payment made by the company through cenvat balance.	3.99	3.78
		- 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	6.82	6.52
		- Denial of cenvat credit on outward transportation charges	2.31	2.14
		- 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.	4.56	4.39
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	14.04	12.89
		- Demand of entry tax in the State of Uttar Pradesh pending before The Allahabad High Court	2.96	2.96
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	13.83	13.54
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 ₹ Nil, previous year: ₹ 3,151.38)	-	8,044.82
		b) Capital gain tax (including interest ₹ Nil, previous year: ₹ 2,864.40 crore)	-	8,831.90
		- Various disallowances/additions being contested in appeals (disallowance u/s 14A, disallowance of additional depreciation allowance, transfer pricing adjustments, penalty etc.).	19.61	19.96
VII	Other Statutes/ Other Claims	- CCI demand alleging abuse of dominant position in VSF market (refer note 4.2)	311.61	308.11
		- Demand of water drawl charges and water reservation charges by Irrigation Department.	272.52	242.78
		- Proportionate cost of effluent pipelines charges demanded by GIDC	69.26	69.26
		- Fuel surcharge demand raised by Bihar State Electricity Board.	49.33	49.33
		- Levy of additional surcharge on the consumption of power from source other than distribution licensee of area	58.29	137.96
		- Differential Stamp duty demand on Solaris business takeover	21.70	28.86
		- Labour re-instatement, back wages, workmen compensation, minimum wages issue, increase in retirement age and salary structure cases	11.27	8.95
		- Demand towards contribution to Infrastructure Fund and charges for time limit extension for use of industrial plot	15.44	0.64
		- Demand of water reservation charges from irrigation department.	8.80	8.49
		- Claims by various suppliers and contractors on terms of contract, etc.	6.24	5.72
		- Lease rent demand at increased rate by Kandla Port Trust	11.30	9.59
		- Higher price demanded in respect of land acquired through State Government	13.49	10.63
		- Demand of liquidated damages by Bihar State Industrial Development Corporation	1.90	2.83
		- 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
		- 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.	4.20	6.54
Total			**1,089.70**	**17,990.40**

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.

4.2 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 3rd June, 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, Company believes that it has strong grounds against both these said orders, on merit and accordingly no provision has been made in the accounts.

4.3 CAPITAL,FINANCIAL AND OTHER COMMITMENTS

(i) Capital Commitments

₹ in crore

	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 757.83 crore (Previous Year ₹ 116.05 crore)}	3,833.48	1,645.36

(ii) Financial and Other Commitments

₹ in crore

	As at 31st March 2023	As at 31st March 2022
(a) Joint Ventures@	223.78	266.51

@ 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 land maintenance charges of UPSIDC pertaining to Indo Gulf Fertiliser business, included under discontinued operations as exceptional items.

₹ in crore

		As at 31st December 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
	Liabilities associated with the group(s) of Assets classified as Held for Sale	372.55
4.4.2	**Major classes of assets and liabilities classified as Held for Sale:**	
	Property, plant and equipment	472.66
	Capital work-in-progress	70.44
	Other Intangible Assets	111.22
	Right of Use Assets	156.67
	Loans	1.78
	Inventories	72.86
	Other Financial Assets	49.97
	Trade receivables	720.08
	Other assets	19.72
	Total Assets	**1,675.40**
	Trade Payables	278.33
	Lease Liability	8.18
	Security Deposits	43.05
	Other liabilities and Provisions	42.99
	Total Liability	**372.55**
	Net Assets	**1,302.85**

Financial Performance and Cash flow presented are for nine months ended 31st December 2021 (31st March 2022 column)

₹ in crore

		Year Ended 31st March 2022
4.4.3	**Financial performance related to discontinued operations:**	
	Revenue and Other Income	2,437.54
	Expenses	2,281.56
	Profit before tax	**155.98**
	Exceptional items (net) (note 4.4.5)	510.79
	Profit before tax	**666.77**
	Tax expenses	(54.58)
	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**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

		Year Ended 31st March 2022
4.4.4	**Cash flow disclosure with respect to discontinued operations:**	
	Cash flow from Operating activities	(217.33)
	Cash flow from Investing activities	(48.93)
	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**

4.5 OPERATING SEGMENTS

4.5.1 Details of products included in each of the segments are as under:

Viscose	- Fibre and Yarn
Chemicals	- Chlor-Alkali, Speciality Chemicals and Chlorine Derivatives
Others	- This segment represents remaining businesses of the Company which are not part of the above segments, which mainly represents Textiles, Insulators, Paints, B2B e-Commerce.

Segment Measures:

The Chief Operating Decision Maker ("CODM") primarily uses Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") as performance measure to assess segment's performance and periodically receives information about the Segment's Revenue, Assets and Liabilities.

During the year, in line with the review process adopted by Chief Operating Decision Maker, the Company has changed its segment disclosure related to the segment's performance measure as per Ind AS 108 - Operating Segments. EBITDA is considered to be the revised measure of segment performance. However, assets pertaining to the segments are considered as part of the segment assets. The corresponding segment information of previous year have been restated accordingly.

Segment Profit and Loss:

Segment's performance is measured based on Segment EBITDA for all the Segments.

Segment Revenue:

For all the segments, the segment revenue is measured in the same way as measured in the Statement of Profit and Loss.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

Segment Assets:

Segment assets are allocated based on the operations of the segment. However, certain assets like 'Investments', 'Current Tax Assets' and 'Deferred Tax Assets', are not considered to be segment assets, since these are being monitored at corporate level, accordingly, forms part of corporate/unallocated assets.

Segment Liabilities:

Segment liabilities are allocated based on the operations of the segment. Certain liabilities identified below are not considered to be part of segment liabilities, since those liabilities are managed at corporate level, accordingly, forms part of corporate/unallocated liabilities:

Segment Liabilities exclusions: Current Tax Liabilities', 'Deferred Tax Liabilities' and 'Borrowings'

Information about Operating Segments for Current Year:

₹ in crore

	Viscose	Chemicals	Others	Eliminations	Total
REVENUE					
Sales (As reported)	15,126.76	8,773.43	2,939.52	–	26,839.71
Sales (Inter-segment)	21.82	1,648.25	–	(1,670.07)	–
Total Sales [Note 3.1(A)]	**15,148.58**	**10,421.68**	**2,939.52**	**(1,670.07)**	**26,839.71**
RESULTS					
Segment Results (EBITDA)	1,031.27	2,271.47	84.91	–	3,387.65
Unallocated Corporate Income/(Expenses)					810.58
Earnings Before Interest, Tax, Depreciation and Amortization					**4,198.23**
Finance Costs					(367.67)
Depreciation and Amortisation Expense					
- Allocated to Segments	(585.20)	(383.57)	(99.46)	–	(1,068.23)
- Unallocated					(29.06)
Depreciation and Amortisation Expense					**(1,097.29)**
Profit Before Exceptional Items and Tax					**2,733.27**
Exceptional Items	(88.03)	–	–	–	(88.03)
Profit Before Tax					**2,645.24**
Current Tax					**433.71**
Deferred Tax					87.80
Profit After Tax					**2,123.73**
OTHER INFORMATION					
Segment Assets	13,413.83	8,635.55	4,944.49	–	26,993.87
Unallocated Corporate Assets					35,183.24
Total Assets					**62,177.11**
Segment Liabilities	3,645.45	1,898.16	1,875.72	–	7,419.33
Unallocated Corporate Liabilities					7,802.85
Total Liabilities					**15,222.18**
Additions to Non-Current Assets	932.65	1,218.17	2,077.18	–	4,228.00
Unallocated Corporate Capital Expenditure					82.13
Total Addition to Non-Current Assets					**4,310.13**
Significant Non-Cash Expenses other than Depreciation and Amortisation	88.03	–	–	–	88.03

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

Information about Operating Segments for Previous Year:

₹ in crore

	Viscose	Chemicals	Others	Eliminations	Total
REVENUE					
Sales (As reported)	12,190.15	6,574.29	2,092.40	–	20,856.84
Sales (Inter-segment)	19.70	1,313.59	–	(1,333.29)	–
Total Sales [Note 3.1(A)]	**12,209.85**	**7,887.88**	**2,092.40**	**(1,333.29)**	**20,856.84**
RESULTS					
Segment Results (EBITDA)	1,721.20	1,533.90	141.59	–	3,396.69
Unallocated Corporate Income/(Expenses)					714.78
Earnings Before Interest, Tax, Depreciation and Amortization					**4,111.47**
Finance Costs					(247.24)
Depreciation and Amortisation Expense					
- Allocated to Segments	(474.93)	(330.22)	(94.90)	–	(900.05)
- Unallocated					(13.91)
Depreciation and Amortisation Expense					**(913.96)**
Profit Before Exceptional Items and Tax					**2,950.27**
Exceptional Items	(69.11)	–	–	–	(69.11)
Profit Before Tax					**2,881.16**
Current Tax					113.89
Deferred Tax					71.82
Profit After Tax from Continuing Operations					**2,695.45**
OTHER INFORMATION					
Segment Assets	12,873.84	7,704.95	2,590.21	–	23,169.00
Unallocated Corporate Assets					39,467.22
Total Assets					**62,636.22**
Segment Liabilities	4,171.19	1,890.40	1,161.90	–	7,223.49
Unallocated Corporate Liabilities					6,796.94
Total Liabilities					**14,020.43**
Additions to Non-Current Assets	1,184.28	700.78	614.14	–	2,499.20
Unallocated Corporate Capital Expenditure					10.88
Total Addition to Non-Current Assets					**2,510.08**
Significant Non-Cash Expenses other than Depreciation and Amortisation	69.11	–	–	–	69.11

4.5.2 Geographical Segments

The Company's operating facilities are located in India.

₹ in crore

Segment Revenue (Net Sales)	Current Year	Previous Year
India	23,291.00	17,290.09
Rest of the World	3,548.71	3,566.75
Total	**26,839.71**	**20,856.84**
Addition to Non-Current Assets		
India	4,310.13	2,510.08
Rest of the World	–	–
Total	**4,310.13**	**2,510.08**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.5.3 The carrying amount of non-current operating assets by location of assets:

₹ in crore

	As at 31st March 2023	As at 31st March 2022
Non- Current Assets		
India	19,985.45	16,806.26
Rest of the World	–	–
Total	**19,985.45**	**16,806.26**

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
Grasim Business Services Private Limited- w.e.f. 4th January 2023	Wholly-owned Subsidiary
Sun God Trading and Investments Limited (merged with ABNL Investment Limited and subsidiary of ABNL Inv upto 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- w.e.f. 31st August 2021	Subsidiary's Subsidiary
Waacox Energy Private Limited- w.e.f. 5th July 2021	Subsidiary's Subsidiary
ABReL Renewables EPC Limited- w.e.f. 9th March 2022	Subsidiary's Subsidiary
ABReL Century Energy Limited- w.e.f. 10th March 2022	Subsidiary's Subsidiary
ABReL EPCCO Services Limited- w.e.f. 4th April 2022	Subsidiary's Subsidiary
ABREL EPC Limited- w.e.f. 13th June 2022	Subsidiary's Subsidiary
ABReL (Odisha) SPV Limited - w.e.f. 15th June 2022	Subsidiary's Subsidiary
ABRel (MP) Renewables Limited - w.e.f. 16th June 2022	Subsidiary's Subsidiary
ABRel Green Energy Limited - w.e.f. 22nd June 2022	Subsidiary's Subsidiary
ABReL (RJ) Projects Limited - w.e.f. 11th November 2022	Subsidiary's Subsidiary
UltraTech Cement Limited	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
forming part of the Standalone Financial Statements for the year ended 31st March 2023

Parties	Relationship
PT UltraTech Mining, Indonesia-struck off w.e.f. 14th June 2022	Subsidiary's Subsidiary
PT UltraTech Investments Indonesia-struck off w.e.f. 14th June 2022	Subsidiary's Subsidiary
PT UltraTech Cement, Indonesia-struck off w.e.f. 14th June 2022	Subsidiary's Subsidiary
PT UltraTech Mining Sumatera-struck off w.e.f. 14th June 2022	Subsidiary's Subsidiary
Gotan Lime Stone Khanji Udyog Private Limited	Subsidiary's Subsidiary
Bhagwati Lime Stone Company Private Limited	Subsidiary's Subsidiary
UltraTech Nathdwara Cement Limited	Subsidiary's Subsidiary
Merit Plaza Limited	Subsidiary's Subsidiary
Swiss Merchandise Infrastructure Limited	Subsidiary's Subsidiary
Bhumi Resources PTE Ltd, Singapore	Subsidiary's Subsidiary
Murari Holdings Ltd, British Virgin Islands - struck off w.e.f. 30th September 2022	Subsidiary's Subsidiary
Star Super Cement Industry LLC, UAE	Subsidiary's Subsidiary
Duqm Cement project International, LLC, Oman - w.e.f. 29th January 2023	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
Krishna Holdings PTE Ltd, Singapore - upto 24th November 2022	Subsidiary's Subsidiary
Mukundan Holdings Ltd., BVI - struck off w.e.f. 27th April 2022	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
ABCAP Trustee Company Private Limited- Struck off w.e.f. 21st January 2023	Subsidiary's Subsidiary
Aditya Birla ARC Limited	Subsidiary's Subsidiary
Aditya Birla Stressed Asset AMC Private Limited	Subsidiary's Subsidiary
3B Binani Glassfibre Sarl (3B)- upto 31st March 2022	Subsidiary's Subsidiary
3B-Fibreglass Srl- upto 31st March 2022	Subsidiary's Subsidiary
3B-FibreGlass A/S, Norway- upto 31st March 2022	Subsidiary's Subsidiary
Tunfib Sarl- upto 31st March 2022	Subsidiary's Subsidiary
Goa Glass Fibre Ltd.- upto 31st March 2022	Subsidiary's Subsidiary
Aditya Birla Health Insurance Co. Limited- upto 20th October 2022	Subsidiary's Subsidiary
Aditya Birla Capital Digital Limited- w.e.f. 23rd March 2023	Subsidiary's Subsidiary

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.6.2 Other Related Parties where transactions have taken place during the year:

Parties	Relationship
Aditya Birla Sunlife AMC Limited- w.e.f. 7th October 2021	Subsidiary's Associate
Aditya Birla Health Insurance Co. Limited- w.e.f. 21st October 2022	Subsidiary's Joint Ventures
Aditya Group AB, Sweden	Joint Venture
AV Group NB Inc, Canada	Joint Venture
AV Terrace Bay Inc, Canada	Joint Venture
Aditya Birla Power Composites Limited	Joint Venture
Birla Advanced Knits Private Limited- w.e.f. 14th July 2021	Joint Venture
Birla Jingwei Fibres Company Limited	Joint Venture
Renew Surya Uday Private Limited	Associate
Greenyana Sunstream Private Limited- w.e.f. 26th May 2022	Associate
Aditya Birla Science and Technology Company Private Limited	Associate
Dr. Santrupt Misra - Non-Executive Director	Key Management Personnel
Dr. Thomas M. 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- upto 14th October 2021	Key Management Personnel
Shri Arun Thiagarajan - Independent Director- upto 6th May 2021	Key Management Personnel
Smt. Anita Ramachandran - Independent Director	Key Management Personnel
Shri Ashish Adukia - CFO- upto 14th August 2022	Key Management Personnel
Shri Pavan Jain - CFO- w.e.f. 15th August 2022	Key Management Personnel
Smt. Rajashree Birla - Non-Executive Director	Key Management Personnel
Shri O.P. Rungta- Independent Director- upto 24th May 2021	Key Management Personnel
Shri Dilip Gaur - Managing Director- upto 30th November 2021	Key Management Personnel
Shri Kumar Mangalam Birla - Non-Executive Director	Key Management Personnel
Shri Shailendra K Jain - Non-Executive Director- upto 1st February 2023	Key Management Personnel
Shri Harikrishna Agrawal - Managing Director- w.e.f. 1st December 2021	Key Management Personnel
Ms. Ananyashree Birla - Non-Executive Director- w.e.f. 6th February 2023	Key Management Personnel
Shri Aryaman Vikram Birla - Non-Executive Director- w.e.f. 6th February 2023	Key Management Personnel
Shri Yazdi Piroj Dandiwala - Independent Director- w.e.f. 6th February 2023	Key Management Personnel
Century Rayon Employees 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 (Senior Executive & Officers) 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 Services Private Limited	Other Related Parties in which Directors are interested
Birla Carbon India Private Limited	Other Related Parties in which Directors are interested
Birla Management Centre Services Private Limited- w.e.f. 3rd August 2022	Other Related Parties in which Directors are interested
Birla Group Holdings Private Limited	Other Related Parties in which Directors are interested
Birla Research Institute for 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
Kalyan Charity Trust, Shahad	Other Related Parties in which Directors are interested
Cyril Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested
Shardul Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested
Aditya Birla New Age Private Limited	Other Related Parties in which Directors are interested
Mulla & Mulla & Craigie Blunt & Caroe- w.e.f. 6th February 2023	Other Related Parties in which Directors are interested
M/s. Shailendra K. Jain & Co. - upto 1st February 2023	Other Related Parties in which Directors are interested
Shri Devrat Jain- upto 1st February 2023	Relatives of KMP
Shri Suvrat Jain- upto 1st February 2023	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 Conditions of Transactions 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 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 2023	Year Ended 31st March 2022
Revenue from Contracts with Customers:		
UltraTech Cement Limited	6.31	1.36
Birla Jingwei Fibres Company Limited	35.72	65.95
Aditya Birla Power Composites Limited	4.35	0.37
Birla Carbon India Private Limited	0.43	0.11
Aditya Birla Management Corporation Private Limited	1.91	0.52
Aditya Birla Renewables Limited	1.56	0.16
Aditya Birla Solar Limited	0.01	0.10
Aditya Birla Renewables SPV1 Limited	0.08	0.12
Aditya Birla Renewables Subsidiary Limited	0.02	0.05
Aditya Birla Renewables Energy Limited	0.03	0.03
Aditya Birla Renewables Utkal Limited	0.02	0.01
Aditya Birla Renewables Solar Limited	0.05	5.74
Waacox Energy Private Limited	0.03	0.11
Total	**50.52**	**74.63**
Interest and Other Income:		
UltraTech Cement Limited	0.17	0.17
Aditya Birla Sun Life AMC Limited	0.04	0.44
Aditya Birla Science and Technology Company Private Limited	1.07	0.75
Aditya Birla Solar Limited	0.01	0.66
ABRel Green Energy Limited	0.27	-
ABReL Solar Power Limited	0.43	-
Aditya Birla Renewables Limited	0.11	0.25
ABReL Century Energy Limited	0.22	-
ABReL SPV 2 Limited	5.25	-
Aditya Birla Management Corporation Private Limited	8.89	8.89
AV Terrace Bay Inc, Canada	0.14	0.31
Birla Carbon India Private Limited	0.05	0.25
Birla Advanced Knits Private Limited	0.05	0.02
Aditya Birla Power Composites Limited	3.30	3.04
Total	**20.00**	**14.78**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

A. Nature of Transactions	Year Ended 31st March 2023	Year Ended 31st March 2022
Reimbursement /(Recovery) of expenses:		
Aditya Birla Power Composites Limited	(2.20)	(1.43)
Aditya Birla Science and Technology Company Private Limited	6.48	0.25
Aditya Birla Management Corporation Private Limited	1.14	7.75
UltraTech Cement Limited	0.57	(0.04)
Aditya Group AB, Sweden	0.20	-
Birla Jingwei Fibres Company Limited	-	(0.05)
Samruddhi Swastik Trading and Investments Limited	-	0.00
Birla Group Holdings Private Limited	0.18	-
Aditya Birla Sunlife AMC Limited	(0.01)	-
Birla Management Centre Services Private Limited	25.15	-
Aditya Birla Capital Limited	(0.04)	-
Aditya Birla Finance Limited	0.04	-
Aditya Birla Solar Limited	(0.02)	-
Aditya Birla Renewables Limited	0.57	-
Grasim Business Services Private Limited	(0.02)	-
ABNL Investment Limited	(0.58)	(2.31)
Total	**31.46**	**4.17**
Dividend Received:		
UltraTech Cement Limited	628.27	611.74
Dividend Paid:		
Birla Group Holdings Private Limited	125.00	112.50
Finance Cost:		
Aditya Birla Sun Life Insurance Company Limited	2.31	1.92
Purchases of Goods and Services		
UltraTech Cement Limited	14.59	9.38
AV Group NB Inc, Canada	906.58	799.99
Aditya Group AB, Sweden	857.11	586.00
Aditya Birla Power Composites Limited	0.09	-
Aditya Birla Science and Technology Company Private Limited	34.27	33.39
Aditya Birla Sun Life Insurance Company Limited	3.73	6.42
Aditya Birla Health Insurance Co. Limited	0.50	1.05
Aditya Birla Management Corporation Private Limited	208.86	151.37
Aditya Birla Sun Life Pension Management Limited	0.00	0.00
Aditya Birla Health Services Private Limited	-	0.98
Aditya Birla Capital Limited	-	0.05
Birla Jingwei Fibres Company Limited *	(0.18)	(0.01)
AV Terrace Bay Inc, Canada*	(0.04)	(0.02)
Aditya Birla Renewables Limited	12.87	13.37
Aditya Birla Renewables Energy Limited	6.97	-
Aditya Birla Renewables Solar Limited	3.18	-
ABNL Investments Limited	0.38	0.80
Samruddhi Swastik Trading and Investments Limited	-	0.04
Birla Group Holdings Private Limited	0.05	0.21
Birla Management Centre Services Private Limited	14.47	-
Greenyana Sunstream Private Limited	2.77	-
Mulla & Mulla & Craigie Blunt & Caroe	0.11	-
Birla Research Institute for Applied Sciences	0.00	0.93
Birla Institute of Technology and Science Company	0.01	0.03
Cyril Amarchand Mangaldas & Co.	0.09	1.17
Shardul Amarchand Mangaldas & Co.	0.02	0.09

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

A. Nature of Transactions	Year Ended 31st March 2023	Year Ended 31st March 2022
Mr. Suvrat Jain	0.10	0.12
Mr. Devrat Jain	0.00	0.02
Shri Shailendra Jain	-	0.00
M/s. Shailendra K. Jain & Co.	-	0.00
Jayashree Charity (1962) Trust, Kolkata	0.18	0.14
Kalyan Charity Trust, Shahad	0.12	0.11
Grasim Jana Kalyan Trust	-	0.10
Aditya Birla New Age Private Limited	0.07	-
Renew Surya Uday Private Limited	20.67	3.14
Total	**2,087.58**	**1,608.86**
*Recovery of IT expenses		
Contribution for CSR:		
Aditya Birla Education Trust#	10.00	8.00
# In Current year out-off ₹ 10 crore, ₹ 5.50 crore were spent and ₹ 4.50 crore were unspent and it has been subsequently transferred to separate Bank account.		
Payments to Key Management Personnel		
Managerial Remuneration Paid *	17.82	21.48
Commission to Non Executive Directors (KMPs)	3.70	4.00
Sitting fees to Directors	0.50	0.44
Dividend to Directors	1.29	1.66
* 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	14.01	15.79
Post-Retirement benefits	2.16	2.74
Share-Based Payments	1.65	2.95
Total	**17.82**	**21.48**
* 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:		
ABReL SPV 2 Limited	79.92	-
ABReL Century Energy Limited	26.00	-
ABReL Solar Power Limited	38.89	-
ABRel Green Energy Limited	25.00	-
Birla Advanced Knits Private Limited	5.00	5.00
Total	**174.81**	**5.00**
Repayments against Loans Provided:		
Birla Advanced Knits Private Limited	5.00	5.00
Aditya Birla Renewables Limited	3.00	2.00
Aditya Birla Solar Limited	3.00	6.00
ABReL Century Energy Limited	26.00	-
ABRel Green Energy Limited	25.00	-
ABReL Solar Power Limited	38.89	-
Aditya Birla Science and Technology Company Private Limited	3.30	2.21
Total	**104.19**	**15.21**
Deposits Given/ (Refunded):		
Samruddhi Swastik Trading and Investments Limited	-	(0.22)
Aditya Birla Sunlife AMC Limited	(0.71)	-
Total	**(0.71)**	**(0.22)**
Purchase of Non-Convertible Debentures:		
Aditya Birla Sun Life Insurance Company Limited	-	20.00

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

A. Nature of Transactions	Year Ended 31st March 2023	Year Ended 31st March 2022
Investments/(Sale) in Equity Shares:		
Renew Surya Uday Private Limited	–	15.31
Aditya Birla Renewables Limited	374.80	58.20
ABReL Solar Power Limited	40.88	–
Greenyana Sunstream Private Limited	4.18	–
Renew Surya Uday Private Limited	14.51	–
Grasim Business Services Private Limited	0.10	–
ABReL Solar Power Limited	–	5.03
Birla Advanced Knits Private Limited	10.00	15.00
Aditya Birla Power Composites Limited	–	5.18
Total	**444.47**	**98.72**
Purchases/(Sales) of Property, Plant and Equipment/Intangible Assets:		
UltraTech Cement Limited	15.88	6.18
Birla Research Institute for Applied Sciences	–	0.03
Total	**15.88**	**6.21**
Contribution to Post Retirement Funds:		
Grasim Industries Limited Employees' Provident Fund	19.92	16.71
Jayshree Provident Fund Institution	6.03	4.38
Indo Gulf Fertilizer Limited Employee Provident Fund Trust	–	1.08
Century Rayon Employees Provident Fund Trust 1 & 2	10.01	8.87
Grasim (Senior Executive & Officers) Superannuation Scheme	1.11	1.09
Grasim Industries Limited Employees Gratuity Fund	42.64	54.35
Total	**79.71**	**86.48**

₹ in crore

B. Outstanding Balances	As at 31st March 2023	As at 31st March 2022
Other Non-current Liabilities (Financial and non-financial):		
UltraTech Cement Limited	0.06	0.05
Total	**0.06**	**0.05**
Trade Payables:		
Aditya Birla Renewables Energy Limited	1.76	–
Aditya Birla Renewables Solar Limited	0.86	–
Greenyana Sunstream Private Limited	0.16	–
Jayashree Charity (1962) Trust, Kolkata	0.02	–
Aditya Birla Science and Technology Company Private Limited	–	0.44
Aditya Group AB, Sweden	6.91	32.81
AV Group NB Inc, Canada	57.16	63.73
Birla Management Centre Services Private Limited	0.60	–
Renew Surya Uday Private Limited	2.76	3.14
UltraTech Cement Limited	1.36	0.76
Aditya Birla Renewables Limited	0.59	0.03
Aditya Birla Health Insurance Co. Limited	–	0.02
Total	**72.18**	**100.93**
Other Current Liabilities (Financial and Non-financial):		
Aditya Birla Management Corporation Private Limited	28.28	23.31
Aditya Birla Renewables Subsidiary Limited	0.01	–
Aditya Birla Solar Limited	0.01	–
Aditya Birla Sun Life Insurance Company Limited	2.03	–

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

B. Outstanding Balances	As at 31st March 2023	As at 31st March 2022
Aditya Birla Sun Life Pension Management Limited	0.13	0.03
Aditya Group AB, Sweden	0.02	–
Century Rayon Employees Provident Fund Trust 1 & 2	3.13	2.99
Mulla & Mulla & Craigie Blunt & Caroe	0.03	–
Jayshree Provident Fund Institution	2.13	1.98
UltraTech Cement Limited	0.59	0.30
Aditya Birla Finance Limited	0.04	–
Aditya Birla Sun Life AMC Limited	–	0.72
Total	**36.40**	**29.33**
Trade Receivables:		
Aditya Birla Management Corporation Private Limited	0.00	0.02
Aditya Birla Power Composites Limited	3.05	1.94
Aditya Birla Renewables Energy Limited	0.07	0.01
Aditya Birla Renewables Limited	1.83	0.06
Aditya Birla Renewables Solar Limited	0.19	1.90
Aditya Birla Renewables SPV1 Limited	0.15	0.07
Aditya Birla Renewables Subsidiary Limited	0.04	0.02
Aditya Birla Renewables Utkal Limited	0.00	0.01
Aditya Birla Solar Limited	0.00	0.02
Birla Carbon India Private Limited	0.00	–
Birla Jingwei Fibres Company Limited	5.67	5.25
UltraTech Cement Limited	0.38	0.07
Waacox Energy Private Limited	0.06	0.01
Total	**11.44**	**9.38**
Investments in Equity Shares (Note 2.4):		
Subsidiaries	21,471.25	21,055.47
Joint Ventures	783.43	773.43
Associates	45.35	26.66
Total	**22,300.03**	**21,855.56**
Investments in Preference Shares (Note 2.5):		
Joint Ventures	85.56	84.16
Non-Current Financial Assets – Deposits:		
Birla Group Holdings Private Limited	7.37	7.37
Aditya Birla Management Corporation Private Limited	28.53	28.53
Total	**35.90**	**35.90**
Non-Convertible Debentures Issued :		
Aditya Birla Sun Life Insurance Company Limited	30.00	30.00
Current and Non-Current Financial Assets- Loans:		
Aditya Birla Science and Technology Company Private Limited	12.83	16.13
ABReL SPV 2 Limited	79.92	–
Aditya Birla Solar Limited	–	3.00
Aditya Birla Renewables Limited	–	3.00
Total	**92.75**	**22.13**
Other Current Assets (Financial and Non-financial):		
Aditya Birla Health Insurance Co. Limited	0.22	0.31
Aditya Birla Management Corporation Private Limited	0.70	0.03
Aditya Birla Power Composites Limited	5.29	–

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

B. Outstanding Balances	As at 31st March 2023	As at 31st March 2022
ABReL SPV 2 Limited	5.25	–
Aditya Birla Renewables Energy Limited	0.40	–
Aditya Birla Renewables Solar Limited	0.00	–
Aditya Birla Science and Technology Company Private Limited	0.27	–
Aditya Birla Sun Life Insurance Company Limited	1.63	1.42
AV Group NB Inc, Canada	0.01	–
AV Terrace Bay Inc, Canada	0.01	–
Birla Management Centre Services Private Limited	0.27	–
UltraTech Cement Limited	0.25	0.19
Aditya Birla Capital Limited	–	0.05
Aditya Birla Renewables Limited	0.00	0.12
Grasim Business Services Private Limited	0.02	–
Aditya Birla Solar Limited	0.00	0.15
Aditya Birla Sun Life Pension Management Limited	–	0.05
Birla Carbon India Private Limited	–	0.00
Total	**14.32**	**2.32**

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.7.1.1. Gratuity and Pension:

₹ in crore

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(i)	**Reconciliation of Present Value of the Obligation:**				
	Opening Defined Benefit Obligation	627.63	646.71	29.55	32.90
	Adjustments of:				
	Current Service Cost	47.18	46.83	–	4.65
	Interest Cost	42.00	41.36	1.98	2.07
	Actuarial Loss/(Gain)	(10.07)	(4.88)	1.87	(2.12)
	Benefits Paid	(43.18)	(54.35)	(4.71)	(7.95)
	Liability related to Discontinued operations		(48.04)	–	–
	Closing Defined Benefit Obligation	**663.56**	**627.63**	**28.69**	**29.55**
(ii)	**Reconciliation of Fair Value of the Plan Assets:**				
	Opening Fair Value of the Plan Assets	707.78	698.62	–	–
	Adjustments of:				
	Return on Plan Assets	47.39	44.68	–	–
	Actuarial Gain/(Loss)	(9.78)	12.52	–	–
	Contributions by the Employer	42.64	54.35	4.71	7.95
	Benefits Paid	(43.18)	(54.35)	(4.71)	(7.95)
	Liability related to Discontinued operations		(48.04)		
	Closing Fair Value of the Plan Assets	**744.85**	**707.78**	**–**	**–**
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**				
	Present Value of the Defined Benefit Obligation at the end of the year	663.56	627.63	28.69	29.55
	Fair Value of the Plan Assets	744.85	707.78	–	–
	Net Liabilities/(Assets) recognised in the Balance Sheet	**(81.29)**	**(80.15)**	**28.69**	**29.55**
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**				
	Current Service Cost	47.18	46.83	–	4.65
	Past Service Cost	–	–	–	–
	Interest on Defined Benefit Obligations (Net)	(5.37)	(3.32)	1.98	2.07
	Net Cost	41.81	43.51	1.98	6.72
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	(0.20)	(1.20)	–	–
	Net Charge to the Statement of Profit and Loss*	41.61	42.31	1.98	6.72
	* Charge towards Discontinued operations included in above number	–	2.01	–	–
(v)	**Amount recognised in Other Comprehensive Income (OCI) for the Year:**				
	Changes in Financial Assumptions	(9.91)	(12.79)	(0.72)	(0.43)
	Changes in Demographic Assumptions	–	–	–	–
	Experience Adjustments	(0.16)	7.91	2.59	(1.69)
	Actual return on Plan Assets less Interest on Plan Assets	9.78	(12.52)	–	–
	Recognised in OCI for the year	(0.29)	(17.40)	1.87	(2.12)
(vi)	**Maturity profile of Defined Benefit Obligation:**				
	Within next 12 months (next annual reporting period)	65.90	60.41	6.27	6.79
	Between 1 and 5 years	208.80	180.68	18.44	20.94
	Between 6 and 9 years	265.74	238.16	10.81	13.84
	10 years and above	999.50	894.11	7.23	9.85

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

		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	(29.26)	(28.43)	(0.62)	(0.70)
	50 bps decrease in discount rate	31.59	30.73	0.65	0.73
	50 bps increase in salary escalation rate	31.19	28.87	–	–
	50 bps decrease in salary escalation rate	(27.02)	(26.99)	–	–
	Increase in Life Expectancy by one year	–	–	0.84	0.98
	Decrease in Life Expectancy by one year	–	–	(0.74)	(0.86)
(viii)	**The major categories of Plan Assets as a % of total plan:**				
	Government of India Securities	6.93%	10.78%	N.A.	N.A.
	Corporate Bonds	0.64%	0.66%	N.A.	N.A.
	Insurer Managed Fund	92.31%	88.37%	N.A.	N.A.
	Others	0.12%	0.19%	N.A.	N.A.
	Total	**100.00%**	**100.00%**	**N.A.**	**N.A.**
(ix)	**Principal Actuarial Assumptions:**				
	Discount Rate	7.25%	6.70%	7.25%	6.70%
	Salary Escalation rate	8.00%	6.00%-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.	10 Yrs.	4 Yrs.	5 Yrs.

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(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 ₹ 51.58 crore (Previous Year: ₹ 33.59 crore) which includes compensated absences of discontinued operations was Nil crore (previous year: ₹ 2.61 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 ₹ 34.36 crore (Previous Year ₹ 30.03 crore) and Amount recognized as preoperative expense and included in note 2.1.5 as "Contribution- Company owned Provident Fund" is ₹ 1.60 crore (Previous Year ₹ 1.02 crore).

₹ in crore

Particulars		Provident Fund (Funded)	
		Current Year	Previous Year
(i)	**Reconciliation of Present Value of the Obligation:**		
	Opening Defined Benefit Obligation	1,303.63	1,311.87
	Adjustments of:		
	Current Service Cost	37.70	31.05
	Interest Cost	88.03	77.72
	Actuarial Loss/(Gain)	15.11	15.02
	Contributions by the Employees	78.50	76.15
	Benefits Paid	(66.20)	(85.13)
	Liabilities assumed /(settled)	(29.47)	(1.98)
	Liability transferred related to Discontinued operations	–	(121.07)
	Closing Defined Benefit Obligation	**1,427.30**	**1,303.63**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		Provident Fund (Funded)	
		Current Year	Previous Year
(ii)	**Reconciliation of Fair Value of the Plan Assets:**		
	Opening Fair Value of the Plan Assets	1,321.97	1,333.66
	Adjustments of:		
	Expected Return on Plan Assets	88.03	77.72
	Actuarial Gain/(Loss)	17.13	26.80
	Contributions by the Employer	35.96	31.05
	Contributions by the Employee	78.50	76.15
	Benefits Paid	(66.20)	(85.13)
	Assets transferred related to Discontinued operations	–	(129.58)
	Assets acquired/(settled)	(30.56)	(8.70)
	Closing Fair Value of the Plan Assets	**1,444.83**	**1,321.97**
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**		
	Present Value of the Defined Benefit Obligation at the end of the period	1,427.30	1,303.63
	Fair Value of the Plan Assets	1,444.83	1,321.97
	Surplus Available over Defined Benefit Obligation	**(17.53)**	**(18.34)**
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**		
	Current Service Cost	37.70	31.05
	Interest on Defined Benefit Obligations (Net)	88.03	77.72
	Net Cost	125.73	108.77
	Expected return on plan assets	88.03	77.72
	Net Charge to the Statement of Profit and Loss	**37.70**	**31.05**
(v)	**Actual return on plan assets:**		
	Expected return on plan assets	88.03	77.72
	Actuarial gain on plan assets	17.13	26.80
	Actual return on plan assets	**105.16**	**104.52**
(vi)	**Asset information:**		
	Government Securities	632.37	573.81
	Private Sector Bonds	642.93	615.31
	Equity/insurer managed funds/mutual funds	99.92	79.11
	Others	69.61	53.74
	Total assets at the end of the year	**1,444.83**	**1,321.97**
(vii)	**Principal actuarial assumptions used:**		
	Discounted rate (per annum)	7.25%	6.70%
	Expected rate of return on plan assets (per annum)	7.23%-7.73%	7.33%-7.93%
	Average Historic Yield on Investment Portfolio	7.76%- 8.29%	7.98%- 8.42%
	Guaranteed Interest Rate	8.15%	8.10%

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.7.2 Defined Contribution Plans:

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Amount recognized as an expense and included in note 3.6 as " Contribution to Provident and Other Funds"	71.26	67.18
Amount recognized as pre-operative expense and included in note 2.1.5 as "Contribution to Provident and Other Funds"	0.02	1.46
Total Contribution to Provident and Other Funds	**71.28**	**68.64**

Note: Contribution to Provident and Other Funds of Discontinued operations were Nil for 31st March2023 and ₹ 4.02 crore for 31st March 2022.

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 2023	Year Ended 31st March 2022
(a)	the principal amount overdue and the interest thereon ₹ 1.61 crore (Previous Year ₹ 0.95 crore) remaining unpaid to any supplier at the end of each accounting year;	7.76	5.34
(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;	0.04	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;	8.67	5.22
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.02	1.48
(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.	–	–

4.8.2 Government Grant (Ind AS 20)

As at 31st March 2023, the Company has outstanding interest-free loans of ₹ 43.79 crore (Contractual Value ₹ 53.09 crore) from a State Government, repayable in full in next one to five years. Company has done the initial recognition of loan at fair value Using prevailing market interest rate for an equivalent loan. As at 31st March 2023, the difference of ₹ 9.30 crore between contractual Value and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the remaining period of loan.

4.8.3 Corporate Social Responsibility

The Company has spent ₹ 54.19 crore on Corporate Social Responsibility Projects/initiatives during the year (Previous Year ₹ 42.47 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 2023 is ₹ 29.95 crore (Previous Year ₹ 35.97 crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Amount required to be spent by the company during the year,	29.95	35.97
Amount of expenditure incurred *	54.19	42.47
Amount spent on construction/ acquisition of asset	–	–
Balance carried forward	–	–
Shortfall at the end of the year	–	–
Total of previous years shortfall	**–**	**–**

*Amount does not includes CSR of ₹ 4.50 crore which remains unspent and it has been transferred to separate bank account in April 2023.

Reason for shortfall : Not applicable

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 ₹ 10 crore (out of which ₹ 4.5 crore remains unspent CSR)

4.8.4 Distribution made and proposed (Ind AS 1):

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Cash dividend declared and paid on equity shares :		
Final dividend for the year ended on 31st March 2022: ₹ 5 per share and ₹ 5 per share Special Dividend of face value of ₹ 2 each (31st March 2021: ₹ 5 per share and ₹ 4 per share Special Dividend of face value of ₹ 2 each)	658.32	592.26
Proposed dividend on Equity shares:		
Final dividend for the Year ended on 31st March 2023:₹ 10 per share of face value of ₹ 2 each (31st March 2022: ₹ 5 per share and ₹ 5 per share Special Dividend of face value of ₹ 2 each)	658.46	658.32

4.9 SHARE BASED PAYMENTS

4.9.1 2,036,941 Equity Shares of Face Value of ₹ 2 each (Previous Year 1,696,470 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).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 3,088,085 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	Tranche IX	Tranche X	Tranche XI
No. of Options / RSU Granted	1,077,312	26,456	53,480	254,141	68,784	296,220	41,361	65,025	9,357	371,520	196,308
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	24-May-2022	12-Aug-2022	14-Nov-2022
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	1,457.40	1,600.05	1,708.45
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	1,457.40	1,600.05	1,708.45
Fair value on the date of Grant of option (₹ per share)	422.53	347.48	266.70	524.74	596.77	618.78	624.41	763.33	647.01	747.44	800.97
Method of Settlement	Equity	Equity	Equity	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	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	33% every year, commencing after one year from the date of grant					
Normal Exercise Period	5 years from the date of vesting										

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

Particulars	RSUs											
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI	Tranche XII
No. of Options / RSU Granted	206,320	66,179	5,066	28,393	13,172	36,243	54,674	5,007	8,344	9,500	13,030	1,134
Grant Date	17-Dec-2018	27-Mar-2019	24-Dec-2019	13-Mar-2020	12-Feb-2021	13-Aug-2021	13-Aug-2021	01-Sep-2021	01-Sep-2021	12-Nov-2021	12-Nov-2021	24-May-2022
Grant Price (₹ Per Share)	2	2	2	2	2	2	2	2	2	2	2	2
Market Price on the Date of Grant (₹)#	847.20	836.70	742.35	559.85	1,235.45	1,492.30	1,492.30	1,500.40	1,500.40	1,844.35	1,844.35	1,457.40
Fair value on the date of Grant of option (₹ per share)	832.64	822.29	726.19	547.29	1,210.08	1,451.10	1,457.59	1,458.98	1,478.63	1,793.79	1,817.99	1,417.18
Method of Settlement	Equity	Equity	Equity	Equity	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	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant						Graded 50% vesting each year over two years from the date of grant	Bullet vesting at the end of three years from the date of grant	Graded 50% vesting each year over two years from the date of grant	Bullet vesting at the end of three years from the date of grant	Graded 50% vesting each year over two years 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											

Particulars	RSUs	
	Tranche XIII	Tranche XIV
No. of Options / RSU Granted	143,764	37,295
Grant Date	12-Aug-2022	14-Nov-2022
Grant Price (₹ Per Share)	2	2
Market Price on the Date of Grant (₹)#	1,600.05	1,708.45
Fair value on the date of Grant of option (₹ per share)	1,572.04	1,678.65
Method of Settlement	Equity	Equity
Method of Accounting	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	

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.9.2 Under the Employee Stock Options Scheme – 2018 (ESOS–2018), the Company has granted 155,492 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 – VI RSU	Tranche – IV Options
Number of SAR's	82,144	23,815	4,206	20,657	1,116	504	1,006	2,939	13,065
Method of Accounting	Fair Value	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-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	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	24-May-2022	12-Feb-2021
Grant Price (₹ Per Share)	847.2	1,235.45	1,492.30	2	2	2	2	2	10

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	1,696,470	872	1,712,882	684
Granted during the year	759,378	1,243	529,404	1,179
Exercised during the year	309,869	576	391,232	435
Lapsed during the year	109,038	991	154,584	940
Outstanding at the end of the year	2,036,941	1,049	1,696,470	872
Options: Unvested at the end of the year	1,092,397	1,202	831,569	1,011
Exercisable at the end of the year	944,544	873	864,901	739

The weighted average share price at the date of exercise for options was ₹ 1,564.09 per share (31st March 2022 ₹ 1,598.94 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2023 was 2.17 years (31st March 2022 : 2.35 years).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.9.3.2 For options referred to in 4.9.2

Particulars	Number of SAR's			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	147,401	742	138,327	717
Granted during the year	2,939	742	16,078	858
Lapsed during the year	203	742	7,004	521
Exercised during the year	25,744	771	-	-
Outstanding at the end of the year	124,393	718	147,401	742
Options: Unvested at the end of the year	3,811	1,265	32,684	891
Exercisable at the end of the year	120,582	719	114,717	699

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) and (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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

ESOS-2018	Options										
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	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	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%	7.14%	7.05%	7.24%
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%	30.26%	33.27%	31.87%
Dividend Yield	0.52%	0.66%	0.66%	0.65%	0.65%	0.89%	0.89%	0.89%	0.89%	0.56%	0.56%

ESOS-2018	RSUs											
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI	Tranche XII
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.65%	7.48%	6.74%	6.85%	5.93%	6.33%	6.06%	6.22%	6.23%	6.31%	6.06%	7.26%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period											
Expected Volatility *	32.06%	31.48%	32.35%	32.78%	36.68%	28.84%	29.81%	28.65%	28.79%	28.62%	30.05%	30.26%
Dividend Yield	0.52%	0.52%	0.66%	0.66%	0.65%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%

ESOS-2018	RSUs	
	Tranche XIII	Tranche XIV
Method used	Binomial Model	Binomial Model
Risk-Free Rate	7.19%	7.30%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period	
Expected Volatility *	30.49%	29.74%
Dividend Yield	0.56%	0.56%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 549.92 per stock option, ₹ 1184.86 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.9.4.2 For options referred to in 4.9.2

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	7.16%	7.10%	7.20%	5.61%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			Vesting Period (3 years) + Average of Exercise Period
Expected Volatility *	27.88%	25.71%	29.37%	43.05%
Dividend Yield	0.67%	0.67%	0.67%	0.58%
Weighted average fair value of SARs on 31st March 2023	843.13	536.66	449.11	73.51

ESOS–2018	SAR's (Linked with the Company's market price)				
	Tranche – I RSU	Tranche – II RSU	Tranche – IV RSU	Tranche – V RSU	Tranche – VI RSU
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.11%	7.09%	7.20%	7.19%	7.21%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period				
Expected Volatility *	26.32%	25.96%	29.37%	28.08%	29.39%
Dividend Yield	0.67%	0.67%	0.67%	0.67%	0.67%
Weighted average fair value of SARs on 31st March 2023	1,630.80	1,557.38	1,570.92	1,610.73	1,275.82

* 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 Liabilities arising form company's cash settled share-based payment transactions

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Other non-current financial liability	0.21	0.18
Other current financial liability	10.55	11.97
	10.76	**12.15**

4.9.6 Employee Stock Option expenses (including SAR) recognised in the statement of Standalone Profit and Loss ₹ 38.12 crore (Previous Year ₹ 34.68 crore) and recognised in pre-operative expense ₹ 0.19 crore (Previous Year ₹ 0.32 crore) Apart from above Employee Stock Option expenses (including SAR) towards discontinued operations were ₹ NIL (Previous year ₹ 0.19 crore).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

B. Classification and Measurement of Financial Assets and Liabilities:

₹ in crore

Particulars	31st March 2023		31st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	1,597.26	1,597.26	1,690.42	1,690.42
Loans	103.99	103.99	35.58	35.58
Cash and Bank Balances	474.37	474.37	225.33	225.33
Other Financial Assets	452.27	452.27	406.99	406.99
Financial Assets at Fair value through Other Comprehensive Income				
Investments (Current and Non-Current)	8,814.87	8,814.87	12,324.34	12,324.34
Financial Assets at Fair value through Profit or Loss				
Investments (Current and Non-Current)	2,781.88	2,781.88	4,510.87	4,510.87
Hedging Instruments measured at Fair value				
Derivative Assets	20.85	20.85	0.01	0.01
Total	**14,245.49**	**14,245.49**	**19,193.54**	**19,193.54**
Financial Liabilities at Amortised Cost				
Subsidised Government Loan	56.59	55.22	115.45	114.06
Deferred Sales Tax Loans	43.79	43.79	41.40	41.40
Non-Convertible Debentures	4,941.12	4,944.66	3,944.70	3,959.87
Rupee Loans (Current)	212.73	212.73	19.22	19.22
Lease Obligation (Current and Non-Current)	97.37	97.37	79.76	79.76
Supplier's Credit	–	–	183.40	183.40
Trade Payables	4,711.20	4,711.20	4,650.73	4,650.73
Other Financial Liabilities	1,620.29	1,620.29	1,194.72	1,194.72
Hedging Instruments measured at fair value				
Derivative Liabilities	8.14	8.14	12.37	12.37

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	31st March 2023		31st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Total	**11,691.23**	**11,693.40**	**10,241.75**	**10,255.53**

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 maximise 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.

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
Year Ended 31st March 2023				
Financial Assets				
1. Measured at Fair Value through Other Comprehensive Income				
Investments in Debentures or Bonds	–	65.33	–	65.33
Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)	8,065.22	–	684.32	8,749.54
2. Measured at fair value through Profit or Loss				
Investments in Mutual Funds and deposits	–	2,668.70	–	2,668.70
Investments in Preference Shares	–	–	86.58	86.58
Investments in Limited Liability Partnership			26.60	26.60
Derivative Assets	–	20.85	–	20.85
Financial Liabilities				
1. Measured at Amortised cost for which fair values are disclosed				
Borrowings	–	4,944.66	99.01	5,043.67
2. Measured at Fair value through Profit or Loss				
Derivative Liabilities	–	8.14	–	8.14
Year Ended 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 Limited Liability Partnership			26.60	26.60
Derivative Assets	–	0.01	–	0.01
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

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 2023 and 31st March 2022, there was no transfer between level 1 and level 2 fair value measurement.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.10.1 Key Inputs for Level 1 and 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)
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 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**
Add: Fair value Profit recognised in the Statement of Profit and Loss	1.43
Less: Sale/Redemption of Investments	(0.10)
Add: Purchase of Investments	–
Add/(Less): Fair value gain recognised in OCI	31.64
Balance as at 31st March 2023	**797.50**

4.10.4 Relationship of Unobservable Inputs to Level 3 fair values (Recurring):

A. Equity Investments – Unquoted:

A 100 bps increase/decrease in the net worth, the carrying value of the shares would increase/decrease by ₹ 6.76 crore (as at 31st March 2022: decrease by ₹ 7.49 crore or increase by ₹ 7.82 crore using Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 ₹ 1.68 crore or increase by ₹ 1.64 crore (as at 31st March 2022:decrease by ₹ 3.97 crore or increase by ₹ 3.74 crore).

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

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	AUD	CHF	Total
Effect as 31st March 2023									
Effect of 5% strengthening of INR									
On Profit	75.22	25.33	(2.17)	(4.37)	(2.04)	(0.25)	35.81	0.01	127.54
On Equity	(5.11)	(2.71)	(2.26)	0.02	–	–	1.63	(0.10)	(8.53)
Effect of 5% Diminishing of INR									
On Profit	(75.22)	(25.33)	2.17	4.37	2.04	0.25	(35.81)	(0.01)	(127.54)
On Equity	5.11	2.71	2.26	(0.02)	–	–	(1.63)	0.10	8.53
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	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)	(33.01)	(0.02)	(182.81)
On Equity	4.15	0.47	1.22	–	–	–	(1.24)	0.10	4.70

(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 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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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.

(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 2023**										
a	USD	10.20	1.93	83.38	83.11	850.47	160.62	2.16	0.32	10-04-2023 To 20-03-2024	1.78
b	EUR	0.25	5.81	86.85	87.41	21.85	507.85	0.76	(17.47)	20-04-2023 To 27-02-2024	18.19
c	GBP	–	0.45	–	100.02	–	45.45	–	1.40	27-04-2023 To 28-02-2024	(2.37)
d	AUD	0.57	–	57.03	–	32.72	–	(0.05)	–	23-02-2024 To 22-03-2024	0.18
e	JPY	–	89.36	–	0.64	–	56.79	–	0.42	28-02-2024	(0.42)
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March 2023**										
a	USD	–	–	–	–	–	–	–	–	–	–

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
e	AUD	0.44	–	58.34	–	25.67	–	0.12	–	08-04-2022 to 24-03-2023	0.21
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March 2022**										
a	USD*	–	–	–	–	–	–	–	–	–	1.24

* It has been repaid on 31st August 2021.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

(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 Amount (₹ 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 2023**									
a	USD	15.40	1.32	83.24	83.18	1,281.84	110.16	(4.44)	1.20	05-04-2023 To 29-12-2023
b	CNY/RMB/CNH	0.22	0.78	12.03	12.13	2.66	9.50	(0.03)	0.12	28-04-2023 To 29-12-2023
c	EUR	3.08	1.37	88.84	89.18	273.36	122.52	0.91	(6.45)	28-04-2023 To 07-02-2024
d	GBP	-	0.22	-	98.13	-	21.25	(0.97)	-	27-04-2023 To 28-11-2023
e	CHF	-	0.01	-	89.62	-	0.46	-	0.00	28-04-2023
f	AUD	5.51	-	56.46	-	311.12	-	-	3.85	05-04-2023 To 07-03-2024

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 Amount (₹ 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	-	(0.01)	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	-	-	(3.79)	08-04-2022 to 24-03-2023

(c) Fair Value Hedge of Interest rate outstanding on Receive Floating and Pay Fix contracts:

₹ in crore

Particular	As at	Average contracted fixed interest rate	Nominal Amount	Fair Value Assets (Liabilities)
0 to 6 years	31st March 2023	6.99%	250	(2.25)
0 to 6 years	31st March 2022	-	-	-

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

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	5,254.23	250.00	4,960.44	43.79
Total as at 31st March 2023	**5,254.23**	**250.00**	**4,960.44**	**43.79**
INR Borrowings	4120.77	-	4,079.37	41.40
Total as at 31st March 2022	**4,120.77**	**-**	**4,079.37**	**41.40**

Note: Long term borrowing of ₹ 250 crore with Fixed interest rate is hedged with floating interest rate swap and shown as floating rate borrowing above.

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.

₹ in crore

Effect on Profit Before Tax	Basis Point	31st March 2023	31st March 2022
INR - Increase	100	(2.50)	(0.10)
INR - Decrease	100	2.50	0.10

The Company 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 2023 would increase/decrease by ₹ 400.29 crore (for the year ended 31st March 2022 by ₹ 579.20 crore).

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 2023 is ₹ 1597.26 crore (31st March 2022 is ₹ 1,690.42 crore)

The Company does not have higher concentration of credit risks to a single customer.

Single largest customers of the Company have exposure of 5.31% of total sales (31st March 2022: 4.51%) and in receivables 3.48% (31st March 2022: 4.22%).

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 ₹ 1.99 crore of the outstanding receivables for the current year (Previous Year ₹ 0.22 crore).

Movement of Allowance for Doubtful Debts:

₹ in crore

Particulars	Current Year	Previous Year
Opening provision	**44.43**	**63.78**
Add: Provided during the year	6.91	8.02
Less: Utilised during the year	(1.09)	(1.15)
Less: Written back during the year	(3.89)	(26.22)
Closing Provision	**46.36**	**44.43**

(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 2023 is ₹ 33,897 crore (31st March 2022 ₹ 38,691 crore).

Notes
forming part of the Standalone Financial Statements for the year ended 31st March 2023

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 2023	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including current maturities) *	980.53	3,290.89	1,000.00	5,271.42
Trade Payables	4,711.20	–	–	4,711.20
Interest Accrued but not Due on Borrowings	278.57	–	–	278.57
Other Financial Liabilities (excluding Derivative Liability)	1,331.11	10.61	–	1,341.72
Derivative Liability	8.14	–	–	8.14
Lease liability *	28.16	69.55	30.58	128.29
Financial Assets:				
Derivative Asset	20.85	–	–	20.85
Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates, ICDs and Larsen & Toubro shares etc.	3,472.11	2.16	–	3,474.27

* Contractual amount

₹ 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:				
Derivative Asset	0.01	–	–	0.01
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

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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

Particulars	As at 31st March 2023	As at 31st March 2022
Total Debt (Bank and other borrowings including Supplier's Credit)	5,254.23	4,304.17
Less: Liquid Investments (Bonds, Mutual Funds, Fixed Deposits with Corporates, ICDs and Investment in Larsen & Toubro)	3,474.27	4,857.06
Net Debt/(Surplus)	1,779.96	(552.89)
Equity	46,954.93	48,615.79
Net Debt to Equity	**0.04**	**(0.01)**

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.

4.12 KEY STANDALONE RATIOS

Particulars	Numerator	Denominator	Unit	As at 31st March 2023	As at 31st March 2022	% of Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities (excluding current borrowings)	Times	1.30	1.46	-11%	
Debt-Equity Ratio	Total Debt	Total Equity	Times	0.11	0.08	32%	Due to Increase in Debt and reduction in Equity on account of decrease in fair value of Investments measured at FVTOCI.
Debt Service Coverage Ratio	Profit after Tax + Deferred Tax + Depreciation + Finance cost + Loss on Sale of asset + ESOP expenses -Unrealised gain on investment	Finance cost + Interest Capitalised + Lease payment + Principal repayment of long term debt	Times	2.43	8.47	-71%	Due to Decline in Profit after Tax and increase in repayment of Long term debt as compare to Previous year.
Return on Equity Ratio	Profit After Tax	Shareholder's Equity Average	%	4.44	6.66	-33%	Due to Decline in Profit after Tax as compare to Previous year.
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventories	Times	4.62	4.62	0%	
Trade Receivables Turnover Ratio	Sale of Products and services	Average Trade Receivables	Times	16.17	13.74	18%	
Trade Payables Turnover Ratio	Cost of Goods Sold	Average Trade Payables	Times	4.16	3.87	7%	
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	Times	10.99	5.74	91%	Ratio has improved due to increase in sales and better Working Capital management.
Net Profit Ratio	Profit After Tax (-) Profit from Discontinued operations	Revenue from Operations	%	7.91%	12.92%	-39%	Due to Decline in Profit after Tax as compare to Previous year.
Return on Capital employed	Earnings Before Interest and Taxes (EBIT)	Tangible Net Worth + Total Debt + Deferred Tax Liability	%	5.77%	5.86%	-2%	
Return on Investment	Treasury Income	Average Treasury Investment	%	4.86%	4.92%	-1%	

Notes

forming part of the Standalone Financial Statements for the year ended 31st March 2023

4.13 OTHER STATUTORY INFORMATION

(i) Disclosure related to relationship of the Company with a company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31st March 2023 are as follows:

Sr. No.	Name of struck off Company	Nature of Transactions with struck-off Company	Balance as at 31st March 2023	Balance as at 31st March 2022	Relationship with Struck off company, if any
1	Greenhandle Products Private Limited	Purchase of Goods and services	-	-	Not Related
2	Bluepeter Shipping Private Limited	Purchase of Goods and services	-	-	Not Related

(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 2023 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.

(vi) The Company has not any such transaction which is not recorded in the books of account 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 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.

(viii) The Company has 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.

(ix) 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 AUTHORISATION OF FINANCIAL STATEMENTS:

The financial statements for the year ended 31st March 2023 were approved by the Board of Directors on 26th May 2023.

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

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 consolidated financial statements of Grasim Industries Limited (hereinafter referred to as the "Holding Company" or the "Parent" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31st March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows 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 the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements /financial information of such subsidiaries, associates and joint ventures as were audited by the one of the joint auditors of the Parent and other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and joint ventures as at 31st March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the one of the joint auditors of the Parent and other auditors referred to in paragraph (a) and (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matters

a. We draw attention to Note 4.1.2 (a) of the consolidated financial statements which refer to Orders dated 31st August 2016 (Penalty of ₹ 1,449.51 crore) and 19th January 2017 (Penalty of ₹ 68.30 crore) of the Competition Commission of India ('CCI') against which Ultratech Cement Limited ("Ultratech"), a subsidiary of the Parent 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 crore equivalent to 10% of the penalty of ₹ 1,449.51 crore 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. Our opinion is not modified in respect of this matter.

b. We draw attention to Note 4.1.2 (a) of the consolidated financial statements, where in case of UltraTech Nathdwara Cement Limited ("UNCL"), a wholly-owned subsidiary of Ultratech, one of the joint auditors of the Company has audited the financial statements and without modifying their opinion on the audited consolidated financial statements of UNCL for the year ended 31st March 2023 reported that the Order dated 31st August 2016 (penalty of ₹ 167.32 crore) 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 crore equivalent to 10% of the penalty of ₹ 167.32 crore recorded as asset in the consolidated annual financial results. 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 account of UNCL. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Description of Key Audit Matters:

Assessment of impairment of Goodwill and Other Intangibles **See Notes 2.3 and 2.4 to consolidated financial statements**	
The key audit matters	**How the matter was addressed in our audit**
• As disclosed in note 2.3 and 2.4 of consolidated financial statements, the Group has goodwill of ₹ 20,137.55 crore and other intangible assets of ₹ 8,591.89 crore as at 31st March 2023 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 2.3.1, 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, judgemental by nature, significant changes in business environment specifically due to outbreak of Covid-19 and further, is based following key assumptions: A. projected future cash inflows B. expected growth rate, discount rate, terminal growth rate C. benchmarking of price and market multiples	Our audit procedures included: • 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 2.3.1 to consolidated financial statements.

KAM reported in standalone financial statements of the Holding Company **Litigation pertaining to matters related to Competition Commission of India** **See Note 4.1 to consolidated financial statements**	
The key audit matters	**How the matter was addressed in our audit**
As disclosed in note 4.1 of the consolidated financial statements, the Company has pending litigation with regards to order issued by the Competition Commission of India ("CCI") on the Viscose Staple Fiber ("VSF") business amounting to ₹ 301.61 crore alleging the Company for abuse of dominant position 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 legal opinion, when considering whether, and how much to provide or in determining the required disclosure for the potential exposure of this matter. This is due to highly complex nature along with the fact that CCI proceedings may span over multiple years and may involve protracted negotiations or litigation. These estimates could change substantially over time.	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 provision made, if any. • Obtained and read the details of legal 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 correspondences as applicable between Management and Legal counsel for CCI matters. • Obtained and evaluated independent confirmations from the Legal counsel representing the Company before the Legal authority • Assessed the disclosures in note 4.1 made in relation to the CCI matter for compliance with disclosure requirements.

KAM as reported by the auditors of UltraTech	
Revenue recognition – Discounts, incentives and rebates	
See Notes 3.1 to consolidated financial statements	
The key audit matters	**How the matter was addressed in our audit**
• 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 judgemental. • 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. • We have 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.

Regulations – Litigations and claims	
See Notes 4.1 to consolidated financial statements	
The key audit matters	**How the matter was addressed in our audit**
• 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 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.

KAM as reported by the auditors of Aditya Birla Capital Limited	
Impairment of testing of goodwill	
See Notes 2.3 to consolidated financial statements	
The key audit matters	**How the matter was addressed in our audit**
• Aditya Birla Capital Limited ("ABCL") Group has goodwill of ₹ 554.83 crore as of 31st March 2023 which represents goodwill acquired through various business combinations and allocated to Cash Generating Units ("CGU"). • As per ABCL's Group's 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: i. projected future cash inflows; ii. expected growth rate, discount rate, terminal growth rate; and iii. 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 Holding Company in determining the CGU to which goodwill is allocated and determination of recoverable amount of each CGU. **Substantive Procedures** • Compared the Holding Company'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 evaluate Holding Company'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 a mounts of each CGU. • Assessing the completeness and accuracy of the consolidated financial statements disclosures made by the Group as per applicable Ind AS.

The statutory joint auditors of Aditya Birla Health Insurance Company Limited ('ABHICL'), which was a subsidiary of ABCL until 20th October 2022 and became a joint venture with effect from 21st October 2022, have reported a key audit matter on IT systems and Controls, which is reproduced below:	
The key audit matters	**How the matter was addressed in our audit**
• 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 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 IT systems as Key Audit Matters.	The Procedures performed by the auditors, as reported by them, included the following: • 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. • In the course of our audit, testing of the key IT general controls by our IT personnel and seeking management's views on identified issues Our audit tests were designed to cover the following: • Understanding the ABHICL's IT control environment and key changes in the course of our audit that were considered relevant to the financial reporting & audit; • Reviewed the workflow of core transactions as captured by 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 • Selectively re-evaluating masters updating, interface with resultant reports; • Selective testing of the interface of policy admin system with other allied IT systems.

The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of ABCL, have reported a key audit matter on Allowances for Expected Credit Losses (ECL)

The key audit matters	How the matter was addressed in our audit
• As at 31st March 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹ 7,884,950.10 lakh (net of allowance of expected credit loss ₹ 160,328.71 lakh) constituting approximately 94% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL allowance on such loan assets measured at amortised cost is a critical estimate involving a 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: • Examined the policies approved by the Board of Directors of ABFL that articulate the objectives of managing each portfolio and their business models. 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, 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: – 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. – Evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and – 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. • 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 a mount approved by the Audit Committee. • Assessed the disclosures made In relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107

The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of ABCL, have reported a key audit matter on Information Technology and General Controls

The key audit matters	How the matter was addressed in our audit
• 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 ABFL IT specialists, 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), programme change controls, database management and network operations. • In particular: – Tested the design, implementation and operating effectiveness of the ABFL's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of ABFL'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; – 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.

The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of ABCL, have reported a key audit matter on 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

The key audit matters	How the matter was addressed in our audit
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, which 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 judgemental 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 judgemental aspect of the ABHFL'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 Ind AS Financial Statements as a whole.	The Procedures performed by the auditors, as reported by them, included the following: 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 and review of controls over measurement of provisions and disclosures in the 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. Walk through the processes which involve manual work to ascertain existence of maker-checker controls • 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 loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.

The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of ABCL, have reported a key audit matter on Information Technology IT systems and controls

The key audit matters	How the matter was addressed in our audit
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 dates; – Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report; – 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'), a subsidiary of ABCL, have reported a key audit matter on Information Technology and General Controls

The key audit matters	How the matter was addressed in our audit
• The financial accounting and reporting systems of the Company 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 that IT dependent and application based controls are operating effectively.	The Procedures performed by the auditors, as reported by them, included the following: • 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 the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. 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.

The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited ('ABSLICL"), subsidiary of ABCL, have reported a key audit matter on Information Technology Systems

The key audit matters	How the matter was addressed in our audit
• ABSLICL 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.	The Procedures performed by the auditors, as reported by them, included the following: • With the assistance of ABSLICL IT specialists, we obtained an understanding of the ABSLICL '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), programme change controls, database management and network operations. • In Particular: – Tested the design, implementation, and operating effectiveness of the ABSLICL's general IT controls over the IT systems relevant to financial reporting. This included evaluation of ABSLICL'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. – 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.

The auditors of Aditya Birla Sun Life AMC Limited ('ABSLAMCL'), an associate of ABCL, have reported a key audit matter on Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services

The key audit matters	How the matter was addressed in our audit
• 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 ₹ 118,200.57 lakh. – Management Fees from Portfolio Management and Other Services amounting to ₹ 4,459.98 lakh. • The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guidelines 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.	The Procedures performed by the auditors, as reported by them, 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 ABSLAMCL. • 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 Portfolio Management Services Fees in respect of certain sample contracts and compared with the actual fees charged by the ABSLAMCL for such contracts. • Evaluated the disclosure relating to management fee income earned by the ABSLAMCL.

The auditors of Aditya Birla ARC Limited ('ABARCL'), a subsidiary of ABCL, have reported a key audit matter on Fair Valuation of financial instruments – Security Receipts (SRs)

The key audit matters	How the matter was addressed in our audit
• ABCL has invested in SRs issued by various trust incorporated by the it for acquisition of distressed credit Business. Depending on the arrangement such Investments are in the range of 100%-15% of the total SRs issued by the various trust. The said SRs are subsequently measured at Fair Value through Profit and Loss (FVTPL) as per the business model of the ABCL and considered as level 3 in the valuation hierarchy. Total investment in SRs outstanding as on 31st March 2023 is ₹ 47,582.65 Lakhs. • ABCL determines the fair value of SRs based on the Net Assets Value (NAV) report provided by the trust. The NAV of the said investment can only be estimated by the trusts using a combination of the recovery range provided by the external rating agency, estimated cash flows, collateral values, discount rate used and various other assumptions. • Considering the complexities involved and various assumptions and significant judgements made by the trust in deriving Net Assets Value of such SRs, we have considered the valuation of these investments as a key audit matter.	The Procedures performed by the auditors, as reported by them, included the following: • Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency. • Assessment of the valuation inputs; – Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgements and estimates, if any; and – Assessed the information used to determine the key assumptions; – Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; – Compared the management's assumption of discount rate with the supporting internal/ external evidence; – Valuation report of collateral values

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures 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 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 the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective 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 of the companies included in the Group and the respective Management and Board of Directors and of its associates and joint ventures are 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 scepticism 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 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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 statements/financial information of such 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/financial information 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 one of the joint auditors of the Parent and other auditors, such one of the joint auditors of the Parent and 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. Our responsibilities in

this regard are further described in paragraph (a) and (b) of the section titled "Other Matters" in this audit report.

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 of the current period 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) The consolidated financial statements include the audited financial statements of:

i. 55 subsidiaries and 1 entity which was a subsidiary until 20th October 2022, whose financial statements/ financial information reflect Group's share of total assets (before consolidation adjustments) of ₹ 214,214.29 crore as at 31st March 2023, Group's share of total revenue (before consolidation adjustments) of ₹ 31,952.47 crore, Group's share of total net profit after tax (before consolidation adjustments) of ₹ 4,505.64 crore and Group's share of net cash outflow (before consolidation adjustments) of ₹ 116.47 crore for the year ended on that date, as considered in the consolidated financial statements, which have been audited singly by one of us or other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

ii. 6 joint ventures and 8 associates and 1 entity which became a joint venture with effect from 21st October 2022, whose financial statements/ financial information include the Group's share of total net profit after tax (before consolidation adjustments) of ₹ 282.74 crore for the year ended 31st March 2023, as considered in the consolidated financial statements, which have been audited singly by one of us or other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures and associates, is based solely on the report of such auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the one of the joint auditors of the Parent and other auditors.

(b) One of the joint ventures is located outside India whose financial statements/ 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 Parent Company's management has converted the financial statements of such joint venture 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 Parent Company's management.

Our opinion in so far as it relates to the balances and affairs of such joint venture located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent Company and audited by us.

(c) The consolidated financial statements include the unaudited financial statements of:

i. 13 subsidiaries, whose financial statements/ financial information reflect Group's share of total assets (before consolidation adjustments) of ₹ Nil crore as at 31st March 2023, Group's share of total revenue (before consolidation adjustments) of ₹ Nil and Group's share of total net profit after tax (before consolidation adjustments) of ₹ Nil crore and Group's share of net cash flows (before consolidation adjustments) of ₹ Nil crore for the year ended on that date, as considered in the consolidated financial statements.

ii. 5 joint ventures and 4 associates whose financial statements/ financial information reflect Group's share of total net loss after tax (before consolidation adjustments) of ₹ 139.28 crore for the year ended 31st March 2023, as considered in the consolidated financial statements.

These unaudited financial statements/financial information have been furnished to us by the Management and 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 associate and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / 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 above matter with respect to the financial statements/financial information certified by the Management.

(d) The consolidated financial statements of the Company for the quarter ended 31st March 2022 and year to date results for the period from 1st April 2021 to 31st March 2022 were audited by the then Joint auditor B S R & Co. LLP and SRBC& CO LLP, whose report dated 24th May 2022 had expressed an unmodified opinion.

(e) The statutory auditor of Aditya Birla Capital Limited ("ABCL"), a subsidiary company, without modifying their opinion on the audited consolidated annual financials results of ABCL have stated that the joint auditors of Aditya Birla Health Insurance Co. Limited, vide their report dated 26th April 2023, have reported in the Other Matter section 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 31st March 2023 has 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.

The statutory auditors of the respective subsidiary of ABCL have relied upon Appointed Actuary's certificate and representation made in this regard for forming their opinion on the aforesaid mentioned items.

Our Opinion is not modified in respect of this matter based on the conclusion drawn by the statutory auditors of ABCL and their subsidiary auditor.

(f) The statutory auditor of ABCL, a subsidiary company, without modifying their opinion on the audited consolidated annual financials results of ABCL have stated that the joint auditors of Aditya Birla Sunlife Insurance Company Limited, vide their report dated 25th April 2023, have reported in the Other Matter section that:

'Determination of the following is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"):

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 as at 31st March 2023. 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;

ii. Other adjustments as at 31st March 2023 / for the year ended 31st March 2023 for the purpose of Reporting Pack confirmed by the Appointed Actuary in accordance with Indian Accounting Standard 104 - 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 and;

d. Liability Adequacy test as at the reporting dates and,

e. Disclosures as mentioned in Note No. 54 to the Reporting Pack

The statutory auditors of the respective subsidiary of ABCL have relied upon Appointed Actuary's certificate in this regard for forming their opinion on the aforesaid mentioned items.

Our Opinion is not modified in respect of this matter based on the conclusion drawn by the statutory auditors of ABCL and their subsidiary auditor.

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 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, based on our audit and on the consideration of reports of the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by the one of the joint auditors of the Parent and other auditors, as noted in the "Other Matters" 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 consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the one of the joint auditors of the Parent and other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on 31st March 2023 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 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".

B. 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, 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 reports of the one of the joint auditors of the Parent and other auditors on separate/ consolidated financial statements of the subsidiaries, associates and joint ventures, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2023 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 4.1 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 4.10 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures company incorporated in India during the year ended 31st March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/financial information have been audited under the Act have represented to us, one of the joint auditors of the Parent and the other auditors of such subsidiary companies, associate companies and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 4.16 to the consolidated financial statements, 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 subsidiary companies, associate companies and joint ventures 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 Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, associate companies and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/financial information have been audited under the Act have represented to us, one of the joint auditors of the Parent and the other auditors of such subsidiary companies, associate companies and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 4.16 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, associate companies and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, associate companies and joint ventures shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/ financial information have been audited under the Act, nothing has come to our, one of the joint auditors of the Parent or other auditors notice that has caused us, one of the joint auditors of the Parent or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year, in

respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 4.15 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India have proposed final dividend for the year which is subject to the approval of the respective 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.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the consideration of reports of the one of the joint auditors of the Parent and statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company/the Holding Company and its subsidiary companies, associate companies and joint ventures 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) of the Act 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
ICAI UDIN : 23105317BGVTOQ6867

Mumbai
Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN : 23117348BGSZ1Q1713

Mumbai
Date: 26th May 2023

Annexure A

To the Independent Auditor's Report on the Consolidated Financial Statements of Grasim Industries Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Relation with company	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Bhaskarpara Coal Company Limited	U10100CT2008PLC020943	Subsidiary's Joint Venture	Clause xix
2	ABReL Green Energy Limited	U40200MH2022PLC385194	Subsidiary's Associate	Clause vii
3	Aditya Birla Renewables SPV 1 Limited	U40300MH2017PLC296313	Subsidiary's Associate	Clause vii
4	AB Insurance Brokers Limited	U99999GJ2001PLC062239	Step Down Subsidiary	Clause iii (e)
5	Aditya Birla Sun Life Pension Management Limited	U66000MH2015PLC260801	Step Down Subsidiary	Clause xvii
6	Aditya Birla ARC Limited	U65999MH2017PLC292331	Step Down Subsidiary	Clause iii (c) and iii (e)
7	Aditya Birla Finance Limited	U65990GJ1991PLC064603	Step Down Subsidiary	Clause ii (b), iii (c), and iii (d)
8	Aditya Birla Housing Finance Limited	U65922GJ2009PLC083779	Step Down Subsidiary	Clause iii (c), and iii (d)
9	AB Money Limited	L65993GJ1995PLC064810	Step Down Subsidiary	Clause iii (c), and iii (f) and vii (a)
10	Aditya Birla Solar Limited	U40106MH2016PLC280762	Subsidiary	Clause ix(a)
11	ABRel Century Energy Limited	U40106MH2022PLC378261	Step Down Subsidiary	Clause vii(a)
12	ABRel SPV 2 Limited	U40108MH2020PLC352631	Step Down Subsidiary	Clause i(b) & vii(a)
13	Waacox Energy Private Limited	U40300MH2015PTC268114	Step Down Subsidiary	Clause vii(a)
14	ABRel (Odisha) SPV Limited	U40109MH2022PLC384633	Step Down Subsidiary	Clause vii(a)
15	ABRel EPC Limited	U40106MH2022PLC384431	Step Down Subsidiary	Clause vii(a)
16	ABRel Renewables EPC Ltd	U40107MH2022PLC378167	Step Down Subsidiary	Clause vii(a)
17	ABRel Solar Power Limited	U40106MH2021PLC366642	Step Down Subsidiary	Clause vii(a)
18	Aditya Birla Renewables Utkal Limited	U40300MH2019PLC325878	Step Down Subsidiary	Clause vii(a)
19	ABREL (MP) Renewables Limited	U40106MH2022PLC384701	Step Down Subsidiary	Clause vii(a)
20	Aditya Birla Renewables Solar Limited	U40106MH2020PLC339323	Step Down Subsidiary	Clause vii(a)
21	Aditya Birla Renewables Limited	U40300MH2015PLC267263	Step Down Subsidiary	Clause vii(a)
22	ABReL EPCCO Services Limited	U40108MH2022PLC379924	Step Down Subsidiary	Clause vii(a)

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 principal auditor's report.

Name of the entities	CIN	Associate
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
ICAI UDIN: 23105317BGVTOQ6867

Mumbai
Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN: 23117348BGSZ1Q1713

Mumbai
Date: 26th May 2023

Annexure B

To the Independent Auditor's Report on the consolidated financial statements of Grasim Industries Limited for the year ended 31st March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Grasim Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, its associate companies and joint ventures, as of that date.

In our opinion and based on the consideration of reports of the one of the joint auditors of the Parent and other auditors on internal financial controls with reference to financial statements/financial information of subsidiary companies, associate companies and joint ventures, as were audited by the one of the joint auditors of the Parent and other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint ventures, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 financial statements criteria established by the respective 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 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 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 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 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 one of the joint auditors of the Parent and other auditors of the relevant subsidiary companies, associate companies and joint ventures in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to 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 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 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.

Other Matter

Our aforesaid 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/financial information insofar as it relates to 56 subsidiary companies, 8 associate companies and 5 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Vikas R Kasat
Partner
Membership No: 105317
ICAI UDIN: 23105317BGVTOQ6867

Mumbai
Date: 26th May 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly known as Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No: 117348
ICAI UDIN: 23117348BGSZ1Q1713

Mumbai
Date: 26th May 2023

Consolidated Balance Sheet

as at 31st March 2023

₹ in crore

	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	63,753.53	58,148.57
Capital Work-in-Progress	2.1	7,730.18	6,572.18
Investment Property	2.2	14.37	14.81
Goodwill	2.3	20,137.55	20,058.50
Other Intangible Assets	2.4	8,591.89	8,895.41
Intangible Assets Under Development	2.4	47.50	42.94
Right of Use Assets	2.5	2,399.03	1,878.83
Investment in Equity Accounted Investees	2.6	11,016.84	7,050.17
Financial Assets			
Investments			
- Investments of Insurance Business	2.7	39,523.43	30,952.64
- Other Investments	2.8	9,502.90	13,881.17
Asset Held to Cover Linked Liabilities of Life Insurance Business	2.9	26,842.95	26,137.33
Trade Receivables	2.10	6.82	-
Loans	2.11	70,871.12	51,954.12
Other Financial Assets	2.12	3,759.70	2,458.00
Deferred Tax Assets (Net)	2.13	382.26	246.04
Non-Current Tax Assets (Net)		826.38	989.16
Other Non-Current Assets	2.14	4,276.22	3,347.27
Total - Non-Current Assets		**269,682.67**	**232,627.14**
Current Assets			
Inventories	2.15	11,159.15	9,536.42
Financial Assets			
Investments			
- Investments of Insurance Business	2.16	900.69	2,339.22
- Other Investments	2.17	13,905.64	12,382.87
Asset Held to Cover Linked Liabilities of Life Insurance Business	2.18	3,662.84	4,022.72
Trade Receivables	2.19	5,915.10	5,429.36
Cash and Cash Equivalents	2.20	2,312.56	2,240.70
Bank Balances other than Cash and Cash Equivalents	2.21	1,400.82	1,011.85
Loans	2.22	22,342.08	14,247.01
Other Financial Assets	2.23	2,348.92	2,773.76
Current Tax Assets (Net)		3.27	0.11
Other Current Assets	2.24	3,553.27	2,774.14
Total - Current Assets		**67,504.34**	**56,758.16**
Non-Current Assets/ Disposal Group Held for Sale	4.4	18.02	9.53
TOTAL ASSETS		**337,205.03**	**289,394.83**

Consolidated Balance Sheet (Contd.)

as at 31st March 2023

₹ in crore

	Note No.	As at 31st March 2023	As at 31st March 2022
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.25	131.69	131.67
Other Equity	2.26	78,610.30	75,566.56
Equity Attributable to Owners of the Company		**78,741.99**	**75,698.23**
Non-Controlling Interest		44,170.83	40,476.48
Total Equity		**122,912.82**	**116,174.71**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.27	66,712.46	46,545.96
Lease Liabilities	2.5	1,410.73	1,319.38
Policyholder's Liabilities	2.28	67,012.03	57,705.64
Other Financial Liabilities	2.29	398.57	428.74
Provisions	2.30	765.81	732.94
Deferred Tax Liabilities (Net)	2.13	8,443.38	8,526.67
Other Non-Current Liabilities	2.31	16.24	76.32
Total - Non-Current Liabilities		**144,759.22**	**115,335.65**
Current Liabilities			
Financial Liabilities			
Borrowings	2.32	34,635.46	26,457.29
Lease Liabilities	2.5	279.91	238.16
Supplier's Credit	2.33	-	183.40
Policyholder's Liabilities	2.34	2,077.90	3,167.74
Trade Payables	2.35		
- Total Outstanding Dues of Micro and Small Enterprises		351.52	244.28
- Total Outstanding Dues of Creditors other than Micro and Small Enterprises		13,001.75	11,149.16
Other Financial Liabilities	2.36	9,859.01	8,166.09
Other Current Liabilities	2.37	6,438.15	6,445.02
Provisions	2.38	722.47	815.74
Current Tax Liabilities (Net)		2,166.82	1,017.59
Total - Current Liabilities		**69,532.99**	**57,884.47**
Liabilities directly associated with Non-Current Assets Held for Sale	4.4	-	-
TOTAL EQUITY AND LIABILITIES		**337,205.03**	**289,394.83**

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March 2023

₹ in crore

	Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
Continuing Operations			
INCOME			
Revenue from Operations	3.1	117,627.08	95,701.13
Other Income	3.2	3,612.05	821.34
Total Income (I)		**121,239.13**	**96,522.47**
EXPENSES			
Cost of Materials Consumed	3.3	21,622.26	16,889.60
Purchases of Stock-in-Trade	3.4	1,824.35	1,404.56
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(834.66)	(921.74)
Employee Benefits Expense	3.6	7,193.86	6,327.71
Power and Fuel		23,168.73	15,520.70
Freight and Handling Expenses		15,024.93	12,584.10
Change in Valuation of Liability in respect of Insurance Policies		7,451.57	4,240.83
Benefits Paid - Insurance Business		5,467.75	6,702.55
Finance Cost relating to NBFC/HFC's Business	3.7	4,723.46	3,480.30
Other Finance Costs	3.8	1,320.27	1,295.70
Depreciation and Amortisation Expenses	3.9	4,551.59	4,161.07
Other Expenses	3.10	15,119.24	12,521.45
Total Expenses (II)		**106,633.35**	**84,206.83**
Profit from Continuing Operations Before Share in Profit of (I - II)		14,605.78	12,315.64
Equity Accounted Investees, Exceptional Items and Tax			
Share in Profit of Equity Accounted Investees	2.40	208.96	380.33
Profit from Continuing Operations Before Tax and Exceptional Items		**14,814.74**	**12,695.97**
Exceptional Items	3.11	(88.03)	(69.11)
Profit from Continuing Operations Before Tax		**14,726.71**	**12,626.86**
Tax Expense of Continuing Operations (Net)	3.12		
Current Tax		3,432.67	1,954.40
Deferred Tax		215.84	(18.09)
Total Tax Expense		**3,648.51**	**1,936.31**
Profit for the Year from Continuing Operations (III)		**11,078.20**	**10,690.55**
Discontinued Operations			
Profit Before Tax from Discontinued Operations	4.4	-	352.52
Exceptional Items	3.11	-	670.71
Tax Expenses of Discontinued Operations		-	(440.07)
Less: Reversal / (Provision) of Impairment of Assets Classified as Held for Sale		-	(67.42)
Profit for the Year from Discontinued Operations (IV)		**-**	**515.74**
Profit for the Year (V = III + IV)		**11,078.20**	**11,206.29**
Other Comprehensive Income	3.13		
A (i) Items that will not be reclassified to Profit or Loss		(3,444.28)	3,442.16
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		387.85	(221.77)
B (i) Items that will be reclassified to Profit or Loss		(182.04)	63.88
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		57.69	(3.47)
Other Comprehensive Income for the Year (VI)		**(3,180.78)**	**3,280.80**
Total Comprehensive Income for the Year (V + VI)		**7,897.42**	**14,487.09**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2023

₹ in crore

	Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
Profit from Continuing Operations Attributable to:			
Owners of the Company		6,827.26	7,102.37
Non-Controlling Interest		4,250.94	3,588.18
		11,078.20	**10,690.55**
Profit Attributable to:			
Owners of the Company		6,827.26	7,549.78
Non-Controlling Interest		4,250.94	3,656.51
		11,078.20	**11,206.29**
Other Comprehensive Income Attributable to:			
Owners of the Company		(3,104.23)	3,281.85
Non-Controlling Interest		(76.55)	(1.05)
		(3,180.78)	**3,280.80**
Total Comprehensive Income Attributable to:			
Owners of the Company		3,723.03	10,831.63
Non-Controlling Interest		4,174.39	3,655.46
		7,897.42	**14,487.09**
Earnings Per Equity Share (Face Value ₹ 2 each) - Continuing Operations	3.14		
Basic (₹)		103.98	108.16
Diluted (₹)		103.88	108.00
Earnings Per Equity Share (Face Value ₹ 2 each) - Discontinued Operations	3.14		
Basic (₹)		-	6.82
Diluted (₹)		-	6.80
Earnings Per Equity Share (Face Value ₹ 2 each) - Continuing and Discontinued Operations	3.14		
Basic (₹)		103.98	114.98
Diluted (₹)		103.88	114.80

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

A. EQUITY SHARE CAPITAL

For the year ended 31st March 2023

₹ in crore

Balance as at 1st April 2022	Changes in Equity Share Capital during the year (Note 2.25.4)	Balance as at 31st March 2023
131.67	0.02	131.69

For the year ended 31st March 2022

₹ in crore

Balance as at 1st April 2021	Changes in Equity Share Capital during the year (Note 2.25.4)	Balance as at 31st March 2022
131.62	0.05	131.67

B. OTHER EQUITY

For the year ended 31st March 2023

₹ in crore

Particulars	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 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
Profit for the Year	–	–	–	–	–	–	–	–	6,827.26	–	–	–	–	–	6,827.26	4,250.94	11,078.20
Other Comprehensive Income for the Year (Note 3.13)	–	–	–	–	–	–	–	–	@ 49.01	–	(49.85)	(3,082.05)	(112.46)	91.12	(3,104.23)	(76.55)	(3,180.78)
Total Comprehensive Income for the Year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,876.27**	**–**	**(49.85)**	**(3,082.05)**	**(112.46)**	**91.12**	**3,723.03**	**4,174.39**	**7,897.42**
Purchase of Treasury Shares	–	–	–	–	–	–	–	(173.63)	–	–	–	–	–	–	(173.63)	(48.94)	(222.57)
Issue of Treasury Shares	–	–	–	–	–	–	–	25.61	–	(3.88)	–	–	–	–	21.73	5.11	26.84
Transfer from Retained Earnings to General Reserve	–	–	–	–	3,000.00	–	–	–	(3,000.00)	–	–	–	–	–	–	–	–
Transfer from Retained Earnings to Special Reserve Fund	–	–	–	–	–	–	387.20	–	(387.20)	–	–	–	–	–	–	–	–
Employee Stock Options Exercised	–	–	–	26.50	–	–	–	–	–	(12.63)	–	–	–	–	13.87	2.54	16.41
Employee Stock Options Granted (Net of Lapses)	–	–	–	–	–	–	–	–	–	128.65	–	–	–	–	128.65	–	128.65
Transfer to General Reserve on account of Lapse of Vested Options	–	–	–	–	1.84	–	–	–	–	(3.40)	–	–	–	–	(1.56)	1.56	–
Dividend Paid	–	–	–	–	–	–	–	–	(657.65)	–	–	–	–	–	(657.65)	–	(657.65)
Dividend Paid to Non-Controlling Interest by a Subsidiary Company	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(497.04)	(497.04)
Issue of Equity Shares to Non-Controlling Interest by a Subsidiary Company	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	294.11	294.11

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2023

₹ in crore

Particulars	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			
Stake Dilution in Subsidiary Companies	–	–	–	–	–	–	–	–	(10.85)	–	–	–	–	–	(10.85)	10.85	–
Realised Gain/(Loss) on Sale of Equity Instrument at FVTOCI Transferred to Retained Earnings	–	–	–	–	–	–	–	–	1.37	–	–	(1.37)	–	–	–	–	–
De-recognition of Non-controlling interest on conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture (note 4.12.5)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(283.75)	(283.75)
On Acquisition (note 4.3 A)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	47.86	47.86
On account of Liquidation of Subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	0.13	0.13	0.22	0.35
Other Including subvention money	–	–	(0.02)	–	–	–	–	–	(1.62)	–	1.66	–	–	–	0.02	(12.56)	(12.54)
Closing Balance as at 31st March 2023	**3.00**	**146.31**	**0.29**	**27,256.09**	**38,421.45**	**35.32**	**971.40**	**(387.32)**	**12,980.04**	**410.57**	**(47.74)**	**(1,514.53)**	**(105.65)**	**441.07**	**78,610.30**	**44,170.83**	**122,781.13**

@ Represents remeasurement of Defined Benefits Plan.

For the year ended 31st March 2022

₹ in crore

Particulars	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 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)	–	–	–	–	–	–	–	–

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2023

₹ in crore

Particulars	Equity Component of Other Financial Instruments	Attributable to Owners of the Company												Non-Controlling Interest	Total
		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			
Transfer from Debenture Redemption Reserve to Retained Earnings	-	-	-	-	(110.60)	-	-	110.60	-	-	-	-	-	-	-	-
Employee Stock Options Exercised	-	-	-	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)
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 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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

N. Mohan Raj
Independent Director
DIN: 00181969

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

Pavan K. Jain
Chief Financial Officer

Mumbai
Dated: 26th May 2023

Consolidated Statement of Cash Flows

for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
A. Cash Flow from Operating Activities		
Profit Before Tax after Exceptional Items and before Share in Profit/(Loss) of Equity Accounted Investees	14,517.75	12,246.53
Adjustments for Continuing Operations:		
Exceptional Items	88.03	69.11
Depreciation and Amortisation Expenses	4,551.59	4,161.07
Finance Costs	1,320.27	1,295.70
Interest Income	(380.58)	(219.62)
Dividend Income	(40.40)	(31.28)
Employee Stock Options and Stock Appreciation Rights Expenses	118.34	66.65
Allowance for Credit Losses on Advances/Debts (Net)	9.78	(15.97)
Changes in Valuation of Liabilities in respect of Insurance Policies in force	7,451.57	4,240.83
Impairment on Financial Instruments	983.46	731.33
Excess Provision Written Back (Net)	(143.82)	(145.51)
Loss on Sale/Discard of Property, Plant and Equipment (Net)	10.64	7.71
Profit on Sale of Investments (Net)	(78.57)	(220.44)
Unrealised Gain and Fair Value Adjustments on Investments measured at Fair Value through Profit and Loss (Net)	(339.86)	(640.06)
Unrealised Exchange (Gain)/Loss (Net)	(102.43)	(55.77)
Gain on control establishment on Associate	–	(7.88)
Fair Value Adjustments to Borrowings	(50.26)	(74.44)
Other Non-Cash Items	3.77	–
Gain on account of Fair Value of Investment in Aditya Birla Health Insurance Co. Limited on conversion from Subsidiary to Joint Venture (note 4.12.5)	(2,754.27)	–
Operating Profit Before Working Capital Changes	**25,165.01**	**21,407.96**
Adjustment for:		
Trade Receivables	(455.24)	(1,074.49)
Loans of Financing Business	(27,972.19)	(7,100.48)
Financial and Other Assets	(1,251.53)	(1,322.62)
Inventories	(1,598.39)	(3,340.81)
Trade Payables, Other Liabilities and Provision	3,008.57	4,830.48
Investments of Life Insurance Policyholders	(7,486.55)	(3,396.75)
Cash Generated from Operations	**(10,590.32)**	**10,003.29**
Income Taxes Paid (Net of Refund)	(2,094.82)	(2,965.64)
Net Cash generated from Operating Activities (A)	**(12,685.14)**	**7,037.65**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and other Intangible Assets	(12,036.16)	(8,587.68)
Proceeds from Disposal of Property, Plant and Equipment	111.49	82.56
Acquisition of Equity Shares in Subsidiaries	(19.34)	(41.60)
Investments in Joint Ventures and Associates	(858.73)	(35.16)
Sale of Mutual Fund Units, Shares and Bonds (Non-Current)	6,858.23	14,386.13
Purchase of Mutual Fund Units, Shares and Bonds (Non-Current)	(7,605.95)	(6,613.64)
Proceeds from (Purchase)/Sale of Investments and Shareholders' Investment of Life Insurance Business (Current) {Net}	104.76	(4,176.52)
Proceeds on disposal of subsidiaries	3.49	–
Purchase of Other Non-Current Investments	(70.19)	(64.77)
Proceeds from Sale of Other Non-Current Investment	0.10	–

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Redemption/(Investment) in Other Bank Deposits	(689.17)	1,264.97
Expenditure for Cost of Assets Transferred	–	(94.57)
Loans and Advances given to other Companies	(106.61)	(16.75)
Receipt against Loans and Advances given to Other Companies	–	12.55
Loans and Advances Given to Joint Ventures and Associates	–	(5.00)
Receipt Against Loans and Advances Given to Associates	112.69	7.20
Interest Received	312.01	191.18
Dividend Received	196.67	147.92
Net Cash Used in Investing Activities (B)	**(13,686.71)**	**(3,543.18)**
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital under ESOP Scheme	16.62	8.95
Treasury Shares Acquired by ESOP Trust	(222.57)	(153.14)
Proceeds from Issue of Treasury Shares	18.23	19.15
Equity Infusion by Minority Shareholders in Subsidiary Companies	327.96	229.78
Transaction cost on equity shares of a Subsidiary Company and share Issue Expenses	(3.95)	–
Proceeds from Non-Current Borrowings	39,810.27	15,178.98
Repayment of Non-Current Borrowings	(16,403.82)	(21,014.15)
Proceeds/(Repayments) of Current Borrowings (Net)	5,748.28	1,544.38
Proceeds of Supplier's Credit	(183.40)	183.40
Proceeds from Inter-Corporate Loans	28.60	60.93
Repayment of Inter-Corporate Loans	(3.00)	(50.43)
Repayment of Lease Liabilities (including Interest)	(319.73)	(352.93)
Interest and Finance Charges Paid	(1,193.80)	(1,322.55)
Dividend Paid	(1,150.56)	(1,065.50)
Net Cash Used in Financing Activities	**26,469.13**	**(6,733.13)**
D. Net Increase/(Decrease) in Cash and Cash Equivalents from Continuing Operations	97.28	(3,238.67)
E. Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	–	2,491.02
F. Cash and Cash Equivalents as at the beginning of the Year from Continuing Operations	2,240.70	2,988.74
G. Add: Cash and Cash Equivalents Received on acquisition of controlling Stake in Waacox	–	0.08
H. Adjustment on account of conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	(24.81)	–
I. Add: Effect of Exchange Rate on Consolidation of Foreign Subsidiaries	(0.61)	(0.47)
Cash and Cash Equivalents at the end of the Year from Continuing Operations	**2,312.56**	**2,240.70**
J. Cash Flow from Discontinued Operations		
Opening Cash and Cash Equivalents	–	–
Cash Flows generated from/(Used in) Operating Activities	–	(217.33)
Cash Flows generated from/(Used in) Investing Activities	–	(48.93)
Cash Flows generated from/(Used in) Financing Activities	–	901.48
Proceeds from Divestment of Fertiliser Business	–	1,855.80
Net Increase in Cash and Cash Equivalents from Discontinuing Operations	**–**	**2,491.02**
Net Cash Flow Transferred from Discontinued Operations to Continuing Operations	–	(2,491.02)
Cash and Cash Equivalents from Discontinued Operations	**–**	**–**
Less: Reclassified to Assets Held for Sale	–	–
Cash and Cash Equivalents at the end of the Year from Discontinued Operations	**–**	**–**
K. Cash and Cash Equivalents at the end of the Year	**2,312.56**	**2,240.70**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2023

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 2022	Cash Flows	Non-Cash Changes: Debt Issuance Cost	Non-Cash Changes: Fair Value Adjustments (including Foreign Exchange Rate Movements)	As at 31st March 2023
Non-Current Borrowings *	60,047.41	23,406.45	(3.46)	20.77	83,471.17
Current Borrowings	12,955.84	5,773.88	–	(852.97)	17,876.75
Supplier's Credit	183.40	(183.40)		–	–

* Including current maturities of Non-Current Borrowings

₹ in crore

Particulars	As at 1st April 2021	Cash Flows	Non-Cash Changes: Debt Issuance Cost	Non-Cash Changes: Fair Value Adjustments (including Foreign Exchange Rate Movements)	As at 31st March 2022
Non-Current Borrowings *	66,008.25	(5,835.17)	(8.13)	(117.54)	60,047.41
Current Borrowings	11,400.96	1,554.88	–	–	12,955.84
Supplier's Credit	–	183.40		–	183.40

* Including current maturities of Non-Current Borrowings

(iv) Refer Note 2.5.B for cash outflows for Lease Liabilities.

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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, Speciality and allied Chemicals), Cement, Financial Services and Others (Insulators, Textiles, Paints, B2B e-commerce 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. The accounting policies have been applied consistently to all periods presented in the financial statements.

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; and

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

(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 2023.

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.

1.4 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.5 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 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.6 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 as per Ind AS 1 and other criteria set out in Division II of 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.

1.7 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.

1.8 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".

1.9 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

A. Major assets class where useful life considered as provided in Schedule II:

Sr. No.	Nature of the 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) Carpeted Roads- other than RCC Non - Carpeted Roads	10 years 5 years 3 years
11.	Fences, Wells and 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 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:

Sr. 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.

1.10 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.

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:

Sr. 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
17.	Surface rights	Over period of respective mining agreement

1.11 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

1.12 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.

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.

1.13 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.

1.14 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.

Proceeds, in respect of sale of raw materials/stores, are credited to the respective heads.

1.15 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.

1.16 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.

1.17 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.

1.18 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 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 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

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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.

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 Consolidated Statement of Profit and Loss.

1.19 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.

1.20 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.

1.21 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;
- 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.

1.22 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.

1.23 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 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.

1.24 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

1.25 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. However, trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). 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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 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 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 favourable 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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;

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

- 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

1.26 Revenue Recognition:

(a) Revenue from Contracts with Customers

- Revenue is recognized when Company satisfies a performance obligation on the basis of approved contracts regarding the transfer of goods or services to a customer. This is achieved when control of the product has been transferred to customer.
- The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. Transaction price excludes taxes and duties collected on behalf of the government.
- 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 unitised 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:

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.

1.27 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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 1st 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.

Leasehold Assets Depreciation

Leasehold Land and Buildings	Over the period of Lease

1.28 Contract Liability

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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 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. Interest expenses are included in finance cost and Interest income, if any, related to income tax is included in other 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 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

1.37 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.

1.38 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.

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.

1.39 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

1.40 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.

1.41 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.

1.42 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.

1.43 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires the judgements, 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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:

   a) 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 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.

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,

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

applied to historical cost and capitalisation of all the indirect cost, these trends are on the basis of price indices obtained from recognised sources.

(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.

1.44 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.

1.45 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Impact of the above amendments is being evaluated in the Consolidated Financial Statements.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

Year ended 31st March 2023

₹ in crore

Particulars	Gross Block						Accumulated Depreciation						Net Block	
	As at 1st April 2022	Additions	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	Translation Difference Add/(Less)	Deductions/ Adjustments	As at 31st March 2023	As at 1st April 2022	For the Year	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	Translation Difference Add/(Less)	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
TANGIBLE ASSETS*@														
Freehold Land	8,073.32	305.48	-	0.40	(20.49)	8,358.71	-	-	-	-	-	-	8,358.71	8,073.32
Leasehold Land	1,178.64	31.73	-	-	(60.30)	1,150.07	238.64	54.89	-	-	(3.05)	290.52	859.55	939.96
Leasehold Improvements	43.64	33.27	(17.87)	-	(11.77)	47.27	15.82	13.38	(8.63)	-	(11.40)	9.17	38.10	27.81
Buildings	8,436.20	706.92	-	19.27	(6.26)	9,156.13	1,793.95	334.46	-	4.74	(1.63)	2,131.52	7,024.61	6,642.25
Plant and Equipment						-						-	-	-
- Own	55,841.04	7,900.19	(25.54)	139.80	(185.46)	63,670.03	14,713.68	2,960.69	(17.85)	45.67	(100.65)	17,601.54	46,068.49	41,127.36
- Given on Lease	199.05	-	-	-	-	199.05	81.17	4.61	-	-	-	85.78	113.27	117.88
Furniture and Fixtures	230.47	44.83	(2.96)	0.97	(16.94)	256.37	155.54	27.60	(1.99)	0.76	(13.27)	168.64	87.73	74.93
Vehicles	346.83	127.48	(4.71)	0.39	(49.90)	420.09	184.03	57.18	(1.45)	0.19	(34.56)	205.39	214.70	162.81
Office Equipment	651.03	146.05	(6.90)	0.10	(32.57)	757.71	351.31	98.41	(5.19)	0.12	(31.51)	413.14	344.57	299.72
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	7.41	7.04	-	-	-	-	7.04	0.37	0.37
Railway Sidings	1,010.81	22.73	-	0.01	(0.68)	1,032.87	328.65	61.25	-	-	(0.46)	389.44	643.43	682.16
Total Tangible Assets	**76,018.44**	**9,318.68**	**(57.98)**	**160.94**	**(384.37)**	**85,055.71**	**17,869.87**	**3,612.47**	**(35.11)**	**51.48**	**(196.53)**	**21,302.18**	**63,753.53**	**58,148.44**
Capital Work-in-Progress (including Pre-Operative Expenses)													7,730.18	6,572.18
Total PPE													**71,483.71**	**64,720.75**

Year ended 31st March 2022

₹ in crore

Particulars	Gross Block						Accumulated Depreciation						Net Block	
	As at 1st April 2021	Additions $	Classified as Discontinued Operation (Note 4.4)	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 1st April 2021	For the Year	Classified as Discontinued Operation (Note 4.4)	Translation Difference Add/(Less)	Deductions/ Adjustments/ Held for Disposal	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
TANGIBLE ASSETS*@														
Freehold Land	7,421.34	660.82	-	0.17	(9.01)	8,073.32	-	-	-	-	-	-	8,073.32	7,421.34
Leasehold Land	1,126.65	53.64	-	0.01	(1.66)	1,178.64	179.58	59.42	-	-	(0.32)	238.68	939.96	946.64
Leasehold Improvements	35.09	18.87	-	-	(10.32)	43.64	18.76	6.99	-	-	(9.93)	15.82	27.81	16.33
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	6,052.41
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	38,108.89
- Given on Lease	174.64	24.41	-	-	-	199.05	70.26	10.91	-	-	-	81.17	117.88	104.38
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	72.66
Vehicles	304.26	93.46	-	0.03	(50.92)	346.83	172.87	47.63	-	0.05	(36.52)	184.03	162.81	131.39
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	202.70
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	7.41	7.04	-	-	-	-	7.04	0.37	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	709.79
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**	**58,148.44**	**53,767.76**
Capital Work-in-Progress (including Pre-Operative Expenses)													6,572.18	10,952.71
Total PPE													**64,720.75**	**64,720.47**

* Net Block of Tangible Assets amounting to ₹ 8,320.37 crore (Previous Year ₹ 7,605.69 crore) is pledged as security against the secured borrowings. (Note 2.27)

@ 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.

$ Additions for the year ended 31st March 2022 includes addition on account of business combination. (Refer note 4.3 B)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Notes:

₹ in crore

		As at 31st March 2023	As at 31st March 2022
2.1.1	The title of immovable assets are in the process of being transferred in the name of the Company / subsidiaries (Gross Block):	2,726.70	3,025.56
2.1.2	Property, Plant and Equipment includes assets not owned by the Group (Gross Block)	480.92	528.28
2.1.3	Property, Plant and Equipment includes assets held on Co-ownership with other Companies (the Group's share)		
	Buildings	72.76	72.76
	Plant and Equipment	0.40	0.40
	Furniture and Fixtures	5.19	2.17
	Vehicles	0.07	0.07
	Office Equipment	8.26	2.21
		86.68	**77.61**
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	48.33	48.33
2.1.5	Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:		
	Expenditure incurred during the Year:		
	Raw Materials Consumed	17.21	21.08
	Salaries, Wages and Bonus	131.81	127.48
	Contribution to Provident and Other Funds	1.62	2.48
	Contribution to Gratuity Fund	0.20	0.41
	Expenses on Employee Stock Options Scheme	0.19	0.33
	Rent and Hire Charges	0.04	1.39
	Power and Fuel	51.44	7.23
	Insurance	3.34	2.39
	Depreciation on PPE	10.11	8.19
	Depreciation on RoU	1.19	3.79
	Borrowing Costs	51.77	158.24
	Consumption of Stores, Spare Parts and Components, Packing Materials, etc.	0.01	1.60
	Repairs and Maintenance	0.23	6.01
	Other Expenses	151.29	113.13
		420.45	**453.75**
	Add: Pre-Operative Expenditure incurred up to Previous Year	449.51	432.81
	Less: Stock of Trial Run Production	0.13	-
	Less: Trial-Run Production Transferred to Inventory	25.69	2.18
	Less: Sale of Trial Run Production	14.94	24.99
	Less: Capitalised/Charged during the Year	452.89	409.88
	Total Pre-Operative Expenses Pending Allocation	**376.31**	**449.51**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.1.6 Capital-Work-in Progress (CWIP)

CWIP aging schedule:

As at 31st March 2023

₹ in crore

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	6,050.47	1,351.45	130.15	145.44	7,677.51
Projects Temporarily Suspended	-	-	-	52.67	52.67
Total	**6,050.47**	**1,351.45**	**130.15**	**198.11**	**7,730.18**

As at 31st March 2022

₹ in crore

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
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**

Year ended 31st March 2023

₹ in crore

	Gross Block			Accumulated Depreciation				Net Block	
	As at 1st April 2022	Deductions	As at 31st March 2023	As at 1st April 2022	For the Year	Deductions	As at 31st March 2023	As at 31st March 2023	
Building	16.87	-	16.87	2.06	0.44	-	2.50	14.37	

2.2 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	

Information regarding Income & Expenditure of Investment property

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Rental Income Derived from Investment Property	0.50	0.50
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**	**0.44**
Depreciation for the Year	(0.44)	(0.43)
Profit/(Loss) arising from Investment Property before Indirect Expenses	**-**	**0.01**

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 ₹ 18.07 crore as on 31st March 2023 (Previous Year ₹ 19.02 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

The Group has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

2.3 GOODWILL

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the Year	**20,058.50**	**20,013.86**
Goodwill arising on account of Business Combination (Note 4.3)	0.01	14.28
Effects of Foreign Currency Exchange Differences	79.04	30.36
Balance at the end of the Year	**20,137.55**	**20,058.50**

2.3.1 Impairment Testing of Goodwill

Goodwill acquired in business combinations has been allocated to the following Segments/Cash Generating Units (CGUs):

₹ in crore

Segment	As at 31st March 2023	As at 31st March 2022
Cement	8,238.54	8,159.49
Financial Services	11,871.63	11,871.63
Others (Textile, Solar Power and other Subsidiaries)	27.38	27.38
	20,137.55	**20,058.50**

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 uses 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 periods 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

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Financial Services Business	Key Assumptions	As at 31st March 2023	As at 31st March 2022
Aditya Birla Money Limited (ABML), Aditya Birla Insurance Brokers Limited (ABIB) (i)	Discount Rate	14.75%	12.25% - 13.5%
	Terminal Growth Rate	5%	5%
Aditya Birla Housing Finance Limited (ABHFL) and Aditya Birla Finance Limited (ABFL) (ii)	Market Price to Adjusted Book Value	1.3 – 2.9 times (Based on average of comparable companies multiple)	1.4- 1.7 times (Based on average of comparable companies multiple)
Aditya Birla Sun Life Insurance Limited (ABSLI)# (iii)	Market Capitalisation (-) Embedded Value /VNB	10.9 times (Based on average of comparable companies multiple)	3.2 times (Based on average of comparable companies multiple)

March 2022 has been computed based on Market Capitalisation / Embedded Value, however VNB (value of its new business) margin essentially determines the profitability of new insurance contracts hence for March 2023 VNB has been added in computation of multiple.

(i) For ABML 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). For current year ABIB's recoverable amount has been determined based on consideration value of stake sale announced on 27th March 2023.

As a result of impairment test for the year ended 31st March 2023, 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 2023, 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 2023, 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.

2.4 OTHER INTANGIBLE ASSETS

Year ended 31st March 2023

₹ in crore

Particulars	Gross Block							Accumulated Amortisation						Net Block
	As at 1st April 2022	Additions	On Acquisition – Refer Note 4.3 (A)	Translation Difference Add/(Less)	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	Deductions/ Adjustments	As at 31st March 2023	As at 1st April 2022	For the Year	Translation Difference Add/(Less)	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	Deductions/ Adjustments	As at 31st March 2023	As at 31st March 2023
INTANGIBLE ASSETS (other than internally generated)														
Computer Software	758.55	156.85	–	–	(185.59)	(8.16)	721.65	457.20	138.10	–	(80.56)	(7.53)	507.21	214.44
Value of License/Right to use Infrastructure	97.02	–	–	–	–	–	97.02	43.42	8.41	–	–	–	51.83	45.19
Power Purchase Agreements	43.89	–	–	–	–	–	43.89	6.58	1.76	–	–	–	8.34	35.55
Power Line Rights	59.35	–	–	5.00	–	–	64.35	26.60	2.46	2.28	–	–	31.34	33.01
Rights to Manage and Operate Manufacturing Facilities	666.50	–	–	–	–	–	666.50	184.52	44.49	–	–	–	229.01	437.49
Group Management Rights	197.70	–	–	–	–	–	197.70	–		–	–	–	–	197.70
Customer Relationship	369.90	–	–	–	–	–	369.90	77.01	16.84	–	–	–	93.85	276.05
Distribution Network	1,533.03	–	–	–	–	–	1,533.03	613.19	133.68	–	–	–	746.87	786.16
Value in Force	1,649.00	–	–	–	–	–	1,649.00	522.18	109.93	–	–	–	632.11	1,016.89
Order Back Log	16.70	–	–	–	–	–	16.70	16.70	–	–	–	–	16.70	–
Technical Know-how	27.24	–	–	–	–	–	27.24	9.82	2.42	–	–	–	12.24	15.00
Trade Mark and Brands	223.17	–	–	–	–	–	223.17	188.90	7.82	–	–	–	196.72	26.45
Mining Rights	266.37	13.80	–	–	–	–	280.17	91.12	18.91	–	–	–	110.03	170.14
Non-Compete fees	21.50	–	–	–	–	–	21.50	21.50	–	–	–	–	21.50	–
Mining Reserve	5,486.86	–	148.16	–	–	–	5,635.02	458.82	127.21	–	–	–	586.03	5,048.99
Jetty Rights	246.80	53.43	–	–	–	(24.66)	275.57	50.60	16.27	–	–	(0.75)	66.12	209.45
Surface Rights	–	84.52	–	–	–	–	84.52	–	5.14	–	–	–	5.14	79.38
Total Intangible Assets	**11,663.58**	**308.60**	**148.16**	**5.00**	**(185.59)**	**(32.82)**	**11,906.93**	**2,768.17**	**633.44**	**2.28**	**(80.56)**	**(8.28)**	**3,315.04**	**8,591.89**
Intangible Assets Under Development														47.50
Total Intangible Assets														**8,639.39**

Year ended 31st March 2022

₹ in crore

Particulars	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 Reserves	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**

2.4.1 Based on written down value, the balance amortisation period of Material Intangible Assets:

Intangible Assets	As at 31st March 2023	As at 31st March 2022
Distribution Network	0.25 – 19.25 Years	1.25 – 20.25 Years
Mining Reserve	Over the period of the respective mining agreement	Over the period of the respective mining agreement
Value in Force	9.25 Years	10.25 Years

2.4.2 Intangible Assets Under Development

Intangible Assets Under Development Ageing Schedule :

As at 31st March 2023

₹ in crore

Intangible Assets Under Development	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	42.92	4.49	0.09	-	47.50
Projects Temporarily Suspended	-	-	-	-	-
Total	**42.92**	**4.49**	**0.09**	**-**	**47.50**

As at 31st March 2022

₹ in crore

Intangible Assets Under Development	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**

2.5 LEASES

A. Right of Use Assets

Year ended 31st March 2023

₹ in crore

Particulars	Gross Block						Accumulated Depreciation					Net Block	
	As at 1st April 2022	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	Additions	Other Adjustments	Deductions	As at 31st March 2023	As at 1st April 2022	Derecognition on conversion from Subsidiary to Joint Venture Refer Note. 4.12.5	For the Year	Other Adjustments	Deductions	As at 31st March 2023	As at 31st March 2023
Land #	826.40	-	509.31	5.95	(0.25)	1,341.41	95.89	-	48.08	1.41	(0.05)	145.33	1,196.08
Buildings #	820.31	(57.05)	257.57	-	(76.91)	943.92	331.62	(29.98)	130.72	-	(23.94)	408.42	535.50
Plant and Machinery	211.76	-	34.47	13.99	-	260.22	78.64	-	37.31	10.45	-	126.40	133.82
Software Platform	-	-	10.81	-	-	10.81	-	-	1.99	-	-	1.99	8.82
Ships	718.53	-	72.03	2.66	-	793.22	192.02	-	75.86	0.53	-	268.41	524.81
Total	**2,577.00**	**(57.05)**	**884.19**	**22.60**	**(77.16)**	**3,349.58**	**698.17**	**(29.98)**	**293.96**	**12.39**	**(23.99)**	**950.55**	**2,399.03**
Less: Depreciation Transferred to CWIP									(1.19)				
Net Depreciation Charged to the Statement of Profit and Loss									**292.77**				

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	47.34	36.91	1.88	(1.46)	826.40	65.54	3.48	27.40	0.26	(0.79)	95.89	730.51
Buildings #	716.90	-	199.81	-	(96.40)	820.31	247.95	-	121.60	-	(37.93)	331.62	488.69
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**				

Includes gross block of Leasehold Land of ₹ 142.57 crore (Previous Year ₹ 142.57 crore) & Leasehold Building of ₹ 16.80 crore (Previous Year ₹ 16.80 crore) having co-ownership with other companies.

(B) Analysis of Lease Liabilities

(B1) The following is the movement in lease liabilities during the year ended 31st March:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Lease Liabilities	1,557.54	1,668.61
Finance Cost Accrued during the Year (including revaluation of Lease Liabilities)	153.66	144.12
Additions during the Year (Net)	329.74	97.74
Less : Adjustment of ABHI's lease on account of conversion from Subsidiary to Joint Venture	(30.57)	-
Payment of Lease Liabilities (Including Interest)	(319.73)	(352.93)
Closing Lease Liabilities	**1,690.64**	**1,557.54**

(B2) Maturity Analysis of Lease Liabilities

₹ in crore

Maturity Analysis – Contractual Undiscounted Cash Flows	As at 31st March 2023	As at 31st March 2022
Less than one year	337.22	293.07
One to five years	1,052.37	997.68
More than five years	915.31	932.53
Total Undiscounted Lease Liabilities	**2,304.90**	**2,223.28**
Lease Liabilities included in the Statement of Financial Position	**1,690.64**	**1,557.54**
Current	**279.91**	**238.16**
Non-Current	**1,410.73**	**1,319.38**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(B3) Amount recognised in the Statement of Profit and Loss, not included in the Measurement of Lease Liabilities:

₹ in crore

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Variable Lease Payments not included in the Measurement of Lease liabilities	98.67	73.59
Expenses relating to Short-Term Leases	219.86	157.58
Expenses relating to Leases of Low-Value Assets, excluding Short-Term Leases of Low Value Assets	41.73	43.37
(Gains) or Losses arising from Modification of Lease Agreements and Others	18.79	2.19

(C) Income from sub-leasing of Right-to-Use Assets is ₹ 13.65 crore (Previous Year ₹ 5.46 crore).

(D) The total cash outflow for leases for the year is ₹ 319.73 crore (Previous Year ₹ 352.93 crore).

(E) 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.

2.6 NON-CURRENT ASSETS – INVESTMENT IN EQUITY ACCOUNTED INVESTEES

Investments in Equity Accounted Investees

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
Joint Ventures (Note 4.14 and Note 2.40 (B))			
Share in Net Assets	4,040.67		978.00
Goodwill	5.15		5.15
Equity Investments in Joint Ventures - At Cost	**4,045.82**		**983.15**
Impairment in Value of Investments	(1.65)		(1.65)
Share in Profit/Reserves of Joint Ventures (Post Acquisition)	339.15		428.67
		4,383.32	**1,410.17**
Associates (Note 4.14)			
Share in Net Assets	3,672.85		2,814.49
Goodwill	1,891.74		1,891.74
Equity Investments in Associates - At Cost	**5,564.59**		**4,706.23**
Impairment in Value of Investments	(0.22)		(0.22)
Share in Profit/Reserves of Joint Ventures (Post Acquisition)	1,069.15		933.99
		6,633.52	**5,640.00**
		11,016.84	**7,050.17**

2.6.1 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 2023

2.7 INVESTMENTS OF INSURANCE BUSINESS – NON-CURRENT

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
Investments in Equity Instruments			
Carried at FVTPL #	2,624.66		1,739.89
Carried at FVTPL	202.78		196.99
Carried at FVTOCI #	75.31		91.99
Carried at FVTOCI	0.85		0.83
		2,903.60	**2,029.70**
Investments in Government or Trust Securities			
Carried at Amortised Cost #	17,855.29		12,357.47
Carried at FVTOCI #	5,738.00		5,469.53
		23,593.29	**17,827.00**
Investments in Debentures			
Carried at Amortised Cost #	6,918.45		5,853.74
Carried at FVTOCI #	6,055.48		5,216.34
Carried at FVTPL #	52.61		25.86
		13,026.54	**11,095.94**
		39,523.43	**30,952.64**
# Quoted Investments			
2.7.1 Aggregate Book Value of :			
Quoted Investments		39,319.80	30,754.82
Unquoted Investments		203.63	197.82
		39,523.43	**30,952.64**
Aggregate Market Value of Quoted Investments		39,263.24	31,004.04

2.8 OTHER INVESTMENTS – NON-CURRENT

(Fully Paid-up)

₹ in crore

	Face Value	Units	As at 31st March 2023	As at 31st March 2022
Investments in Equity Instruments				
Carried at FVTOCI {Note 4.9 (A)}				
Thai Rayon Public Company Limited, Thailand #	Thai Baht 1	13,988,570	156.28	155.48
P.T. Indo Bharat Rayon Co. Limited, Indonesia	USD 100	5,000	676.46	644.78
Vodafone Idea Limited #	₹ 10	3,317,566,167	1,924.19	3,201.45
Hindalco Industries Limited #	₹ 1	88,048,812	3,569.06	5,014.38
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	2.40	2.73
Birla International Limited - British Virgin Islands	USD 100	2,500	5.46	5.18
Aditya Birla Fashion and Retail Limited #	₹ 10	97,671,271	2,093.59	2,950.65
Birla Management Centre Services Private Limited	₹ 10	9,000	13.90	10.58
Bhadreshwar Vidyut Private Limited			–	0.10
			8,441.34	**11,985.33**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

	Face Value	Units	As at 31st March 2023		As at 31st March 2022
Carried at FVTPL {Note 4.9 (A)}					
MOIL Limited#	₹ 10	24,490	0.35		0.45
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 11,690,777 Shares)	₹ 10	12,185,777	12.19		11.69
Lalganj Power Private Limited (Previous Year 13,032,882 Shares)	₹ 10	14,832,882	19.61		17.20
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 (Equity shares of ₹ 10 each aggregating to CY: ₹1000 (LY: ₹ 20,000))	₹ 10	100	–		–
Watsun Infrabuild Private Limited	₹ 10	642,600	0.64		0.64
VSN Onsite Private Limited	₹ 10	7,852,649	10.15		10.15
Solbridge Energy Private Limited	₹ 10	1,738,490	2.21		2.21
Sunroot Energy Private Limited (Previous Year 510,000 Shares)	₹ 10	8,606,393	8.61		0.51
VSV Offsite Private Limited	₹ 10	388,890	0.53		0.53
Amplus Alpha Solar Private Limited (Previous Year 2,598,864 Shares)	₹ 10	2,973,864	2.97		2.60
Clean Max Theia Private Limited	₹ 10	22,891,488	41.20		–
Ostro Alpha Wind Private Limited	₹ 10	6,966,635	8.36		–
Renew Surya Spark Private Limited	₹ 10	7,160,946	7.16		–
				121.73	**53.73**
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	36.45		34.28
1% Redeemable Preference Shares of Aditya Group AB, Sweden, of aggregate value of USD 8 million	WPV	160,000	49.11		49.88
Others					
7% Non-Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	5,600,000	57.91		57.80
8% Redeemable and Cumulative Preference Shares of Aditya Birla Fashion and Retail Limited	₹ 10	500,000	1.02		0.98
8.10% Preference Share of Kotak Mahindra Bank	₹ 5	70,000,000	35.00		35.00
				179.49	**177.94**
Investments in Debentures or Bonds and Other Investments {Note 4.9 (A)} #					
Carried at FVTPL					
Tax-Free Bonds			162.07		282.75
Taxable Corporate Bonds			280.89		290.83
				442.96	**573.58**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

	Face Value	Units	As at 31st March 2023		As at 31st March 2022
Investments in Bonds/Debentures					
Carried at Amortised Cost #	₹ 257	1,000,000	106.97		55.34
Carried at Amortised Cost	₹ 75	10,000,000	29.23		80.31
				136.20	**135.65**
Other Investments					
Carried at Amortised Cost					
Investments in Security Receipts			13.18	13.18	–
Carried at FVTPL					
Investments in Security Receipts			124.93		178.78
Investments in Alternate Funds			9.98		81.89
Investments in Limited Liability Partnership			26.60		26.60
				161.51	**287.27**
Carried at FVTPL					
Investments in Mutual Funds {Note 4.9 (A)}				6.49	667.67
				9,502.90	**13,881.17**

WPV - Without Par Value

Quoted Investments

2.8.1 Aggregate Book Value of :

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted Investments	8,293.40	11,951.33
Unquoted Investments	1,209.50	1,929.84
	9,502.90	**13,881.17**
Aggregate Market Value of Quoted Investments	8,293.40	11,951.33

2.8.2 Category wise Other Non-Current Investments:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted		
Financial Investments Measured at FVTOCI		
Equity Shares	7,743.12	11,321.96
Sub-Total (a)	**7,743.12**	**11,321.96**
Financial Investments Measured at FVTPL		
Debentures or Bonds	442.96	573.58
Equity Shares	0.35	0.45
Sub-Total (b)	**443.31**	**574.03**
Financial Investments Measured at Amortised Cost		
Debentures or Bonds	106.97	55.34
Sub-Total (c)	**106.97**	**55.34**
Total (d) [a + b + c]	**8,293.40**	**11,951.33**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Unquoted		
Financial Investments Measured at FVTOCI		
Equity Shares	698.22	663.37
Sub-Total (e)	**698.22**	**663.37**
Financial Investments Measured at FVTPL		
Equity Shares	121.38	53.28
Mutual Funds	6.49	667.67
Preference Shares	179.49	177.94
Private Equity Investment Funds	161.51	287.27
Sub-Total (f)	**468.87**	**1,186.16**
Financial Investments Measured at Amortised Cost		
Private Equity Investment Funds	13.18	-
Government or Trust Securities	29.23	80.31
Sub-Total (g)	**42.41**	**80.31**
Total (h) [e + f + g]	**1,209.50**	**1,929.84**
Total (d + h)	**9,502.90**	**13,881.17**

2.9 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Carried at Fair Value through Profit or Loss		
Quoted Investments		
Mutual Funds	337.82	583.30
Equity Instruments	13,795.91	13,028.13
Government or Trust Securities	6,311.66	5,926.28
Debentures	6,372.52	6,574.62
Unquoted Investments		
Other Non-Current Investments	25.04	25.00
	26,842.95	**26,137.33**
2.9.1 Aggregate Book Value of Quoted Investments	26,817.91	26,112.33
2.9.2 Aggregate Market Value of Quoted Investments	26,817.91	26,112.33
2.9.3 Aggregate Value of Unquoted Investments	25.04	25.00

2.10 TRADE RECEIVABLES – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Considered Good *	6.82	-
	6.82	**-**

* Trade Receivables ageing schedule - All amount are Not Due

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.11 LOANS -NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, Considered Good	54,836.40	43,671.62
Unsecured, Considered Good	14,384.69	6,981.74
Secured, receivables which have significant increase in credit risk	2,353.72	1,956.03
Unsecured, receivables which have significant increase in credit risk	599.30	258.29
Less: Expected Credit Loss Allowance	(1,729.07)	(1,223.85)
Loans to Related Parties (Note 4.7.2)	12.83	-
Loans against Insurance Policies	396.47	291.55
Loans to Employees	16.78	18.74
	70,871.12	**51,954.12**

2.12 OTHER FINANCIAL ASSETS -NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits	530.88	447.46
Less: Provision on Deposits	(0.44)	(0.44)
Deposits to Related Party (Note 4.7.2)	70.78	35.93
Derivative Assets - Carried at Fair Value	446.97	371.33
Government Grant Receivables	527.83	578.05
Less: Provision towards Government Incentive	(6.70)	(3.76)
Fixed Deposits with Banks with maturity more than 12 months *	481.39	90.47
Receivables towards Divested Business $	44.24	46.26
Less: Provision towards Divested Businesses	(9.11)	(11.14)
Reinsurance Assets	921.90	892.05
Advances to Body Corporates	740.53	-
Other Receivables	11.43	11.79
	3,759.70	**2,458.00**
* Includes:		
Lodged as security with Government Departments	0.67	2.17
Lien Marked in favour of Insurance Regulatory Development Authority of India (IRDA) and Banks	10.05	1.31

$ The Company has to receive from purchaser ₹ 35.13 crore (Previous Year ₹ 35.12 crore) towards Tax Refund.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.13 (A) DEFERRED TAX ASSETS (NET)

₹ in crore

Current Year	As at 1st April 2022	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2023
Deferred Tax Assets:				
Provision allowed under Tax on Payment Basis	29.67	(18.20)	(2.76)	8.71
Unabsorbed Losses	142.22	69.26	(1.65)	209.83
Unrealised Profits arising on Intragroup Stock Transfers	15.09	(17.34)	-	(2.25)
Expected Credit Loss Allowance	283.80	169.96	-	453.76
Others	30.90	2.09	(1.61)	31.38
	501.68	**205.77**	**(6.02)**	**701.43**
Deferred Tax Liabilities:				
Impact of difference between Tax Depreciation and Depreciation/ Amortisation charged for financial reporting	244.98	64.50	-	309.48
Others (Fair Value of Borrowings and Contingent Liabilities)	10.66	(1.84)	0.87	9.69
	255.64	**62.66**	**0.87**	**319.17**
Deferred Tax Assets (Net)	**246.04**	**143.11**	**(6.89)**	**382.26**

₹ in crore

Previous Year	As at 1st April 2021	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2022
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

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.13 (B) DEFERRED TAX LIABILITIES (NET)

₹ in crore

Current Year	As at 1st April 2022	Recognised in Profit or Loss	Recognised in OCI	As at 31st March 2023
Deferred Tax Liabilities:				
Accumulated Depreciation and Amortisation	8,055.86	374.90	-	8,430.76
Fair Valuation of Investments	490.29	(35.84)	(394.37)	60.08
Fair Valuation of Land, Inventories and Investments Acquired on Merger	435.19	(20.89)	(11.63)	402.67
Others (including Ind AS 116 transition impact)	356.55	22.27	0.72	379.54
	9,337.90	**340.44**	**(405.28)**	**9,273.05**
Deferred Tax Assets:				
Accrued Expenses Allowable on Payment Basis	11.66	2.08	(0.06)	13.68
Expenses Allowable in Instalments in Income Tax	6.84	(3.28)	-	3.56
Provisions Allowed Under Tax on Payment Basis	361.44	(31.81)	0.01	329.64
Unabsorbed Depreciation	177.48	15.33	-	192.81
Income Tax Interest Offered for Tax, to be claimed in future	29.31	(8.20)	-	21.11
MAT Credit Entitlement	0.07	(0.01)	-	0.06
Others (including Ind AS 116 transition impact)	224.43	7.38	37.01	268.82
	811.23	**(18.51)**	**36.96**	**829.67**
Deferred Tax Liabilities (Net)	**8,526.67**	**358.95**	**(442.24)**	**8,443.38**

₹ in crore

Previous 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 (including Ind AS 116 transition impact)	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 (including Ind AS 116 transition impact)	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 respect of Deferred Taxes, all items are attributable to origination and reversal of temporary differences.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.13.1 Considering significant capitalisation of assets in the previous 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 previous year in the Statement of Profit and Loss.

2.13.2 During current year, the Company has decided to opt for lower tax regime from the financial year 2022-23 in terms of provision of Section 115BAA of Income tax Act, 1961. Provision for current and deferred tax expenses has been recognized accordingly.

2.13.3 During the previous year ended 31st March2022, pursuant to completion of prior income tax assessments, the Subsidiary has accrued Minimum Alternate Tax Credit Entitlement of ₹ 1,213.94 crore which has been utilised against the previous year tax expense.

2.13.4 The Group has not recognized Deferred Tax Assets on the unabsorbed depreciation, business losses, long-term capital loss and other temporary differences amounting to ₹ 1101.55 crore (Previous Year ₹ 1,055.73 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.

2.14 OTHER NON-CURRENT ASSETS

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Advances		
Unsecured, Considered Good	3,442.32	2,585.78
Unsecured, Considered Doubtful	12.36	12.36
Less: Allowance for Doubtful	(12.36)	(12.36)
Balances with Government Authorities		
Unsecured, Considered Good	742.40	650.40
Prepaid Expenses	8.80	20.06
Deferred Acquisition Costs	1.54	1.64
Other Advances	81.16	89.39
	4,276.22	**3,347.27**

2.15 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

₹ in crore

	As at 31st March 2023			As at 31st March 2022		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,943.46	1,230.15	3,173.61	1,862.58	1,096.59	2,959.17
Work-in-Progress	1,592.29	–	1,592.29	1,177.01	-	1,177.01
Finished Goods	1,526.51	294.73	1,821.24	1,204.28	257.78	1,462.06
Stock-in-Trade	121.76	2.52	124.28	39.77	2.85	42.62
Stores and Spare Parts	3,764.87	665.00	4,429.87	3,232.23	644.33	3,876.56
Waste/Scrap (valued at Net Realisable Value)	17.86	–	17.86	19.00	-	19.00
	8,966.75	**2,192.40**	**11,159.15**	**7,534.87**	**2,001.55**	**9,536.42**

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 ₹ 68.19 crore (Previous Year ₹ 68.85 crore). Inventory values shown above are net of write down.

2.15.1 Working Capital Borrowings are secured by hypothecation of inventories of the respective companies.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.16 NVESTMENTS OF INSURANCE BUSINESS – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Investments in Mutual Funds		
Carried at Fair Value through Profit or Loss (FVTPL) #	–	126.82
Carried at Fair Value through Profit or Loss (FVTPL)	1.27	-
Investments in Government or Trust Securities		
Carried at Amortised Cost #	14.35	7.60
Carried at FVTOCI #	99.29	168.00
Investments in Debentures/Bonds		
Carried at Amortised Cost #	127.81	112.37
Carried at FVTOCI #	132.68	450.55
Less: impairment	–	(1.66)
Other Current Investments		
Carried at Amortised Cost #	417.04	979.81
Carried at Amortised Cost	10.28	-
Carried at FVTOCI #	97.97	490.42
Carried at FVTOCI	–	5.31
	900.69	**2,339.22**

Quoted Investments

2.16.1 Aggregate Book Value of:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Quoted Investments	889.14	2,333.91
Unquoted Investments	11.55	5.31
	900.69	**2,339.22**
Aggregate Market Value of Quoted Investments	889.89	2,280.18
Aggregate Impairment in Value of Investments	–	1.66

2.17 OTHER INVESTMENTS – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
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)	323.76	264.44
Investments in Mutual Funds:		
Carried at FVTPL	8,315.44	9,283.16
Investments in Government Securities		
Carried at FVTPL #	33.14	119.80
Investments in Bonds		
Carried at FVTPL #	534.69	90.97
Carried at FVTPL	414.11	436.02
Carried at FVTOCI #	65.33	87.50

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Investments in Debentures		
Carried at FVTPL	3,835.25	1,573.94
Carried at FVTPL #	74.83	-
Other Investments		
Carried at FVTPL (Certificate of Deposits)	190.00	190.00
Carried at Amortised Cost (Fixed Deposit with Financial Institutions with maturity less than twelve months)	119.09	337.04
	13,905.64	**12,382.87**

Quoted Investments

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
2.17.1 Aggregate Book Value of:		
Quoted Investments	1,031.75	562.71
Unquoted Investments	12,873.89	11,820.16
	13,905.64	**12,382.87**
2.17.2 Aggregate Market Value of Quoted Investments	1,031.75	562.71

2.18 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Carried at Fair Value through Profit or Loss		
Quoted Investments		
Mutual Funds	-	15.10
Government or Trust Securities	1,675.63	1,085.84
Debentures	567.08	1,215.29
Other Current Investments	1,314.20	1,855.99
Other Current Assets	(39.81)	(165.49)
Unquoted Investments		
Other Current Investments	145.74	15.99
	3,662.84	**4,022.72**
2.18.1 Aggregate Book Value of Quoted Investments	3,517.10	4,006.73
2.18.2 Aggregate Market Value of Quoted Investments	3,517.10	4,006.73
2.18.3 Aggregate Value of Unquoted Investments	145.74	15.99

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.19 TRADE RECEIVABLES

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
Secured, Considered Good*@	935.51		758.35
Unsecured*@			
Considered Good	4,979.59		4,671.39
Trade Receivables which have significant increase in Credit Risk	124.14		19.00
Credit Impaired	33.18		182.43
		6,072.42	**5,631.17**
Less: Loss Allowance		157.32	201.81
		5,915.10	**5,429.36**
Trade receivables are interest and non-interest bearing, and are generally up to 180 days terms.			
* Includes amount in respect of which the Company holds Letters of Credit/Guarantees from Banks.		129.05	260.51
@ Includes amount due from Related Parties (Note 4.7.2)		17.17	10.15

2.19.1 Working Capital Borrowings are secured by hypothecation of book debts of the Company.

2.19.2 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.

2.19.3 Trade Receivable includes amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

2.19.4 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.

2.19.5 Trade Receivables ageing schedule

As at 31st March 2023

₹ 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	1,545.01	30.37	21.84	0.19	3.15	1,600.56
Undisputed Trade Receivables – which have significant increase in Credit Risk	1.32	11.54	13.21	0.13	0.68	26.88
Undisputed Trade Receivables – Credit Impaired	2.30	1.41	18.79	5.20	35.90	63.60
Disputed Trade Receivables – Considered Good	0.16	0.40	0.74	-	5.54	6.84
Disputed Trade Receivables – which have significant increase in Credit Risk	-	0.15	3.34	1.38	2.49	7.36
Disputed Trade Receivables – Credit Impaired	0.08	4.39	3.58	3.13	48.30	59.48
Total (A)						**1,764.72**
Not Due (B)						**4,284.62**
Less: Loss Allowance (C)						**157.32**
Net Total (A+B–C)						**5,892.02**
Add: Unbilled Revenue						**23.08**
Grand Total						**5,915.10**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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**

2.20 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Banks		
In Current Account	1,550.36	1,629.64
In Deposit Account – Original Maturity of 3 Months or Less	641.22	504.43
In EEFC Account	0.61	0.03
Cheques in Hand	82.82	99.06
Cash on Hand	37.55	7.54
	2,312.56	**2,240.70**

2.20.1 There is no restriction with regard to cash and cash equivalents as at the end of each reporting period and prior periods.

2.21 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Earmarked Balance with Banks		
In Government Treasury Savings Account	0.03	0.03
Unclaimed Dividend (Including Unclaimed Fractional Warrants)	32.80	31.16
Bank Deposits (with maturity more than 3 months but less than 12 months) $	1,367.99	980.66
	1,400.82	**1,011.85**
$ Bank Deposits include:		
Earmarked for specific purpose	161.78	161.68
Lodged as Security with Government Departments	32.89	32.50
Margin Money with Exchange	94.11	292.78
Towards Issue of Bank Guarantee	12.09	111.15
The Company is in the process of transferring Fixed Deposits in its own name	4.50	4.24

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.21.1 There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at 31st March 2023 and 31st March 2022.

2.22 LOANS – CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Loans against House Property (Secured by way of Title Deeds)	–	0.05
Loans and Advances of Financial Services		
Secured	8,447.11	7,995.30
Unsecured	13,999.71	6,288.10
Less: Expected Credit Loss Allowance	(125.35)	(84.39)
Loans against Insurance Policies	9.26	2.51
Inter-Corporates Deposits	–	18.00
Loans to Related Parties (Note 4.7.2)	–	16.13
Others (include Loans to Employees, etc.)	11.35	11.31
	22,342.08	**14,247.01**

2.23 OTHERS FINANCIAL ASSET – CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Derivative Assets – Carried at Fair Value	62.38	52.47
Interest Accrued on Investments	61.18	49.02
Unclaimed Amount of Policyholders*	197.52	256.69
Government Grants Receivable	829.01	1,045.24
Reinsurance Assets	353.02	364.73
Other Receivables from Related Parties (Note 4.7.2)	12.62	21.24
Security Deposits	220.55	218.81
Others (Insurance Claims, Railways Claims and other Receivables)	612.64	765.56
	2,348.92	**2,773.76**

* As per the IRDAI circular, a separate fund is to be formed for unclaimed amount of Policyholders.

2.24 OTHER CURRENT ASSETS

(Unsecured, Considered Good, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Government Authorities	1,284.39	1,049.04
Less: Loss Allowance	(59.59)	(59.59)
Advances to Suppliers	1,523.04	1,147.11
Less: Loss Allowance	(4.48)	(4.62)
Deferred Acquisition Costs	0.71	0.94
Advance to Related Parties (Note 4.7.2)	2.49	15.54
Others (include Prepayments, etc.)	806.71	625.72
	3,553.27	**2,774.14**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.25 EQUITY SHARE CAPITAL

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
2.25.1 Authorised *		
2,062,500,000 Equity Shares of ₹ 2/- each (Previous Year 2,062,500,000 Shares of ₹ 2/- each)	412.50	412.50
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	**423.50**

* 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 2023	As at 31st March 2022
2.25.2 Issued, Subscribed and Fully Paid-up		
658,432,126 Equity Shares of ₹ 2 each (Previous Year 658,295,426 Equity Shares of ₹ 2 each) fully paid-up	131.68	131.66
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	0.01	0.01
Arrangement without payment being received in cash		
	131.69	**131.67**

2.25.3 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.

2.25.4 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

Particulars	Number of Shares		₹ in crore	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Outstanding as at the beginning of the year	658,323,721	658,073,139	131.67	131.62
Issued during the year under Employee Stock Options Scheme	136,700	250,582	0.02	0.05
Outstanding as at the end of the year	**658,460,421**	**658,323,721**	**131.69**	**131.67**

2.25.5 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.

2.25.6 The Company does not have any Holding Company.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
2.25.7 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)	56,853,028	8.63%	56,752,955	8.62%

2.25.8 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Birla Group Holdings Private Limited	125,004,398	18.99%	125,004,398	18.99%
Life Insurance Corporation of India	61,547,074	9.35%	60,011,298	9.12%
IGH Holdings Private Limited	42,436,393	6.45%	42,436,393	6.45%

2.25.9 Shareholding of Promoters and Promoters Group:

Sr. No.	Name of the Promoter	As at 31st March 2023			As at 31st March 2022		
		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%	0.00%	125,004,398	18.99%	-0.01%
2	IGH Holdings Private Limited	42,436,393	6.45%	0.00%	42,436,393	6.45%	0.68%
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%	0.00%
5	Pilani Investment and Industries Corporation Limited	24,714,527	3.75%	0.00%	24,714,527	3.75%	-0.01%
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%	0.00%
8	Anatole Investments Pte Ltd*	4,459,323	0.68%	0.00%	4,459,323	0.68%	0.27%
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%	0.00%
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 Kumar Mangalam 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	**42.75%**	**0.00%**	**281,464,723**	**42.76%**	**0.93%**

* GDRs held by Promoter Group

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

	Particulars	As at 31st March 2023	As at 31st March 2022
2.25.10	Shares reserved for issue under options and contracts, including the terms and amounts	2,036,941	1,696,470
	For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Note 4.5)		
2.25.11	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

2.26 OTHER EQUITY – ATTRIBUTABLE TO OWNERS OF THE COMPANY

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
a)	Equity Component of Other Financial Instruments	3.00	3.00
b)	Capital Reserve	146.31	146.31
c)	Legal Reserve	0.29	0.31
d)	Securities Premium	27,256.09	27,229.59
e)	General Reserve	38,421.45	35,419.61
f)	Debenture Redemption Reserve	35.32	35.32
g)	Special Reserve Fund	971.40	584.20
h)	Treasury Shares held by ESOP Trust	(387.32)	(239.30)
i)	Retained Earnings	12,980.04	10,159.72
j)	Employee Share Options Outstanding	410.57	301.83
k)	Debt Instruments through OCI	(47.74)	0.45
l)	Equity Instruments through OCI	(1,514.53)	1,568.89
m)	Hedging Reserve	(105.65)	6.81
n)	Foreign Currency Translation Reserve	441.07	349.82
		78,610.30	**75,566.56**

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.27 BORROWINGS – NON-CURRENT

(Carried at Amortised Cost, except otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
Non-Convertible Debentures {Note (a)}	15,864.93	11,392.39
Term Loans from Banks		
Rupee Term Loans from Banks {Note (b)}	36,578.83	21,632.67
Foreign Currency Loans {Note (c)}	1,931.24	2,404.34
Subsidised Government Loans {Note (d)}	168.10	207.86
Term Loans from Others {Note (e)}	–	0.41
Unsecured		
Non-Convertible Debentures {Note (f)}	7,920.18	7,700.51
Term Loans from Banks		
Foreign Currency Loans {Note (g)}	821.74	–
Term Loans from Others {Note (h)}	17.59	12.18
Subsidised Government Loans {Note (i)}	111.86	152.71
Preference Shares classified as Liability {Note (j)}	11.19	11.19
Foreign Currency Bonds {Note (k)}	3,286.80	3,031.70
	66,712.46	**46,545.96**

2.27.1 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 2023	As at 31st March 2022
(a)	**Non-Convertible Debentures (NCDs)**		
(i)	NCDs of NBFCs and NHFCs		
	Debentures Secured by way of mortgage on the immovable property and first pari-passu charge on certain financial assets of the fellow Subsidiary Companies:		
	Repayment Terms : Maturing within 1 year, Rate of Interest 6.25% to 9.29% p.a.	2,586.02	3,123.00
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 5.12% to 9.29% p.a.	8,438.80	5,528.30
	Repayment Terms : Maturing after 3 years, Rate of Interest 6.25% to 11.50% p.a.	6,926.13	5,364.09
(ii)	Other NCDs *		
	7.53% NCDs (Redeemable at par on 21st August 2026)	500.00	500.00
		18,450.95	**14,515.39**
	Less: Amount disclosed as current maturities of long-term debts under the head		
	'Current Borrowings' (Note 2.32)	2,586.02	3,123.00
		15,864.93	**11,392.39**

* 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March 2023	As at 31st March 2022
Term Loans from Banks			
(b)	**Rupee Term Loans $**		
(bi)	Borrowings of NBFCs and NHFCs		
	Repayment Terms : Maturing within 1 year, Rate of Interest 2.94% to 8.80% p.a.	12,237.71	7,234.52
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 2.94% to 8.80% p.a.	21,703.08	15,636.65
	Repayment Terms : Maturing after 3 years, Rate of Interest 2.94% to 9.15% p.a.	12,417.76	6,044.91
$ The term loan from banks are secured by way of first *pari passu* charge on the receivables of the respective subsidiaries Company.			
(bii)	Other Borrowings ^^		
	RBL Bank Ltd. Repaid during the Year	–	10.13
	RBL Bank Ltd. The loan is repayable in 76 structured quarterly instalments beginning from 30th November 2023. 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 25th November 2042. Rate of Interest 5.05% to 8.30% p.a.	18.49	18.18
	RBL Bank Ltd. The loan is repayable in 76 structured quarterly instalments beginning from 31st March 2023. The letter of credit on its maturity will be converted into a term loan with RBL Bank having the repayment terms as mentioned above. The maturity of the loan is 31st December 2041. Rate of Interest 4.75% to 8.18% p.a.	74.36	21.72
	ICICI Bank Ltd. Repayable in structured quarterly instalments beginning from 31st December 2019 not exceeding beyond 31st December 2038.-Rate of Interest 7.80% to 7.85% p.a.	84.99	78.97
	Axis Bank Ltd. The loan is repayable in 78 structured quarterly instalments beginning from 31st March 2024 last installment falling due in June 2043.-Rate of Interest 8.00% to 9.10% p.a.	190.88	11.02
	ICICI Bank Ltd. Repaid during the Year	–	12.19
	ICICI Bank Ltd. The loan is repayable in 76 equal quarterly instalments beginning from 31st March 2019. The Company has opted for moratorium for repayment of principal and interest falling due to the bank from March 2020 to May 2020 granted by Reserve Bank of India as a relief measure for COVID -19.-Rate of Interest 7.40% to 7.45% p.a.	55.29	59.50
	ICICI Bank Ltd. The loan is repayable in 70 quarterly instalments starting from 31st December 2021 last installment falling due in March 2039.-Rate of Interest 7.80% to 8.10% p.a.	12.32	1.10
	Kotak Bank Ltd. Repayable in 70 quarterly instalments beginning 31st December 2021.-Rate of Interest 6.45% to 8.70% p.a.	112.84	88.43
	Citibank N.A. Repayable in 74 quarterly instalments beginning February 2019.-Rate of Interest 4.48% to 8.20% p.a.	20.29	21.76
	ICICI Bank Ltd. The loan is repayable in 74 quarterly instalments which should not exceed the maturity date i.e., 31st March 2038. -Rate of Interest 7.40% to 8.80% p.a.	22.08	23.65
	Axis Bank Ltd. The loan is repayable in 60 quarterly instalments at the % repayment agreed in the loan agreement which should not exceed the maturity date i.e., 31st March 2036. The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above.-Rate of Interest 5.30% to 7.25% p.a.	11.40	12.13
	Axis Bank Ltd. The loan is repayable in 60 quarterly instalments at the % repayment agreed in the loan agreement which should not exceed the maturity date i.e., 31st March 2036. On its maturity will be converted into a term loan having the repayment terms as mentioned above.-Rate of Interest 6.59% to 11.22% p.a.	15.91	14.66
	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.-Rate of Interest 5.28% to 8.50% p.a.	84.09	84.13

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March 2023	As at 31st March 2022
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 31st December 2022 and ending on 31st March 2037 with bullet of 20% on 31st March 2037. The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above.-Rate of Interest 5.30% to 8.50% p.a.	23.19	23.18
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 31st December 2022 and ending on 31st March 2037.-Rate of Interest 7.75% to 8.75% p.a.	5.70	6.42
Kotak Bank Ltd.	Repayable in such structured quarterly instalments beginning from 31st December 2021 not exceeding beyond 31st March 2037.-Rate of Interest 6.45% to 8.70% p.a.	14.04	14.43
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 31st December 2022 last installment falling due in March 2037.-Rate of Interest 7.75% to 9.30% p.a.	2.39	0.15
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.-Rate of Interest 5.30% to 8.50% p.a.	5.33	5.33
Axis Bank Ltd.	The loan is repayable in 57 structured quarterly instalments beginning from 31st March 2023 last installment falling due in March 2037.-Rate of Interest 7.75% to 9.30% p.a.	10.90	2.57
RBL Bank Ltd.	Repaid during the Year	-	29.56
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 30th June 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 30th September 2036.-Rate of Interest 5.25% to 8.50% p.a.	22.46	22.46
Axis Bank Ltd.	The loan is repayable in 58 structured quarterly instalments beginning from 30th June 2022. The suppliers 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 30th September 2036.-Rate of Interest 5.05% to 5.20% p.a.	28.89	26.96
Bank of Baroda	Repayable in structured quarterly instalments as per the loan agreements up to September 2034.-Rate of Interest 7.70% to 9.70% p.a.	191.01	206.20
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. Rate of Interest 8.10% to 8.70% p.a.	335.53	345.70
Standard Chartered Bank	The facility is repayable by January 2025 as the maturity date of the credit instrument. Rate of Interest 5.86% to 10.98% p.a.	44.74	118.44
Standard Chartered Bank	The facility is repayable between 14th November 2022 - 5th December 2022 as the maturity date of the credit instrument. Rate of Interest 6.93% to 6.96% p.a.	52.27	145.28
ICICI Bank Ltd.	The loan is repayable in 78 structured quarterly instalments beginning from 31st March 2024. The letter of credit on its maturity will be converted into a term loan with ICICI Bank having the repayment terms as mentioned above. The maturity of the loan is 30th June 2043.-'Rate of Interest 7.10% to 7.90% p.a.	111.94	-
RBL Bank Limited	The loan is repayable in 76 structured quarterly instalments beginning from 31st March 2023. The letter of credit on its maturity will be converted into a term loan with Ratnakar Bank Limited having the repayment terms as mentioned above. The maturity of the loan is 31st December 2041.-'Rate of Interest 5.60% to 8.05% p.a.	15.50	-
ICICI Bank Ltd.	The loan is repayable in 78 structured quarterly instalments beginning from 31st March 2024. The letter of credit on its maturity will be converted into a term loan with ICICI Bank having the repayment terms as mentioned above. The maturity of the loan is 30th June 2043. Rate of Interest 7.80% to 7.90% p.a.	15.78	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March 2023	As at 31st March 2022
RBL Bank Limited	The loan is repayable in 69 structured quarterly instalment after the end of moratorium period as per the loan agreement which shall not exceed 31st March 2041.The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above. Rate of Interest 7.15% to 8.16% p.a.	52.81	-
Kotak Mahindra Bank	Term Loan shall be repaid in 70 structured quarterly instalments starting 31st December 2022 and ending on 31st March 2040. Rate of Interest 8.30% to 8.85% p.a.	162.88	-
RBL Bank Limited	The loan is repayable in 69 structured quarterly instalment after the end of moratorium period as per the loan agreement which shall not exceed 31st March 2041. Rate of Interest 8.95% to 9.64% p.a.	18.97	-
Deutsche Bank AG	The loan is repayable from the date of first drawdown beginning from 30th January 2024. Rate of Interest 9.07% to 9.89% p.a.	227.37	-
Federal Bank	The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 31st January 2043. Rate of Interest 8.40%	5.17	-
ICICI Bank Ltd.	The loan is repayable in 78 structured quarterly instalments beginning from 31st March 2024. The maturity of the loan is 30th June 2043. Rate of Interest 8.10% to 8.65% p.a.	81.54	-
IndusInd Bank	The loan is repayable in 76 structured quarterly instalments beginning from 30th June 2024 last installment falling due in March 2043. Rate of Interest 7.85% to 8.96% p.a.	616.48	-
Federal Bank	The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 31st January 2043. Rate of Interest 8.37%	1.99	-
		49,108.37	**30,320.32**
	Less: Amount disclosed as current maturities of long-term debts under the head		
	'Current Borrowings' (Note 2.32)	12,529.54	8,687.65
		36,578.83	**21,632.67**

^^ The above-mentioned loans are secured by way of first charge, having *pari passu* rights, on the Subsidiary's Property Plant and Equipments, both present and future, situated at certain locations, in favour of Subsidiary's lenders.

₹ in crore

Secured Long-Term Borrowings:		Repayment Terms	As at 31st March 2023	As at 31st March 2022
(c)	**Term Loan from Banks in Foreign Currency**			
	External Commercial Borrowing		1,931.24	2,404.34
			1,931.24	**2,404.34**
(d)	**Subsidised Government Loans**			
	Department of Industries and Commerce, Karnataka -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 2032 to March 2034.	151.92	108.69
	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.	50.80	84.95
	Term Loan secured by way 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.	9 half yearly instalments from 1st April 2020 of ₹ 27.80 crore each. Remaining 2 half yearly instalments of ₹ 27.80 crore each	56.59	115.45
	Rate of interest @5%			

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Secured Long-Term Borrowings:	Repayment Terms	As at 31st March 2023	As at 31st March 2022
Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.32)		91.21	101.23
		168.10	**207.86**
(e) Term Loan from Others			
Loan taken against IT hardware by the Subsidiary Company	Repaid during the Year	–	3.21
Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.32)		–	2.80
		–	**0.41**
Total Secured Borrowings (I)		**54,543.10**	**35,637.67**

₹ in crore

Unsecured Long-Term Borrowings:	As at 31st March 2023	As at 31st March 2022
(f) Debentures		
(f1) Non-Convertible Debentures (NCDs)		
6.99% Series 21-22/I NCDs (Redeemable at par on 4th April 2031)	997.45	997.20
7.50% Series 22-23/I NCDs (Redeemable at par on 10th June 10, 2027)	997.50	–
7.63% Series 22-23/II NCDs (Redeemable at par on 1st December 2027)	998.50	–
6.68% NCDs (Redeemable at par on 20th February 2025)	250.00	250.00
7.60% Series 19-20/II NCDs (Redeemable at par on 4th June 2024)	716.33	726.02
7.64% NCDs (Redeemable at par on 4th June 2024)	229.27	250.00
7.85% Series 19-20/I NCDs (Redeemable at par on 15th April 2024)	499.37	488.15
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)	499.85	499.82
9.00% 30th Series NCDs (Redeemable at par on 10th May 2023)	200.12	202.03
6.65% Series 19-20/III NCDs (Redeemable at par on 17th February 2023)	–	499.51
6.72% NCDs (Redeemable at par on 9th December 2022)	–	250.00
7.65% Series 18-19/I NCDs (Redeemable at par on 13th April 2022)	–	499.97
Less: Amount disclosed as current maturities of long-term debts under the head		
(f2) Subordinate Debentures		
Unsecured Debenture : 7.57% p.a. (Redeemable in August 2035)	653.96	105.00
Subordinate Debts - Debentures 7.34% to 9.76% p.a. (Redeemable from July 2026 to January 2031)	2,377.80	3,022.86
Perpetual Debts 8.70% p.a. (Maturing in July 2027)	200.00	200.00
Less: Amount disclosed as current maturities of long-term debts under the head		
'Current Borrowings' (Note 2.32)	1,699.97	1,290.05
	7,920.18	**7,700.51**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Unsecured Long-Term Borrowings:	Repayment Terms	As at 31st March 2023	As at 31st March 2022
(g) Term Loans from Banks in Foreign Currency			
Export Development, Canada (US Dollar: 4.00 crore; Previous Year 7.00 crore)	Repaid in June 2022	–	303.17
Sumitomo Mitsui Banking Corporation Singapore Branch (USD Dollar: 10 crore)- 'Bullet Payment June 2027		821.74	–
		821.74	**303.17**
Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.32)		–	303.17
		821.74	**–**
(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.	17.59	21.53
Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.32)		–	9.35
		17.59	**12.18**
(i) Subsidised Government Loans			
Commercial Tax Department, Hyderabad	Varied Annual payments from October 2012 to October 2026	112.28	141.90
From Government of Uttar Pradesh - Refer Note 4.12.1(a)	Repaid during the year	–	0.95
	Repayable on 25th December 2023	6.04	5.53
	Repayable on 7th August 2023	5.67	5.19
	Repayable on 29th October 2024	6.85	6.34
	Repayable on 17th November 2025	2.36	2.16
	Repayable on 17th May 2025	4.65	4.31
From Government of Karnataka- Refer Note 4.12.1(a)	Repayable on 17th June 2027	11.68	10.88
	Repayable on 25th March 2028	6.54	6.05
Department of Industries and Commerce, Haryana	Repaid during the year	–	11.01
		156.07	**194.31**
Less: Amount disclosed as current maturities of long-term debts under the head			
'Current Borrowings' (Note 2.32)		44.21	41.60
		111.86	**152.71**
(j) Preference Shares issued by Subsidiaries			
Compulsory Convertible Preference Shares (CCPS) carry cumulative dividend @0.001% p.a.		11.19	11.19
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.			

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Unsecured Long-Term Borrowings: Repayment Terms	As at 31st March 2023	As at 31st March 2022
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	**11.19**
(k) Foreign Currency Bonds		
2.80% Sustainability Linked Bonds (US Dollars 400 million; Previous Year US Dollars 400 million) - February 2031	3,286.80	3,031.70
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.		
	3,286.80	**3,031.70**
Total Unsecured Borrowings (II)	**12,169.36**	**10,908.30**
Total Non-Current Borrowings (I + II)	**66,712.46**	**46,545.96**

2.28 POLICYHOLDER'S LIABILITIES – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Insurance Contract Liabilities	47,733.88	41,328.24
Investment Contract Liabilities	19,278.15	16,377.40
	67,012.03	**57,705.64**

2.29 OTHER FINANCIAL LIABILITIES – NON-CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Security and Other Deposits	13.19	3.56
Derivative Liabilities at Fair Value	13.42	77.99
Deferred Premium Payables	327.29	303.48
Other Liabilities (Interest Accrued But Not Due)	44.67	43.71
	398.57	**428.74**

2.30 PROVISIONS – NON-CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
For Employee Benefits (unfunded Gratuity, Pension and Long-term Incentive Plan)	405.16	387.92
For Mine Restoration Expenditure {Note 2.38.1 (a)}	355.74	327.21
For Other Provisions {Note 2.38.1 (e)}	4.91	17.81
	765.81	**732.94**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.31 OTHER NON-CURRENT LIABILITIES

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Government Subsidies	10.75	75.50
Other Liabilities (mainly Income received in advance)	5.49	0.82
	16.24	**76.32**

2.32 BORROWINGS – CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
Loans Repayable on Demand - Cash Credits/Working Capital Borrowings		
From Banks (secured by hypothecation of stocks and book debts of the Company)	4,873.61	2,794.20
Unsecured		
Loans Repayable on Demand - Cash Credits/Working Capital Borrowings		
From Banks (includes Commercial Papers)	4,499.69	3,477.36
From Others (Commercial Papers)	7,614.60	5,613.38
Loans from Other Body Corporates	592.12	13.40
Redeemable Preference Shares Issued	–	1,000.10
Debenture / Bond	104.49	–
Current Maturities of Long-term Debts (Note 2.27.1)	16,950.95	13,558.85
	34,635.46	**26,457.29**

2.33 SUPPLIER'S CREDIT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
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 in the range of 5.30% to 7.50% (Previous Year 5.30%).

2.34 POLICYHOLDER'S LIABILITIES – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Insurance Contract Liabilities	1,786.37	1,926.01
Investment Contract Liabilities	9.16	8.99
Fair Value Changes of Policyholder's Investments	282.37	468.41
Incurred But Not Reported (IBNR) Provisions	–	108.97
Freelook Reserve (Net)	–	0.96
Unexpired Premium Reserve	–	654.40
	2,077.90	**3,167.74**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.35 TRADE PAYABLES

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Due to Related Parties (Note 4.7.2)	117.70	108.58
Total Outstanding Due to Micro and Small Enterprises #	351.52	244.28
Acceptances	1,274.75	1,066.90
Others	11,609.30	9,973.68
	13,353.27	**11,393.44**

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 (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 2023								
Micro and Small Enterprises	1.49	297.10	50.10	0.72	0.44	0.22	51.48	350.07
Others	2,956.07	5,169.51	4,785.01	8.97	5.35	7.03	4,806.36	12,931.94
Disputed Dues – Micro and Small Enterprises	–	–	1.14	0.31	–	–	1.45	1.45
Disputed Dues – Others	2.61	–	22.33	16.07	7.78	21.02	67.20	69.81
Total	**2,960.17**	**5,466.61**	**4,858.58**	**26.07**	**13.57**	**28.27**	**4,926.49**	**13,353.27**
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**

2.36 OTHER FINANCIAL LIABILITIES– CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued But Not Due on Borrowings	1,223.54	1,092.06
Unclaimed Dividends (amount Transferable to Investor Education and Protection Fund, when due)	32.56	30.89
Security and Other Deposits (Trade Deposits)	2,246.17	2,132.63
Liability for Capital Goods @ #	2,068.70	1,055.46
Accrued Expenses Related to Employees	1,126.57	935.91
Derivative Liabilities - Carried at Fair Value	112.21	81.61
Margin Money from Customers	638.39	521.95
Due to Life Insurance Policyholders	1,272.70	1,291.23
Other Payables (including Retention Money, Liquidated Damages, etc.)	1,138.17	1,024.35
	9,859.01	**8,166.09**

@ Includes amount of ₹ 105.22 crore (Previous Year ₹ 35.95 crore) payable related to Micro and Small Enterprises.

Includes acceptances of ₹ Nil (Previous Year ₹ 58.62 crore) towards Capital Goods.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.37 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Liabilities	2,684.84	2,594.23
Contract Liabilities	710.31	857.29
Deferred Government Subsidies	31.26	29.12
Other Payables (including legal claims)	3,011.74	2,964.38
	6,438.15	**6,445.02**

2.38 PROVISIONS – CURRENT

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
For Employee Benefits (Gratuity, Compensated Absences and Pension)	495.07	551.29
For Warranty Provision {Note 2.38.1 (b)}	0.99	1.82
For Assets Transfer Cost {Note 2.38.1 (c)}	161.58	215.57
For Provision against Contingent Liabilities {Note 2.38.1 (d)}	42.47	42.70
For Other Provisions {Note 2.38.1 (e)}	22.36	4.36
	722.47	**815.74**

2.38.1 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 2023	As at 31st March 2022
(a)	**Provision for Mine Restoration Expenditure***		
	Opening Balance	327.21	296.02
	Add: Provision during the Year	14.88	10.47
	Add: Unwinding of Discount on Mine Restoration Provision	14.22	22.28
	Less: Utilisation during the Year	(0.57)	(1.56)
	Closing Balance (considered as Non-Current)	**355.74**	**327.21**
	* Provision is recognised for an obligation for restoration and rehabilitation on closure of the mines.		
(b)	**Warranty**		
	Opening Balance	1.82	1.82
	Less: Unused amount reversed	(0.83)	–
	Closing Balance (Considered as Current)	**0.99**	**1.82**
	Considering the past experience of returns and replacements claims, provision recognised in earlier years for expected warranty claims on Insulators product has been reversed during the current year.		
(c)	**Provision for Assets Transfer Cost***		
	Opening Balance	215.57	310.14
	Less: Utilisation during the Year	–	(94.57)
	Less: Unused amount reversed	(53.99)	–
	Closing Balance (considered as Current)	**161.58**	**215.57**
	* 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.		

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
(d)	**Provision Against Contingent Liabilities***		
	Opening Balance	42.70	48.55
	Less: Utilisation during the Year	–	(5.60)
	Less: Unused Amount Reversed	(0.23)	(0.25)
	Closing Balance (considered as Current)	**42.47**	**42.70**
	* 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	22.17	4.29
	Add: Provision during the Year	5.10	17.88
		27.27	**22.17**
	Closing Balance (considered as Non-Current)	**4.91**	**17.81**
	Closing Balance (considered as Current)	**22.36**	**4.36**
	* 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.		

2.39 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries with material non-controlling interest is provided below

(A) UltraTech Cement Limited (Consolidated)

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Proportion of Interest Held by Non-Controlling Entities	42.73%	42.73%
Accumulated Balances of Non-Controlling Interest	23,178.63	21,529.75
Summarised Financial Information for the Consolidated Balance Sheet		
Current Assets	20,742.90	17,489.47
Non-Current Assets	70,644.06	66,338.32
Current Liabilities	23,431.79	20,155.19
Non-Current Liabilities	13,575.00	13,240.39
Dividend Paid to Non-Controlling Interest	466.91	455.94

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Profit/(Loss) Allocated to Non-Controlling Interest:	2,163.83	3,138.22
Summarised Financial Information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	63,239.98	52,598.83
Profit for the Year	5,063.96	7,344.31
Other Comprehensive Income/(Loss)	(17.48)	46.56
Total Comprehensive Income	5,046.48	7,390.87
Summarised Financial Information for Consolidated Cash Flows		
Net Cash Generated from Operating Activities	9,068.51	9,283.24
Net Cash Used in Investing Activities	(7,187.07)	2,257.01
Net Cash Used in Financing Activities	(1,631.00)	(12,497.93)
Net Cash Outflow	250.44	(957.68)

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 2023	As at 31st March 2022
Proportion of Interest Held by Non-Controlling Entities	45.85%	45.82%
Accumulated Balances of Non-Controlling Interest	18,634.62	16,497.07
Summarised Financial Information for the Consolidated Balance Sheet		
Current Assets	35,260.64	27,611.66
Non-Current Assets	167,042.00	135,329.74
Current Liabilities	36,418.99	28,670.53
Non-Current Liabilities	122,750.45	95,664.48

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Profit /(loss) Allocated to Material Non-Controlling Interest:	2,143.51	672.04
Summarised Financial Information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	27,365.17	22,094.34
Profit/(Loss) for the Year	4,675.05	1,466.69
Other Comprehensive Income	(33.37)	4.14
Total Comprehensive Income/(Loss)	4,641.68	1,470.83
Summarised Financial Information for Consolidated Cash Flows		
Net Cash from/(Used in) Operating Activities	(24,028.59)	(5,069.51)
Net Cash from/(Used in) Investing Activities	(2,649.87)	(1,445.55)
Net Cash from/(Used in) Financing Activities	26,385.21	5,836.44
Net Cash Inflow/(Outflow)	(293.25)	(678.62)

The financial numbers mentioned above are before inter-company eliminations.

Principal Place of Business: India

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

2.40 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 – Per Share	Proportion of Ownership Interest	Quoted Fair Value – Per Share
			As at 31st March 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2022
	Aditya Birla Sun Life AMC Limited	India	50.01%	311.20	50.01%	532.95

(i) 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.

(ii) The 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.

(2) (a) Summarised Balance Sheet

₹ in crore

Aditya Birla Sun Life AMC Limited (Consolidated)	As at 31st March 2023	As at 31st March 2022
Current Assets		
Cash and Cash Equivalents	33.61	65.25
Other Assets	1,757.16	1,488.04
Total Current Assets	**1,790.77**	**1,553.29**
Total Non-Current Assets	7,932.07	7,849.09
Current Liabilities		
Financial Liabilities (excluding Trade Payables)	50.58	65.94
Other Liabilities	149.74	113.58
Total Current Liabilities	**200.32**	**179.52**
Total Non-Current Liabilities	1,822.60	1,817.50
Net Assets	7,699.92	7,405.36
Group Share in %	50.01%	50.01%
Group Share in INR	3,850.72	3,703.41
Goodwill	1,891.74	1,891.74
Carrying Amount	5,742.46	5,595.15

b) Summarised Statement of Profit and Loss

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue from Operations	1,226.61	1,292.96
Depreciation and Amortisation	67.23	68.52
Income Tax Expenses	189.20	213.64
Profit for the Year	571.76	648.15
Group Share in the Statement of Profit and Loss	285.94	327.32
Other Comprehensive Income/(Loss) for the Year	5.49	2.63
Group Share in Other Comprehensive Income for the Year	2.75	1.31
Total Comprehensive Income for the Year	577.25	650.78
Group Share in Total Comprehensive Income for the Year	288.68	328.63
Dividend Received	156.27	116.64

C) Contingent Liabilities in respect of Associates

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Group Share in Contingent Liabilities in respect of Associates not being included in Note 4.1.1	96.19	35.96

(B) Aditya Birla Health Insurance Co. Limited

(1)	Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	Quoted Fair Value	Proportion of Ownership Interest	Quoted Fair Value
			As at 31st March 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2022
	Aditya Birla Health Insurance Co. Limited*	India	45.91%	#	51.00%	#

* Accounted as Joint Venture w.e.f. 21st October 2022 (Refer Note 4.12.5)

Unlisted equity-No quoted price available

(i) Aditya Birla Health Insurance Co. Limited is registered with the Insurance Regulatory and Development Authority of India ("IRDAI") for conducting health insurance business, under section 3 of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015.

(2) (a) Summarised Balance Sheet

₹ in crore

Aditya Birla Health Insurance Co. Limited	As at 31st March 2023
Current Assets	
Cash and Cash Equivalents	16.95
Other Assets	711.30
Total Current Assets	**728.25**
Total Non-Current Assets	**2,636.37**
Current Liabilities	
Financial Liabilities (excluding Trade Payables)	178.24
Other Liabilities	1,956.76
Total Current Liabilities	**2,135.00**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Aditya Birla Health Insurance Co. Limited	As at 31st March 2023
Non-Current Liabilities	
Financial Liabilities (Excluding Trade Payables)	–
Other Liabilities	29.47
Total Non-Current Liabilities	**29.47**
Net Assets	1,200.15
Group Share in %	45.91%
Group Share in INR (refer note 4.12.5)	3,032.67
Goodwill	–
Carrying Amount	3,032.67

b) Summarised Statement of Profit and Loss

₹ in crore

Particulars	For period between 21st October 2022 to 31st March 2023
Revenue from Operations	1,251.30
Depreciation and Amortisation	21.70
Profit for the Year	(56.77)
Group Share in the Statement of Profit and Loss	(26.06)
Other Comprehensive Income/(Loss) for the Year	13.20
Group Share in Other Comprehensive Income for the Year	6.06
Total Comprehensive Income for the Year	(43.57)
Group Share in Total Comprehensive Income for the Year	(20.00)

C) Commitments and Contingent Liabilities in respect of Joint Ventures

₹ in crore

Particulars	As at 31st March 2023
Group Share in Commitments in respect of Joint Ventures not being included in Note 4.2	10.53
Group Share in Contingent Liabilities in respect of Joint Ventures not being included in Note 4.1.1	5.74

(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 2023	As at 31st March 2022
Aggregate Carrying Amount of individually immaterial Associates	891.17	44.85
Aggregate Carrying Amount of individually immaterial Joint Ventures	1,281.08	1,410.17

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Aggregate amount of Group Share of:		
Joint Ventures:		
Profit/(Loss) from Continuing Operations	(126.68)	48.05
Other Comprehensive Income/(Loss)	(12.36)	30.29
Total Comprehensive Income/(Loss)	(139.04)	78.34
Associates:		
Profit/(Loss) from Continuing Operations	12.70	4.96
Other Comprehensive Income/(Loss)	(24.74)	-
Total Comprehensive Income/(Loss)	(12.04)	4.96

(2) Unrecognised share of Profit/(loss) of a Joint Venture as per Ind AS 112

₹ in crore

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Unrecognised Share of Profit/(Loss) for the Year	(74.25)	-
Unrecognised Share Other Comprehensive Income/(Loss) for the Year	(16.44)	-
Cumulative Share of Profit/(Loss)	(74.25)	-
Cumulative Share of Other Comprehensive Income/(Loss)	(16.44)	-

(D) As per the Shareholders' Agreements, Aditya Birla Sun Life Trustee, Aditya Birla Wellness Limited and Aditya Birla Power Composite Limited cannot distribute their profits until they obtain 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

b) Aditya Birla Sun Life Trustee Company Private Limited

c) Aditya Birla Wellness Limited

d) Aditya Birla Power Composites Limited

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3.1 REVENUE FROM OPERATIONS (NOTE 4.6.1)

₹ in crore

		Year ended 31st March 2023		Year ended 31st March 2022
(A1)	**Sale of Products and Services (other than Financial Services)**			
	Sale of Manufactured Products	83,857.22		68,679.50
	Sale of Traded Products	5,248.92		3,807.20
	Sale of Services	2.90		7.70
			89,109.04	**72,494.40**
(A2)	**Sale of Financial Services**			
	Income from Life Insurance Premium (Gross)	13,372.66		10,658.57
	Less: Reinsurance Ceded	(530.23)		(498.78)
	Income from Life Insurance Premium (Net)		12,842.43	**10,159.79**
	Income from Health Insurance Premium (Gross)	1,391.13		1,726.67
	Less: Reinsurance Ceded	(240.63)		(378.62)
	Income from Health Insurance Premium (Net)		1,150.50	**1,348.05**
	Income from Other Financial Services		1,521.57	1,410.40
(A3)	**Interest and Dividend Income of Financial Services**			
	a. Interest Income			
	Interest on Loans			
	On Financial Assets Measured at Amortised Cost	8,980.66		6,628.52
	Interest Income from Investments			
	On Financial Assets Measured at Fair Value through OCI	780.17		678.39
	On Financial Assets Measured at Amortised Cost	1,613.73		1,251.36
	On Financial Assets Classified at Fair Value through Profit or Loss	153.50		99.13
	Interest on Deposits with Banks			
	On Financial Assets Measured at Fair Value through OCI	0.31		0.31
	On Financial Assets Measured at Amortised Cost	4.29		39.92
	On Financial Assets classified at Fair Value through Profit or Loss	2.75		12.63
	Interest on Deposits with Others			
	On Financial Assets Measured at Amortised Cost	108.96		17.72
	b. Dividend Income			
	On Financial Assets Measured at Fair Value through OCI	51.80		33.12
			11,696.17	**8,761.10**
(A4)	**Net Gain/(Loss) on Fair Value changes 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	131.04		335.16
	Debt Instrument at Fair Value through Profit or Loss	(3.34)		(20.80)
	Net Gain/(Loss) on Financial Instruments at Fair Value through OCI			
	Debt Instrument at Fair Value through OCI	0.93		3.10
	Net Gain/(Loss) on Financial Instruments at Amortised Cost			
	Debt Instruments at Amortised Cost	8.21		5.65
	Others			
	Gain/(Loss) on Sale of Debt Instrument at Fair Value through OCI	0.58		91.89
			137.42	**415.00**
	Revenue From Contract With Customers (A)		**116,457.13**	**94,588.74**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

		Year ended 31st March 2023	Year ended 31st March 2022
(B)	**Other Operating Revenues**		
	Export Incentives	74.07	81.25
	Insurance Claims	77.02	31.78
	Sundry Balances Written Back (Net)	142.81	143.62
	Government Grants {4.12.1 b)}	406.97	530.87
	Scrap Sales (Net)	250.38	217.24
	Other Miscellaneous Incomes	218.70	107.63
	Total (B)	**1,169.95**	**1,112.39**
	REVENUE FROM OPERATIONS (A + B)	**117,627.08**	**95,701.13**
(C)	**Revenue from Contracts with Customers Disaggregated based on Geography (Geographical Segment)**		
	i) India (Country of Domicile)	111,009.47	88,790.35
	ii) Rest of the World	5,447.66	5,798.39
	Revenue from Contract with Customers	**116,457.13**	**94,588.74**
(D)	**Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price**		
	Gross Revenue	125,419.42	102,418.93
	Less: Discount, Incentives, Returns, Price Concession, etc.	(8,962.29)	(7,830.19)
	Net Revenue Recognised from Contracts with Customers	**116,457.13**	**94,588.74**

Notes:

(i) The amounts receivable from customers become due after expiry of credit period, which on an average is less than 180 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.

(E) Reconciliation of Revenue Recognised from Contract Liabilities:

₹ in crore

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Closing Contract Liabilities-Advances from Customers	710.31	857.29

The contract liabilities outstanding ₹ 857.29 crore (Previous Year ₹ 627.18 crore) at the beginning of the year, out of which ₹ 804.69 crore (Previous Year ₹ 617.86 crore) has been recognised as revenue during the year ended 31st March 2023, and balance amount has been refunded during the year.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3.2 OTHER INCOME

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Interest Income on:		
Investments	69.60	32.65
Bank Accounts and Others (Measured at Amortised Cost)	317.61	190.39
Dividend Income from:		
Non-Current Investments (Measured at FVTOCI)	37.11	28.59
Current Investments (Measured at FVTOCI)	3.29	2.69
Gain/(Loss) on Financial Instruments		
On Sale of Investments (Net) - Mutual Funds (Measured at FVTPL)	78.57	220.29
Fair value change of Investments Measured at FVTPL	184.81	226.37
Exchange Rate Difference (Net)	20.02	-
Gain on account of Fair Value of investment in Health Insurance Business on conversion from subsidiary to Joint Venture. (Note 4.12.5)	2,754.27	-
Miscellaneous Income	146.77	120.36
	3,612.05	**821.34**

3.3 COST OF MATERIALS CONSUMED

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Opening Stock	2,959.17	1,666.36
Add: Purchases and Incidental Expenses	21,849.12	18,190.04
Less: Sale of Raw Materials	16.67	6.05
Add/(Less): Foreign Currency Translation Reserve	4.25	1.58
Less: Closing Stock	3,173.61	2,959.17
	21,622.26	**16,889.60**

3.4 PURCHASES OF STOCK-IN-TRADE

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Grey Cement	877.80	549.63
Other Finished Goods (Fibre, Yarn, Building Solution, etc.)	946.55	854.93
	1,824.35	**1,404.56**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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

₹ in crore

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
Opening 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**
Less: Closing Stock			
Finished Goods	1,821.24		1,462.06
Stock-in-Trade	124.28		42.62
Work-in-Progress	1,592.29		1,177.01
Waste/Scrap	17.86		19.00
		3,555.67	**2,700.69**
(Increase)/Decrease in Stocks		(854.98)	(926.35)
Add: Stock Transfer from Pre-Operative Account		25.69	2.18
Add/(Less): Stock of Trial Run Production		0.13	-
Add/(Less): Exchange Translation Difference		(5.50)	2.43
		(834.66)	**(921.74)**

3.6 EMPLOYEE BENEFITS EXPENSES

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Salaries, Wages and Bonus	6,413.76	5,622.84
Contribution to Provident and Other Funds {Notes 4.8 (xix) and (xx)}	292.96	288.04
Contribution to Gratuity Fund (Note 4.8 1)	110.52	107.68
Staff Welfare Expenses	256.73	235.69
Expenses on Employee Stock Options Scheme (Note 4.5)	119.89	73.46
	7,193.86	**6,327.71**

3.7 FINANCE COSTS RELATING TO NBFC'S/NHFC'S BUSINESS

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
(Measured at Amortised Cost)		
Interest Expenses	4,689.79	3,444.89
Interest on Lease Liabilities	27.98	28.24
Other Borrowing Costs	5.69	7.17
	4,723.46	**3,480.30**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3.8 OTHER FINANCE COSTS

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
(Measured at Amortised Cost)		
Interest Expenses	1,219.59	1,298.16
Interest on Lease Liabilities	70.22	70.31
Other Borrowing Costs @	13.47	17.63
Unwinding of Discount on Mine Restoration Provision	14.22	22.28
Exchange (Gain)/Loss on Lease Liabilities and Foreign Currency Borrowings (Net)	54.54	45.56
	1,372.04	**1,453.94**
Less: Capitalised	51.77	158.24
	1,320.27	**1,295.70**
Borrowing costs are capitalised using rates based on specific borrowings ranging from 4.57% to 7.50% per annum. (Previous Year 4.57% to 7.85% per annum.)		
@ Includes Interest on Income Tax.	4.11	3.89

3.9 DEPRECIATION AND AMORTISATION EXPENSES

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Depreciation on Property, Plant and Equipment {Note 2.1}	3,612.47	3,288.86
Depreciation on Investment Property {Note 2.2}	0.44	0.43
Amortisation on Intangible Assets (Note 2.4)	633.44	603.07
Depreciation on Right-of-Use Assets (Note 2.5)	293.96	243.75
Obsolescence	22.58	36.94
	4,562.89	**4,173.05**
Depreciation Transferred to Pre-Operative Expenses	(11.30)	(11.98)
	4,551.59	**4,161.07**

3.10 OTHER EXPENSES

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Consumption of Stores, Spare Parts and Components, and Incidental Expenses	1,712.41	1,464.09
Consumption of Packing Materials	2,231.14	2,061.15
Processing Charges	484.91	231.28
Repairs to Machinery, Buildings and Others	1,824.74	1,498.45
Advertisement, Sales Promotion and Other Selling Expenses	3,721.86	3,255.88
Bad Debts and Allowance for Doubtful Debts and Advances (Net)	989.27	719.80
Insurance	291.43	216.57
Lease Rent	241.66	187.58
Rates and Taxes	281.06	234.30
Exchange Rate Difference (Net)	–	129.70
Miscellaneous Expenses	3,412.71	2,580.35
Less: Captive Consumption of Cement	(71.95)	(57.70)
	15,119.24	**12,521.45**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3.11 EXCEPTIONAL ITEMS:

₹ in crore

Particulars		Year Ended 31st March 2023	Year Ended 31st March 2022
(a)	**Continuing Operations**		
(i)	During the year, the Company has provided for Interest payable on custom duty on account of decision to pay custom duty on import of capital goods cleared at zero duty under EPCG scheme in earlier years	(88.03)	
(ii)	Provision of has been made against disputed water charges pertaining to earlier years	–	(69.11)
	Subtotal (a)	**(88.03)**	**(69.11)**
(b)	**Discontinued Operations**		
(i)	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
(ii)	Provision for maintenance charges of UPSIDC pertaining to Fertiliser Division	–	(29.36)
(iii)	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 as exceptional gain for the year ended 31st March 2022.	–	159.92
	Subtotal (b)	**–**	**670.71**
	Total (a+b)	**(88.03)**	**601.60**

3.12 RECONCILIATION OF EFFECTIVE TAX RATE (%)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Applicable Tax Rate	25.17%	34.94%
Income Not Considered for Tax Purpose	-0.35%	-0.08%
Tax impact of Gain on Fair value of investment in health insurance business not considered for tax	-4.66%	0.00%
Expenses Not Allowed for Tax Purpose	0.81%	0.77%
Additional Allowances for Tax Purpose	-2.13%	-3.61%
Taxes on Subsidiary Losses	0.29%	0.59%
Effect of Changes in Tax Rate (reversal of Deferred Tax Liabilities)	-0.74%	-1.74%
Tax paid at lower / higher rate	6.06%	3.10%
Provision for Tax of earlier years Written Back	-0.03%	-13.85%
Deferred Tax Reversal on Slump Sale of Fertiliser Business	0.00%	-1.38%
Lower Jurisdiction Tax Rate	-0.12%	-0.41%
Others	0.48%	0.49%
Effective Tax Rate	**24.78%**	**18.82%**

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

3.13 OTHER COMPREHENSIVE INCOME

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Items that will not be reclassified to Profit and Loss		
Equity Instrument at Fair Value through Other Comprehensive Income	(3,490.76)	3,420.47
Re-measurement of Defined Benefit Plans	46.18	21.31
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	0.30	0.38
Income Tax relating to items that will not be reclassified to Profit or Loss	387.85	(221.77)
Items that will be reclassified to Profit and Loss		
Debt Instrument at Fair Value through Other Comprehensive Income	(119.37)	(56.50)
Exchange Difference in translating the Financial Statements of Foreign Operations	77.15	51.04
Effective Portion of Derivative Instruments designated as Cash Flow Hedge	(117.41)	38.11
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	(22.41)	31.23
Income Tax relating to items that will be reclassified to Profit or Loss	57.69	(3.47)
	(3,180.78)	**3,280.80**

3.14 EARNINGS PER SHARE (EPS):

₹ in crore

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Net Profit for the Year Attributable to Equity Shareholders (₹ in crore)		
From Continuing Operations	6,827.26	7,102.37
From Discontinued Operations	–	447.41
Continuing and Discontinued Operations	**6,827.26**	**7,549.78**
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	658,386,746	658,186,289
Less: Weighted-Average Number of Equity Shares held by the Company under ESOP Trust (Nos.) of Face Value of ₹ 2/- each	1,780,174	1,505,968
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	**656,606,572**	**656,680,321**
Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}		
Basic EPS for Continuing Operations	103.98	108.16
Basic EPS for Discontinued Operations	–	6.82
Basic EPS – Continuing and Discontinued Operations	103.98	114.98
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	656,606,572	656,680,321
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	555,999	870,437
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.)	**657,224,556**	**657,612,743**
Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}		
Diluted EPS for Continuing Operations	103.88	108.00
Diluted EPS for Discontinued Operations	–	6.80
Diluted EPS – Continuing and Discontinued Operations	103.88	114.80

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023	As at 31st March 2022
Customs Duty	Related to classification dispute, demand of duty on import of steam coal, caustic soda flakes and others	294.42	277.93
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	1,076.13	1,047.41
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	1,874.83	1,834.79
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 ₹ Nil for current year, for Previous Year ₹ 3,151.38 crore).	–	8,044.82
	b) Capital Gain Tax (including Interest ₹ Nil, Previous Year ₹ 2,864.40 crore)	–	8,831.90
	Non-deduction of tax at source on payment to non-resident, various disallowances and others	61.84	91.72
Land Related Matters	Demand of higher compensation	282.30	273.86
Royalty on Limestone/Marl/ Shale	Based on fixed conversion factor on limestone, royalty rate differences on Mari and additional royalty on mines transfer	382.12	373.47
Electricity Duty/Energy Development Cess	Related to electricity duty, minimum power consumption, Energy Development Cess and denial of Electricity Duty exemption	271.51	691.91
	Related to Stamp Duty, claim raised by vendor/supplier, road tax matters, demand for fuel surcharge, water drawal charges by irrigation department and others	1,377.75	1,400.44

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

4.1.2 a. UltraTech had filed appeals against the orders of the Competition Commission of India (CCI) dated 31st August 2016 (Penalty of ₹ 1,449.51 crore) and 19th January 2017 (Penalty of ₹ 68.30 crore). Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31st August 2016, Ultratech filed an appeal before Hon'ble Supreme Court 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 crore equivalent to 10% of the penalty of ₹ 1,449.51 crore. Ultratech, backed by legal opinions, believes that it has a good case in both the matters and accordingly no provision has been recognised in the financial statements.

UltraTech Nathdwara Cement Limited (UNCL) has also filed an appeal before Hon'ble 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 of ₹ 167.32 crore. Ultratech, backed by legal opinion, believes that it has a good case in the said matter and accordingly no provision has been recognised in the financial statements.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 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 2023	As at 31st March 2022
a.	To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures	1.70	1.70
b.	Letter of Comfort Issued on behalf of clients *	2,138.34	1,614.92

* includes Corporate Guarantees given to National Housing Bank by the ABCL on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 3,500 crore up to 31st March 2023, against which the amount liable by ABHFL is ₹ 2,057.71 crore (31st March 2022 ₹ 1,498.73 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 ₹ 80.08 crore as at 31st March 2023. (Previous Year 31st March 2022 ₹ 115.34 crore).

4.2 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
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)	9,476.70	3,913.99
4.2.2	**Financial and Other Commitments**		
(a)	**Financial Commitments**		
	Joint Ventures @	223.78	266.51
@	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 Consolidated financial statements.		
(b)	(i) Uncalled Liability on partly paid-up Investments of Insurance Business	289.73	282.43
(c)	The sanctioned but undisbursed amount of Aditya Birla housing Finance Limited stands at ₹ 1,449.96 crore. (31st March 2022 : ₹ 924.94 crore)		

4.3 BUSINESS COMBINATION (IND AS 103):

A. Acquisition of Duqm Cement Projects International LLC.

I. Ultratech has entered into Share Sale and Purchase Agreement on 29th January 2023 with Seven Seas Company LLC and His Highness Al Sayyid Shihab Tariq Taimur Al Said for acquisition of 70% equity share of Duqm Cement Projects International LLC Located in Oman. The Company is mainly in the business of mining and extracting of limestone. The acquisition provides the Company to secure raw materials for growing requirement of India Operations and create value for shareholders.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

II. Fair value of the consideration transferred:

Purchase consideration has been allocated on the basis of fair valuation determined by an independent valuer. Total enterprise value works out to ₹ 159.47 crore. The effective purchase consideration of ₹ 111.62 crore.

The Fair value of identifiable assets acquired, and liabilities assumed as on the acquisition date are as under:

Particulars	₹ crore
Capital Work in Progress	11.30
Mining Reserve	148.16
Cash and Bank	0.04
Total Assets	**159.50**
Other Current liabilities	0.04
Fair Value of Assets	**159.46**

III. Amount Recognised as goodwill:

Particulars	₹ crore
Fair value of consideration (70%)	111.62
Total Enterprise Value	**159.47**
Less: Fair value of net assets acquired	159.46
Goodwill	**0.01**

B. Acquisition of Waacox Energy Private Limited (WEPL)

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 5th July 2021 as a result of which WEPL has become a Wholly-Owned Subsidiary of Aditya Birla Renewables Limited w.e.f. 5th July 2021.

During the previous year, Aditya Birla Renewables Limited has carried out the fair valuation exercise of WEPL in accordance with Ind AS 103 and realigned the assets and liabilities acquired on acquisition and purchase consideration in accordance with fair value as summarised below:

Identifiable Assets Acquired and Liabilities Assumed

The following table summarise the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

₹ in crore

Particulars	As on 4th 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	As on 4th July 2021 (Fair Value)
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**

C. During the year PT UltraTech Mining Indonesia, PT UltraTech Mining Sumatera and PT UltraTech Investments Indonesia has been liquidated.

4.4 ASSETS/DISPOSAL GROUP HELD FOR SALE (IND AS 105)

₹ in crore

Particulars	Year Ended 31st March 2022
Profit Before Tax from Discontinued Operations	
From Discontinued Operations of Fertiliser Business (refer below note a)	155.98
From Discontinued Operations of Foreign Subsidiaries of UNCL	196.54
Total	**352.52**

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 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

		As at 31st December 2021
(i)	**Assets and Liabilities with respect to Discontinued Operations:**	
	Group(s) of Assets Classified as Held for Sale	1,675.40
	Liabilities directly associated with the Group(s) of Assets classified as Held for Sale	372.55
(ii)	**Major Classes of Assets and Liabilities classified as Held for Sale:**	
	Property, Plant and Equipment	472.66
	Capital Work-in-Progress	70.44
	Other Intangible Assets	111.22
	Right-of-Use Assets	156.67
	Loans	1.78
	Inventories	72.86
	Other Financial Assets	49.97
	Trade Receivables	720.08
	Other Assets	19.72
	Total Assets	**1,675.40**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

		As at 31st December 2021
	Trade Payables	278.33
	Lease Liabilities	8.18
	Security Deposits	43.05
	Other Liabilities and Provisions	42.99
	Total Liabilities	**372.55**
		1,302.85

Financial Performance and Cash Flow presented are for nine months ended 31st December 2021 (31st March 2022 column).

₹ in crore

		Year Ended 31st March 2022
(iii)	**Financial Performance related to Discontinued Operations:**	
	Revenue and Other Income	2,437.54
	Expenses	2,281.56
	Profit Before Tax	**155.98**
	Exceptional Items (net)	510.79
	Profit before Tax	**666.77**
	Tax Expenses	(54.58)
	Tax on Sale of Discontinued Operations *	(256.37)
	Profit After Tax	**355.82**
	*The amount is net of Deferred Tax Credit of ₹ 182.90 crore.	
(iv)	**Cash Flow Disclosure with respect to Discontinued Operations:**	
	Cash Flow from Operating Activities	(217.33)
	Cash Flow from Investing Activities	(48.93)
	Cash Flow from Financing Activities	–

₹ in crore

		Year Ended 31st March 2022
(v)	**Exceptional Items (Net)**	
	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. 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

c. UTCL has identified certain assets like Land, Diesel Generator Sets etc. 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 (UCMEIL) 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. UCMEIL is committed to plan the sale of this asset, 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 2,036,941 Equity Shares of Face Value of ₹ 2 each (Previous Year 1,696,470 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).

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV
No. of Options / RSU Granted	6,27,015	1,21,750	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
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 3,088,085 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, the details of which are given hereunder:

Particulars	Options								RSU's			
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI	
No. of Options / RSU Granted	1,077,312	26,456	53,480	254,141	68,784	296,220	41,361	65,025	9,357	371,520	196,308	
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	24-May-2022	12-Aug-2022	14-Nov-2022	
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	1,457.40	1,600.05	1,708.45	
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	1,457.40	1,600.05	1,708.45	
Fair value on the date of Grant of option (₹ per share)	422.53	347.48	266.70	524.74	596.77	618.78	624.41	763.33	647.01	747.44	800.97	
Method of Settlement	Equity	Equity	Equity	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	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	33% every year, commencing after one year from the date of grant						
Normal Exercise Period	5 years from the date of vesting											

Particulars	RSUs											
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI	Tranche XII
No. of Options / RSU Granted	206,320	66,179	5,066	28,393	13,172	36,243	54,674	5,007	8,344	9,500	13,030	1,134
Grant Date	17-Dec-2018	27-Mar-2019	24-Dec-2019	13-Mar-2020	12-Feb-2021	13-Aug-2021	13-Aug-2021	01-Sep-2021	01-Sep-2021	12-Nov-2021	12-Nov-2021	24-May-2022
Grant Price (₹ Per Share)	2	2	2	2	2	2	2	2	2	2	2	2
Market Price on the Date of Grant (₹)	847.20	836.70	742.35	559.85	1,235.45	1,492.30	1,492.30	1,500.40	1,500.40	1,844.35	1,844.35	1,457.40
Fair value on the date of Grant of option (₹ per share)	832.64	822.29	726.19	547.29	1,210.08	1,451.10	1,457.59	1,458.98	1,478.63	1,793.79	1,817.99	1,417.18
Method of Settlement	Equity	Equity	Equity	Equity	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	Fair Value	Fair Value	Fair Value	Fair Value
Graded Vesting Plan	Bullet vesting at the end of three years from the date of grant						Graded 50% vesting each year over two years from the date of grant	Bullet vesting at the end of three years from the date of grant	Graded 50% vesting each year over two years from the date of grant	Bullet vesting at the end of three years from the date of grant	Graded 50% vesting each year over two years 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											

Particulars	RSUs	
	Tranche XIII	Tranche XIV
No. of Options / RSU Granted	1,43,764	37,295
Grant Date	12-Aug-2022	14-Nov-2022
Grant Price (₹ Per Share)	2	2
Market Price on the Date of Grant (₹)	1600.05	1708.45
Fair value on the date of Grant of option (₹ per share)	1,572.04	1,678.65
Method of Settlement	Equity	Equity
Method of Accounting	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 Under the Employee Stock Options Scheme - 2018 (ESOS-2018), the Company has granted 1,55,492 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 - VI RSU	Tranche - IV Options
Number of SAR's	82,144	23,815	4,206	20,657	1,116	504	1,006	2,939	13,065
Method of Accounting	Fair Value	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- 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	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	24-May-2022	12-Feb-2021
Grant Price (₹ Per Share)	847.2	1235.45	1,492.30	2	2	2	2	2	10

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	1,696,470	872	1,712,882	684
Granted during the year	759,378	1,243	529,404	1,179
Exercised during the year	309,869	576	391,232	435
Lapsed during the year	109,038	991	154,584	940
Outstanding at the end of the year	2,036,941	1,049	1,696,470	872
Options: Unvested at the end of the year	1,092,397	1,202	831,569	1,011
Exercisable at the end of the year	944,544	873	864,901	739

The weighted average share price at the date of exercise for options was ₹ 1564.09 per share (31st March 2022 ₹ 1598.94 per share) and weighted average remaining contractual life. for the share options outstanding as at 31st March 2023 was 2.17 years (31st March 2022 : 2.35 years).

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

4.5.3.2 For options referred to in 4.5.2

Particulars	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	147,401	742	138,327	717
Granted during the year	2,939	742	16,078	858
Lapsed during the year	203	742	7,004	521
Exercised during the year	25,744	771	-	-
Outstanding at the end of the year	124,393	718	147,401	742
Options: Unvested at the end of the year	3,811	1,265	32,684	891
Exercisable at the end of the year	120,582	719	114,717	699

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.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

ESOS-2018	Options										
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	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	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%	7.14%	7.05%	7.24%
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%	30.26%	33.27%	31.87%
Dividend Yield	0.52%	0.66%	0.66%	0.65%	0.65%	0.89%	0.89%	0.89%	0.89%	0.56%	0.56%

ESOS-2018	RSUs											
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII	Tranche IX	Tranche X	Tranche XI	Tranche XII
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.65%	7.48%	6.74%	6.85%	5.93%	6.33%	6.06%	6.22%	6.23%	6.31%	6.06%	7.26%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period											
Expected Volatility *	32.06%	31.48%	32.35%	32.78%	36.68%	28.84%	29.81%	28.65%	28.79%	28.62%	30.05%	30.26%
Dividend Yield	0.52%	0.52%	0.66%	0.66%	0.65%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%

ESOS-2018	RSUs	
	Tranche XIII	Tranche XIV
Method used	Binomial Model	Binomial Model
Risk-Free Rate	7.19%	7.30%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period	
Expected Volatility *	30.49%	29.74%
Dividend Yield	0.56%	0.56%

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 549.92 per stock option, ₹ 1184.86 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

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	7.16%	7.10%	7.20%	5.61%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period			Vesting Period (3 years) + Average of Exercise Period
Expected Volatility *	27.88%	25.71%	29.37%	43.05%
Dividend Yield	0.67%	0.67%	0.67%	0.58%
Weighted average fair value of SARs on 31st March 2023	843.13	536.66	449.11	73.51

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

ESOS-2018	SAR's (Linked with the Company's market price)				
	Tranche – I RSU	Tranche – II RSU	Tranche – IV RSU	Tranche – V RSU	Tranche – VI RSU
Method used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.11%	7.09%	7.20%	7.19%	7.21%
Option Life (Years)	Vesting Period (3 years) + Average of Exercise Period				
Expected Volatility *	26.32%	25.96%	29.37%	28.08%	29.39%
Dividend Yield	0.67%	0.67%	0.67%	0.67%	0.67%
Weighted average fair value of SARs on 31st March 2023	1,630.80	1,557.38	1,570.92	1,610.73	1,275.82

* 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 Details of Liabilities arising form company's cash settled Share-based payment transactions

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Other non-current financial liability	0.21	0.18
Other current financial liability	10.55	11.97
	10.76	**12.15**

4.5.6 Employee Stock Option expenses (including SAR) recognised in the statement of Standalone Profit and Loss ₹ 38.12 crore (Previous Year ₹ 34.68 crore) and recognised in pre-operative expense ₹ 0.19 crore (Previous Year ₹ 0.32 crore) Apart from above Employee Stock Option expenses (including SAR) towards discontinued operations were ₹ NIL (Previous year ₹ 0.19 crore).

Disclosure under Employee Stock Options Scheme of Subsidiary Companies:

(I) Ultratech Cement Limited

The Company has granted 1,92,664 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 II		Tranche III		Tranche IV	
	RSU	Stock Options	RSU	Stock Options	RSU	Stock Options
Nos. of Options	12,313	34,859	2,218	6,280	9,059	25,645
Vesting Plan	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	100% on 19.10.2018	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	18.10.2014	18.10.2014	28.01.2015	28.01.2015	19.10.2015	19.10.2015
Exercise Price (₹ per share)	10	2,318	10	3,122	10	2,955
Fair Value on the date of Grant of Option (₹ per share)	2,241	870	3,048	1,207	2,897	1,728
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Particulars	Tranche V		Tranche VI	
	RSU	Stock Options	RSU	Stock Options
Nos. of Options	5,313	15,042	10,374	29,369
Vesting Plan	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
Grant Date	13.04.2016	13.04.2016	27.01.2017	27.01.2017
Exercise Price (₹ per share)	10	3,167	10	3,681
Fair Value on the date of Grant of Option (₹ per share)	3,108	1,810	3,608	2,080
Method of Settlement	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	1,58,304	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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 27.10.2024	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 VIII (ESOS, 2018)		Tranche IX (ESOS, 2018)	
	RSU	Stock Options	RSU	Stock Options
Nos. of Options	48,089	99,879	4,733	39,963
Vesting Plan	100% on 22.07.2025	Graded Vesting – 33% every year after 1 year from date of grant	100% on 19.10.2025	Graded Vesting – 33% every year after 1 year from date of grant
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	22.07.2022	22.07.2022	19.10.2022	19.10.2022
Exercise Price (₹ per share)	10	6,130.70	10	6,346.75
Fair Value on the date of Grant of Option (₹ per share)	6,027	2,100	6,249	2,235
Method of Settlement	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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Particulars	Tranche III (SAR, 2018)	
	RSU	Stock Options
Nos. of Options	793	2,001
Vesting Plan	100% on 22.07.2025	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
Grant Date	22.07.2022	22.07.2022
Exercise Price (₹ per share)	10	6,130.70
Fair Value on the date of Grant of Option (₹ per share)	7,536	2,774
Method of Settlement	Cash	Cash

(C) Movement of Options Granted including RSU along with weighted average exercise price (WAEP):

Particulars	As at 31st March 2023		As at 31st March 2022	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	312,221	4,168.05	249,454	2,978.09
Granted during the year	192,664	4,497.42	124,616	5,752.11
Exercised during the year	(44,301)	2,820.95	(53,437)	2,436.02
Forfeited during the year	(18,962)	5,053.64	(8,412)	3,349.62
Outstanding at the end of the year	441,622	4,408.85	312,221	4,168.05
Options exercisable at the end of the year	139,333	3,796.10	115,617	2,899.18

The weighted average share price at the date of exercise for options was ₹ 6,651.27 per share (31st March 2022 ₹ 7,024.74 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2023 was 4.50 years (31st March 2022: 4.62 years).

The weighted average remaining contractual life for SAR is 2.66 years (31st March 2022 was 2.87 years).

The exercise price for outstanding options and SAR is ₹ 10 per share for RSU's and ranges from ₹ 2,318 per share to ₹ 7,424.70 per share for options.

(D) Fair Valuation:

1,92,664 share options were granted during the year. Weighted Average Fair value of the options granted during the year is ₹ 3,209.98 per share (31st March 2022 ₹ 3,435.96 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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	–	7.8% (Tranche II-III), 8.6% (Tranche IV),7.6% (Tranche V), 6.7% (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-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 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)); 7.04% (Tranche VIII); 7.36% (Tranche IX)
	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 & VIII: 0.26; Tranche IX: 0.27
	4	Dividend Yield	–	Tranche -I: 0.46%; Tranche – VI : 0.19%, Tranche VII: 0.20%, Tranche VIII & IX: 0.30%
(c)	**For ESOS- SAR 2018:**			
	1	Risk Free Rate	–	5.31% (Tranche II); 7.15% (Tranche III)
	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, Tranche-III: 0.26
	4	Dividend Yield	–	Tranche- II: 0.19%, Tranche-III: 0.26%

*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%
(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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(F) Details of Liabilities arising from Company's cash settled share-based payment transactions:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Other Financial liabilities - Non-current	0.60	0.47
Other Financial liabilities - Current	0.58	0.54
Total carrying amount of liabilities	**1.18**	**1.01**

(II) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July 2017, the shareholders of the Company 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 the Company (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	2017-2019	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 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
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	11.08.2017	11.08.2017	11.08.2017	11.08.2017
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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Granted during the Financial Year - 2022-2023, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 1	LTIP 1
Instrument	**ESOP**	**RSU**	**RSU**
Plan Period	2022-2025	2022-2023	2022-2023
Quantum of Grant	1,173,306	1,394,915	165,434
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Period	33.33% vesting over 3 years from date of Grant	100%, One year from the date of Grant	100% vesting at the end of third year from the Date of Grant
Vesting Condition(s)	Continued employment	Continued employment	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
Grant Date	01.08.2022	01.08.2022	15.03.2023
Grant/Exercise Price (₹ Per Share)	106.4	10.0	10

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

Granted during the Financial Year - 2020-2021, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 3
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 Profit Before Tax achievement against annual performance target	75% of the 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	05.02.2021	05.02.2021
Grant/Exercise Price (₹ Per Share)	90.4	90.4

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Granted during the Financial Year - 2019-2020, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	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 and 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 and 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 and 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 and 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	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant / Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

Granted during the Financial Year - 2018-2019, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	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 Profit Before Tax 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Details of Activities in the Plan as on 31st March 2023

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at beginning of the year	624,723	9,642,838	872,906	13,180,030
Granted during the year	1,560,349	1,173,306	–	–
Exercised during the year	166,686	620,638	600,672	113,349
Lapsed during the year	39,604	–	1,500	664,800
Options/RSUs Outstanding at the end of the year	1,978,782	10,195,506	270,734	12,401,881
Options/RSUs unvested at the end of the year	1,560,349	3,934,225	240,734	4,985,023
Options/RSUs exercisable at the end of the year	418,433	6,261,281	30,000	7,416,858

Details of Activities 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

Fair Valuation

The Fair Value of the options used to compute proforma Net Profit and Earnings Per Share has 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	6.5% to 7.4%	6.2% to 7.0%	6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	3.5 to 5.5	3.5 to 6.5	4.5	3.5 to 7.5
Expected Volatility	38.5% to 41.8%	36.2% to 46.5%	35.4% to 38.5%	37.0% to 46.5%
Expected Dividend Yield (%)	–	–	–	–
Weighted-Average Fair Value per Option (₹)	98.5 to 138.3	41.5 to 119.4	131.60	73.1 to 90.4

Stock Option and Performance Stock Unit Scheme 2022

The shareholders of the Company vide a special resolution passed through Postal Ballot on 16th October 2022 approved the Scheme titled "Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022" ("ABCL Scheme 2022") for granting Employee Stock Options ("Options") and Employee Performance Stock Units ("PSUs") (collectively referred to as the "Stock Options") exercisable into not more than 41,071,270 Equity Shares. ABCL Scheme 2022 allows the grant of Stock Options to employees of the Company, and its group company(ies) including its Holding Company and Subsidiary Company(ies) and Associate Company(ies) (whether working in India or outside India) that meet the eligibility criteria. Each Stock Option confers a right upon the Grantee to apply for 1 (one) Equity Share. Out of these, the Nomination, Remuneration and Compensation Committee has granted 13,954,991 Options and 6,360,714 PSUs under ABCL Scheme 2022.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Granted during the Financial Year - 2022-2023, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Instrument	PSU	ESOP	PSU	ESOP
Plan Period	2022-2025	2022-2025	2022-2025	2022-2025
Quantum of Grant	59,53,984 3,01,081 1,05,649	12,775,439	851,231	328,321
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% vesting at the end of third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant
Vesting Condition(s)	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and 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 and 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 and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B 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	07.11.2022 02.02.2023, 15.03.2023	07.11.2022	02.02.2023	15.03.2023
Grant/Exercise Price (₹ Per Share)	10	124.2	136.5	145

Details of Activities in the Plan as on 31st March 2023

Instrument	RSU	ESOP
Options/RSUs Outstanding at beginning of the year	–	–
Granted during the year	6,360,714	13,954,991
Exercised during the year	–	–
Lapsed during the year	–	–
Options/RSUs Outstanding at the end of the year	6,360,714	13,954,991
Options/RSUs unvested at the end of the year	6,360,714	13,954,991
Options/RSUs exercisable at the end of the year	–	–

Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share has 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
Instrument	RSU	ESOP
Risk-Free Interest Rate (%)	7.3%-7.6%	7.3%-7.6%
Option Life (Years)	5.5	4.5 to 5.5
Expected Volatility	40.4% to 41.4%	40.4% to 42.7%
Expected Dividend Yield (%)	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	117.6 to 138.3	57.2 to 72.0

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Of Subsidiary Companies:

A) Aditya Birla Finance Limited (ABFL)

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

As on 31st March 2023

Grant date	Exercise price (₹)	Fair Value of options	Options granted	Options vested and exercisable	Options unvested	Options exercised
05-11-2022	283.20	131.90	2,178,706	-	2,178,706	-
31-01-2023	283.20	141.10	10,169	-	10,169	-
			2,188,875	**-**	**2,188,875**	**-**

Grant date	Options cancelled	Options outstanding
05-11-2022	-	2,178,706
31-01-2023	-	10,169
	-	**2,188,875**

Weighted average fair value of stock options granted during the year is as follows:

Particulars	31st March 2023	31st March 2022
Scheme Name : ABFL Scheme 2022		
No. of options granted	2,188,875	-
Weighted average fair value (₹)	131.94	-

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31st March 2023

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,188,875	283.20	283.20	2.11
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,188,875	283.20	283.20	2.11
Exercisable at the end of the year	-	-	-	-

Method used for accounting for Share-Based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black-Scholes Model. The key assumptions used in Black-Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Life of Option (in Years)	Risk Free Rate	Dividend Yield	Volatility
05-11-2022	4.10	7.50%	0.70	36.3%
31-01-2023	3.80	7.40%	0.70	37.3%

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Features of ESOPs:

Grant date	05-Nov-22	31-Jan-23
Conversion	On exercise, 1 ESOP converts to 1 equity share of ABFL	On exercise, 1 ESOP, converts to 1 equity share of ABFL
Vesting date	50% each at the end of 2nd and 3rd year from Grant Date	50% each at the end of 2nd and 3rd year from Grant date
Additional condition	ESOPs can be exercise only once equity share of ABFL are listed on stock exchange	ESOPs can be exercise only once equity share of ABFL are listed on stock exchange
Exercise price (in INR) per ESOP	283.20	283.20
Exercise Period*	5 year from the date of vesting	5 year from the date of 1st grant i.e. 5th November 2022
Settlement	Settlement of equity shares of ABFL	Settlement in Equity shares of ABFL

* Exercise period as per management's assessment

B) Aditya Birla Housing Finance Limited (ABHFL)

Features of the ESOP's granted by ABHFL

Grant date	21-Oct-22	27-Jan-23
Conversion	On exercise, 1 ESOP converts to 1 equity share of ABHFL	On exercise, 1 ESOP, converts to 1 equity share of ABHFL
Vesting date	At the end of 3rd year from Grant Date	At the end of 3rd year from Grant Date
Exercise Period	5 Years from the Grant Date	5 Years from the Grant Date
Exercise price (in INR) per ESOP	37.20	37.20
Settlement	Settlement of equity shares of ABHFL	Settlement of equity shares of ABHFL

Grant Date	Exercise Price (₹)	Options Granted	Options vested & exercisable	Options unvested	Options exercised / cancelled	Options outstanding
21-10-2022	37.20	1,549,598	-	1,549,598	-	1,549,598
27-01-2023	37.20	183,379	-	183,379	-	183,379
Total		**1,732,977**	**-**	**1,732,977**	**-**	**1,732,977**

Weighted average fair value of options as follows:

Year ended 31st March 2023

Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
Grant Date	21-10-2022	27-01-2023	-	-
No of Options granted	1,549,598.00	183,379.00	-	-
Weighted Average Fair value	34.60	36.50	-	-

C) Aditya Birla Money Limited

Stock Options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Options Scheme is to attract and retain talent, and align the interest of employees with 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 9th September 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. 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 2nd December 2014 has granted 2,509,341 Stock Options to its eligible employees

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 and 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 2023
Options Granted on 2nd December 2015	2,509,341
Options Outstanding as on 1st April 2022	131,729
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	Nil
Options Exercised during the Year	-77,884
Options Outstanding as at 31st March 2023	53,845

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	(3,14,942)
Options Exercised during the Year	(73,641)
Options Outstanding as at 31st March 2022	131,729

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No	Vesting Date	% 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

The key assumptions are as under:

Risk-Free Interest Rate (%)	8.13%
Expected Life (No. of Years)	5 years
Expected Volatility (%)	54.26%
Dividend Yield	-
Weighted-Average Fair Value per Option	₹ 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. 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 Benefits Schemes 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	15th January 2018	15th January 2018
Grant / Exercise Price (₹ Per Share)	10	10

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	5th March 2021
Grant/Exercise Price (₹ Per Share)	10

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Details of Activities in the Plan

Particulars	ABCL Incentive Scheme			
	31st March 2023		31st March 2022	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	196,035	3,418	385,721	113,447
Granted during the year	–	–	–	–
Exercised during the year	–	–	189,686	110,029
Lapsed during the year	–	–	–	–
Options/RSUs Outstanding at the end of the year	196,035	3,418	196,035	3,418

4.6 OPERATING SEGMENTS

4.6.1 For management purposes, details of Products/Services included in each of the Segments are as under:

Viscose	- Fiber and Yarn
Chemicals	- Chlor-Alkali, Specialty Chemicals and Chlorine Derivatives
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	- This segment represents remaining businesses of the Group which are not part of the above segments, which mainly represents Textiles, Insulators, Paints, B2B E-commerce and Solar Power business

4.6.2 Segment Measures

The Chief Operating Decision Maker ("CODM") primarily uses Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") as performance measure to assess segment's performance and periodically receives information about the Segment's Revenue, Assets and Liabilities.

During the year, in line with the review process adopted by Chief Operating Decision Maker, the Company has changed its segment disclosure related to the segment's performance measure as per Ind AS 108 - Operating Segments. EBITDA is considered to be the revised measure of segment performance. However, assets pertaining to the segments are considered as part of the segment assets. The corresponding segment information of previous periods has been restated accordingly.

(i) Segment Profit and Loss

Segment's performance is measured based on Segment EBITDA for all the Segments, except for the 'Financial Services' Segment, where finance cost is considered as part of its operations.

(ii) Segment Revenue

For all the segments, the segment revenue is measured in the same way as measured in the Statement of Profit and Loss.

(iii) Segment Assets

Segment assets are allocated based on the operations of the segment. However, certain assets like 'Investments', 'Current Tax Assets' and 'Deferred Tax Assets' are not considered to be segment assets, since these are being monitored at corporate level, accordingly, forms part of corporate/unallocated assets.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(iv) Segment Liabilities

Segment liabilities are allocated based on the operations of the segment. Certain liabilities identified below are not considered to be part of segment liabilities, since those liabilities are managed at corporate level, accordingly, forms part of corporate/ unallocated liabilities:

Segment Liabilities exclusions: 'Current Tax Liabilities', 'Deferred Tax Liabilities' and 'Borrowings', except in case of 'Financial Services' Segment, where Borrowings forms part of its routine operations.

Information about Operating Segments for the year ended 31st March 2023:

₹ in crore

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
REVENUE							
Sales (As reported)	15,126.76	8,773.43	63,224.42	27,348.09	3,154.38	–	1,17,627.08
Sales (Inter-Segment)	21.82	1,648.25	15.56	17.08	77.85	(1,780.56)	–
Total Revenue (Note 3.1)	**15,148.58**	**10,421.68**	**63,239.98**	**27,365.17**	**3,232.23**	**(1,780.56)**	**1,17,627.08**
RESULTS							
Segment Results (EBITDA)	**1,031.27**	**2,271.47**	**11,122.93**	**5,603.40**	**290.06**	**–**	**20,319.13**
Unallocated Corporate Income/ (Expenses)							158.51
Earnings Before Interest, Tax, Depreciation and Amortisation							**20,477.64**
Finance Costs							(1,320.27)
Depreciation and Amortisation							–
- Allocated to segments	**(585.20)**	**(383.57)**	**(2,887.99)**	**(491.98)**	**(173.79)**	**–**	**(4,522.53)**
- Unallocated	–	–	–	–	–	–	(29.06)
Profit Before Exceptional Items and Tax							**14,605.78**
Exceptional Items (Note 3.11)	(88.03)	–	–	–	–	–	(88.03)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees							**14,517.75**
Share in Profit/(Loss) of Joint Ventures and Associates (Allocable to Operating Segments)	**(86.89)**	**–**	**3.53**	**260.26**	**(9.63)**	**–**	**167.27**
Share in Profit/(Loss) of Joint Ventures and Associates (Unallocable)	–	–	–	–	–	–	41.69
Profit Before Tax							**14,726.71**
Current Tax							3,432.67
Deferred Tax							215.84
Profit for the Year before Non-Controlling Interest							**11,078.20**
Less: Non-Controlling Interest							(4,250.94)
Profit for the Year from Continuing Operations							**6,827.26**
OTHER INFORMATION							
Segment Assets	**13,413.83**	**8,635.55**	**92,411.58**	**1,89,519.12**	**9,359.34**	**(332.28)**	**3,13,007.14**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
Investments in Associates/Joint Ventures (allocable to Operating Segments)	**1,122.82**	**–**	**823.66**	**8,787.64**	**44.63**		**10,778.75**
Investments in Associates/Joint Ventures (Unallocable)							238.09
Unallocated Corporate Assets							13,181.05
Total Assets							**3,37,205.03**
Segment Liabilities	**3,645.45**	**1,898.16**	**20,845.90**	**1,58,563.53**	**1,994.95**	**(12.29)**	**1,86,935.70**
Unallocated Corporate Liabilities							27,356.51
Total Liabilities							**2,14,292.21**
Additions to Non-Current Assets	**932.65**	**1,218.17**	**6,152.78**	**458.52**	**3,693.47**	**(7.15)**	**12,448.44**
Unallocated Corporate Capital Expenditure							82.13
Total Additions Non-Current Assets							**12,530.57**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	**88.03**	**–**	**–**	**–**	**–**	**–**	**88.03**

(i) 'Finance cost exclude finance cost of ₹ 4,723.46 crore on financial services business, since it is considered as an expense for deriving segment result.

(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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 (EBITDA)	**1,721.20**	**1,533.90**	**12,022.16**	**2,068.55**	**330.37**	**–**	**17,676.18**
Unallocated Corporate Income/ (Expenses)							96.23
Earnings Before Interest, Tax, Depreciation and Amortisation							**17,772.41**
Finance Costs							(1,295.70)
Depreciation and Amortisation							
- Allocated to segments	(474.93)	(330.22)	(2,714.75)	(473.91)	(153.34)	-	(4,147.15)
- Unallocated	-	-	-	-	-	-	(13.92)
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**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
Share in Profit 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**
Investment in Associates/Joint Ventures (Allocable to Operating Segments)	**1,206.33**	**–**	**7.41**	**5,606.54**	**33.50**	**–**	**6,853.78**
Investment 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	**1,184.28**	**700.78**	**6,152.25**	**332.50**	**1,047.30**	**(35.59)**	**9,381.52**
Unallocated Corporate Capital Expenditure							10.88
Total Additions Non-Current Assets							9,392.40
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	**69.11**	**–**	**–**	**–**	**–**	**–**	**69.11**

(i) '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.

(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

4.6.3 Geographical Segments

The Company's operating facilities are located in India.

₹ in crore

		Year Ended 31st March 2023	Year Ended 31st March 2022
(a)	**Segment Revenues**		
	India (Country of Domicile)	112,179.42	89,902.75
	Rest of the World	5,447.66	5,798.38
	Total	**117,627.08**	**95,701.13**
(b)	**Addition to Non-Current Assets**		
	India (Country of Domicile)	12,530.57	9,392.40
	Rest of the World	-	-
	Total	**12,530.57**	**9,392.40**

4.6.4 The Carrying Amount of Non-Current Operating Assets by location of Assets:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Non-Current Assets $		
India	104,197.44	96,465.57
Rest of the World	2,752.83	2,492.94
Total	**106,950.27**	**98,958.51**

$ Non-current assets exclude Financial Assets, Equity Accounted Investees, Deferred Tax Assets and Non-Current Tax Assets

4.6.5 Information about Major Customers

No Single customer represents 10% or more of the Group's total Revenue for the year ended 31st March 2023 and the year ended 31st March 2022.

4.7 RELATED PARTY TRANSACTIONS:

4.7.1 Related Parties with whom Transactions have taken place during the Year:

Parties	Relationship
AV Group NB Inc, Canada	Joint Venture
Birla Jingwei Fibres Company Limited	Joint Venture
Aditya Group AB, Sweden	Joint Venture
AV Terrace Bay Inc, Canada	Joint Venture
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey	Joint Venture
Aditya Birla Power Composites Limited	Joint Venture
Bhubaneswari Coal Mining Limited	Joint Venture
Bhaskarpara Coal Company Limited	Joint Venture
Aditya Birla Wellness Private Limited	Joint Venture
Aditya Birla Sun Life Trustee Company Private Limited	Joint Venture
Birla Advanced Knits Private Limited - w.e.f. 14th July 2021	Joint Venture
Aditya Birla Health Insurance Co. Limited - w.e.f. 21st October 2022	Joint Venture
Aditya Birla Science and Technology Company Private Limited	Associate
Madanpur (North) Coal Company Private Limited	Associate
Waacox Energy Private Limited (ceased to be associate w.e.f. 5th July 2021 and became wholly-owned subsidiary of ABREL)	Associate
Renew Surya Uday Private Limited	Associate

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Parties	Relationship
Aditya Birla Sun Life AMC Limited - w.e.f. 7th October 2021	Associate
Greenyana Sunstream Private Limited- w.e.f. 26th May 2022	Associate
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW) W.e.f. 15th April 2022	Associate
Dr. Santrupt Misra - Non-Executive Director	Key Management Personnel
Dr. Thomas M. 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 - upto 14th October 2021	Key Management Personnel
Shri Arun Thiagarajan - Independent Director- upto 6th May 2021	Key Management Personnel
Smt. Anita Ramachandran - Independent Director	Key Management Personnel
Shri Ashish Adukia - CFO - upto 14th August 2022	Key Management Personnel
Smt. Rajashree Birla - Non-Executive Director	Key Management Personnel
Shri Pavan Jain - CFO - w.e.f. 15th August 2022	Key Management Personnel
Shri O.P. Rungta- Independent Director - upto 24th May 2021	Key Management Personnel
Shri Dilip Gaur - Managing Director - upto 30th November 2021	Key Management Personnel
Shri Kumar Mangalam Birla - Non-Executive Director	Key Management Personnel
Shri Shailendra K Jain - Non-Executive Director - upto 1st February 2023	Key Management Personnel
Shri Harikrishna Agrawal-Managing Director w.e.f. 1st December 2021	Key Management Personnel
Ms. Ananyashree Birla - Non-Executive Director- w.e.f. 6th February 2023	Key Management Personnel
Shri Aryaman Vikram Birla - Non-Executive Director- w.e.f. 6th February 2023	Key Management Personnel
Shri Yazdi Piroj Dandiwala - Independent Director- w.e.f. 6th February 2023	Key Management Personnel
Grasim Industries Limited - Employees Provident Fund	Post-Employment Benefit Plan
Jayshree Provident Fund Institution	Post-Employment Benefit Plan
Century Rayon Employees Provident Fund Trust 1 & 2	Post-Employment Benefit Plan
Grasim Industries Limited - Employees Gratuity Fund	Post-Employment Benefit Plan
UltraTech Cemco Provident Fund	Post-Employment Benefit Plan
Grasim (Senior Executive & Officers) Superannuation Scheme	Post-Employment Benefit Plan
Birla Group Holding Private Limited	Other Related Parties in which Directors are interested
Birla Carbon India Private Limited	Other Related Parties in which Directors are interested
Birla Research Institute for Applied Sciences	Other Related Parties in which Directors are interested
Aditya Birla Management Corporation Private Limited #	Other Related Parties in which Directors are interested
Shardul Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested
Cyril Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested
Aditya Birla Health Service Private Limited	Other Related Parties in which Directors are interested
Birla Institute of Technology and Science Company	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
Kalyan Charity Trust, Shahad	Other Related Parties in which Directors are interested
Aditya Birla Education Trust	Other Related Parties in which Directors are interested
Birla Management Centre Services Private Limited- w.e.f. 3rd August 2022	Other Related Parties in which Directors are interested
Aditya Birla New Age Private Limited	Other Related Parties in which Directors are interested
Mulla & Mulla & Craigie Blunt & Caroe- w.e.f. 6th February 2023	Other Related Parties in which Directors are interested
M/s Shailendra K. Jain & Co. - upto 1st February 2023	Other Related Parties in which Directors are interested
Shri Suvrat Jain - upto 1st February 2023	Relatives of KMP
Shri Devarat Jain - upto 1st February 2023	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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 below 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 2023	Year ended 31st March 2022
(a)	**Revenue from Contract with Customers**		
	Birla Jingwei Fibres Company Limited	35.72	65.95
	Aditya Birla Sun Life AMC Limited*	164.88	120.56
	Aditya Birla Power Composites Limited	4.35	0.72
	Waacox Energy Private Limited	–	0.12
	Aditya Birla Management Corporation Private Limited	1.91	0.52
	Aditya Birla Health Insurance Co. Limited	3.42	–
	Birla Carbon India Private Limited	0.43	0.11
	Total	**210.71**	**187.98**
	* Includes dividend received of ₹ 156.27 crore (Previous Year ₹ 116.64 crore)		
(b)	**Interest and Other Income**		
	Aditya Birla Wellness Private Limited	0.41	0.82
	Aditya Birla Sun Life AMC Limited	6.64	0.59
	Aditya Birla Science & Technology Company Private Limited	2.49	1.73
	Birla Advanced Knits Private Limited	0.05	0.02
	AV Terrace Bay Inc, Canada	0.14	0.31
	Aditya Birla Management Corporation Private Limited	9.48	9.39
	Aditya Birla Power Composites Limited	3.30	3.03
	Aditya Birla Health Insurance Co. Limited	3.81	–
	Birla Carbon India Private Limited	0.05	0.25
	Total	**26.37**	**16.14**
(c)	**Dividend Paid**		
	Birla Group Holdings Private Limited	125.00	112.50
	Total	**125.00**	**112.50**
(d)	**Dividend Received**		
	Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW)	0.30	–
	Total	**0.30**	**–**
(e)	**Contribution for CSR**		
	Aditya Birla Education Trust #	10.00	8.00
	Total	**10.00**	**8.00**
	# In Current year out-off ₹ 10 crore. ₹ 5.50 crore were spent and ₹ 4.50 crore were unspent and it has been subsequently transferred to separate Bank account.		
(f)	**Loans Provided**		
	Birla Advanced Knits Private Limited	5.00	5.00
	Aditya Birla Sun life AMC Limited	25.00	–
	Total	**30.00**	**5.00**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
(g)	**Repayment Against Loans Provided**		
	Birla Advanced Knits Private Limited	5.00	5.00
	Aditya Birla Sun life AMC Limited	25.00	–
	Aditya Birla Science & Technology Company Private Limited	7.65	5.11
	Total	**37.65**	**10.11**
(h)	**Purchase of Goods and Services**		
	AV Group NB Inc, Canada	906.58	799.99
	Aditya Group AB, Sweden	857.11	586.00
	Birla Jingwei Fibres Company Limited*	(0.18)	(0.01)
	AV Terrace Bay Inc, Canada*	(0.04)	(0.02)
	Aditya Birla Wellness Private Limited	8.80	13.45
	Aditya Birla Sun Life AMC Limited	4.30	3.09
	Aditya Birla Science & Technology Company Private Limited	45.50	43.61
	Aditya Birla Power Composites Limited	0.09	–
	Birla Group Holdings Private Limited	0.05	0.21
	Aditya Birla Management Corporation Private Limited	671.86	551.16
	Birla Management Centre Services Private Limited	14.50	–
	Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C, UAE	66.26	–
	Birla Research Institute for Applied Sciences	–	0.93
	Shardul Amarchand Mangaldas & Co.	0.02	0.09
	Cyril Amarchand Mangaldas & Co.	0.09	1.17
	Aditya Birla Health Service Private Limited	–	0.98
	Aditya Birla Health Insurance Co. Limited	1.31	–
	Birla Institute of Technology and Science Company	0.01	0.03
	Grasim Jana Kalyan Trust	–	0.10
	Jayashree Charity (1962) Trust, Kolkata	0.18	0.14
	Kalyan Charity Trust, Shahad	0.12	0.11
	Aditya Birla New Age Private Limited	0.07	–
	Renew Surya Uday Private Limited	20.67	3.14
	Shri Shailendra K. Jain	–	0.00
	Mulla & Mulla & Craigie Blunt & Caroe	0.11	–
	Greenyana Sunstream Private Limited	2.77	–
	Mr. Suvrat Jain	0.10	0.12
	Mr. Devrat Jain	–	0.02
	M/s Shailendra K. Jain & Co.	–	0.00
	Total	**2,600.28**	**2,004.29**
	* Recovery of Information Technology (IT) Expenses		
(i)	**Investments in Equity Shares**		
	Greenyana Sunstream Private Limited	6.27	–
	Renew Surya Uday Private Limited	14.51	15.31
	Birla Advanced Knits Private Limited	10.00	15.00
	Aditya Birla Power Composites Limited	–	5.18
	Total	**30.78**	**35.49**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
(j)	**Contribution to Post-Employment Benefit Plans**		
	Grasim Industries Limited Employees' Provident Fund	19.92	16.71
	Jayshree Provident Fund Institution	6.03	4.38
	Indo Gulf Fertilizer Ltd. Employee Provident Fund Trust	–	1.08
	Century Rayon Employees Provident Fund Trust 1 & 2	10.01	8.87
	Grasim Industries Limited Employees' Gratuity Fund	47.93	54.57
	Grasim (Senior Executive & Officers) Superannuation Scheme	1.11	1.09
	UltraTech Cemco Provident Fund	62.50	54.79
	Total	**147.50**	**141.49**
(k)	**Deposits Given (Net)**		
	Aditya Birla Management Corporation Private Limited	–	(22.70)
	Aditya Birla Health Insurance Co. Limited	0.02	-
	Aditya Birla Sun Life AMC Limited	(0.86)	1.33
	Total	**(0.84)**	**(21.37)**
(l)	**Reimbursement /(Recovery) of expenses:**		
	Aditya Birla Sun Life AMC Limited	(53.91)	(46.40)
	Aditya Birla Wellness Private Limited	(0.21)	(0.17)
	Aditya Birla Power Composites Limited	(2.20)	(1.43)
	Aditya Birla Management Corporation Private Limited	3.78	8.00
	Aditya Birla Health Insurance Co. Limited	(27.89)	-
	Aditya Birla Science & Technology Company Private Limited	6.48	0.25
	Birla Jingwei Fibres Company Limited	–	(0.05)
	Birla Group Holdings Private Limited	0.18	-
	Birla Management Centre Services Private Limited	25.15	-
	Aditya Group AB, Sweden	0.20	-
	Total	**(48.42)**	**(39.80)**
(m)	**Purchases/(Sales) of Property, Plant and Equipment/Intangible Assets:**		
	Birla Research Institute for Applied Sciences	–	0.03
	Total	**–**	**0.03**
(n)	**Finance Cost**		
	Aditya Birla Health Insurance Co. Limited	0.75	-
	Aditya Birla Sun Life AMC Limited	0.81	-
	Total	**1.56**	**–**
(o)	**Payments to Key Management Personnel**		
	Managerial Remuneration Paid *	17.82	21.48
	Commission to Non-Executive Directors (KMPs)	3.70	4.00
	Sitting Fees to Directors	0.50	0.44
	Dividend to KMPs	1.29	1.66
	Total	**23.31**	**27.58**
	* 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	14.01	15.79
	Post-Retirement Benefits	2.16	2.74
	Share-Based Payments	1.65	2.95
		17.82	**21.48**

* 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Outstanding Balances

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
(a)	**Other Current and Non-Current Liabilities (Financial and Non-Financial)**		
	Aditya Birla Sun Life AMC Limited	–	0.72
	Century Rayon Employees Provident Fund Trust 1 & 2	3.13	2.99
	Jayshree Provident Fund Institution	2.13	1.98
	Aditya Birla Health Insurance Co. Limited	11.96	-
	Aditya Group AB, Sweden	0.02	-
	Mulla & Mulla & Craigie Blunt & Caroe	0.03	-
	Aditya Birla Management Corporation Private Limited	34.33	76.67
	Total	**51.60**	**82.36**
(b)	**Trade Payables**		
	AV Group NB Inc, Canada	57.16	63.73
	Aditya Group AB, Sweden	6.91	32.81
	Aditya Birla Sun Life AMC Limited	4.88	5.72
	Aditya Birla Wellness Private Limited	0.03	2.57
	Aditya Birla Management Corporation Private Limited	0.59	0.17
	Birla Management Centre Services Private Limited	0.60	-
	Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C, UAE	44.59	-
	Renew Surya Uday Private Limited	2.76	3.14
	Greenyana Sunstream Private Limited	0.16	-
	Jayashree Charity (1962) Trust, Kolkata	0.02	-
	Aditya Birla Science & Technology Company Private Limited	–	0.44
	Total	**117.70**	**108.58**
(c)	**Trade Receivables**		
	Birla Jingwei Fibres Company Limited	5.67	5.25
	Aditya Birla Power Composites Limited	3.05	1.94
	Aditya Birla Management Corporation Private Limited	0.01	0.02
	Aditya Birla Sun Life AMC Limited	8.42	2.91
	Aditya Birla Wellness Private Limited	0.02	0.03
	Birla Carbon India Private Limited	0.00	-
	Total	**17.17**	**10.15**
(d)	**Loans, Security Deposits and other Current Assets (Financial and Non-Financial) [Current and Non-Current]**		
	Aditya Birla Science & Technology Company Private Limited	30.00	37.37
	Birla Management Centre Services Private Limited	0.27	-
	Aditya Birla Power Composites Limited	5.29	-
	Bhaskarpara Coal Company Limited	2.49	2.49
	Aditya Birla Management Corporation Private Limited	46.24	41.61
	Aditya Birla Health Insurance Co. Limited	7.03	-
	Birla Group Holding Private Limited	7.37	7.37
	AV Group NB Inc, Canada	0.01	-
	AV Terrace Bay Inc, Canada	0.01	-
	Total	**98.71**	**88.84**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		As at 31st March 2023	As at 31st March 2022
(e)	**Investment in Equity Accounted Investments (Note 2.6)**		
	Joint Ventures	4,383.32	1,410.17
	Associates	6,633.52	5,640.00
	Total	**11,016.84**	**7,050.17**
(f)	**Preference Shares**		
	Joint Ventures	85.56	84.16
	Total	**85.56**	**84.16**
(g)	**Corporate Guarantees**		
	Bhaskarpara Coal Company Limited	1.70	1.70
	Total	**1.70**	**1.70**

4.8 RETIREMENT BENEFITS

4.8.1 Defined Benefit Plans as per Actuarial Valuation:

Gratuity (Funded):

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 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 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 31st March 2023		As at 31st March 2022		As at 31st March 2023		As at 31st March 2022	
(i)	**Reconciliation of Present Value of the Obligation:**								
	Opening Defined Benefit Obligation	1,530.47	32.97	1,471.69	32.50	35.18	0.56	39.08	0.56
	Adjustments of:								
	Current Service Cost	120.88	3.48	117.36	3.65	–	–	4.66	–
	Past Service Cost	–	(1.47)	1.33	0.25	–	–	–	–
	Interest Cost	98.55	1.24	95.35	1.22	2.36	0.04	2.51	0.04
	Actuarial Loss/(Gain)	(30.59)	(3.85)	17.39	(1.73)	1.82	(0.03)	(2.20)	0.02
	Liabilities Assumed on Acquisition/ (Settled on Divestiture)	(1.10)	–	(0.55)	–	–	–	–	–
	Adjustment- On Account of Conversion of ABHI from Subsidiary to JV	(12.16)	–	–	–	–	–	–	–
	Foreign Currency Fluctuation	–	2.17	–	1.09	–	–	–	–
	Liability related to Discontinued operations	–	–	(48.04)	–	–	–	–	–
	Benefits Paid	(120.21)	(4.94)	(124.06)	(4.01)	(5.62)	(0.06)	(8.86)	(0.06)
	Closing Defined Benefit Obligation	1,585.84	29.60	1,530.47	32.97	33.74	0.51	35.18	0.56
(ii)	**Reconciliation of Fair Value of the Plan Assets:**								
	Opening Fair Value of the Plan Assets	1,659.93	–	1,581.44	–	–	–	–	–
	Adjustments of:								
	Return on Plan Assets	106.57	–	102.10	–	–	–	–	–
	Actuarial Gain/(Loss)	1.43	–	22.37	–	–	–	–	–
	Contributions by the Employer	98.82	–	125.55	–	5.62	0.06	8.86	0.06
	Adjustment- On Account of Conversion of ABHI from Subsidiary to JV	(9.32)	–	–	–	–	–	–	–
	Liability related to Discontinued operations	–	–	(48.04)	–				
	Benefits Paid	(118.21)	–	(123.49)	–	(5.62)	(0.06)	(8.86)	(0.06)
	Closing Fair Value of the Plan Assets	1,739.22	–	1,659.93	–	–	–	–	–
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**								
	Present Value of the Defined Benefit Obligation at the end of the year	1,585.84	29.60	1,530.47	32.97	33.74	0.51	35.18	0.56
	Fair Value of the Plan Assets	1,739.22	–	1,659.93	–	–	–	–	–
	Amount not recognised due to Asset Ceiling	(2.50)	–	(0.82)	–				
	Net Liabilities/(Assets) recognised in the Balance Sheet	(150.88)	29.60	(128.64)	32.97	33.74	0.51	35.18	0.56

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(₹ 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 31st March 2023		As at 31st March 2022		As at 31st March 2023		As at 31st March 2022	
(iv)	**Change in Asset Ceiling**								
	Remeasurement due to change in surplus/deficit	(2.50)	–	(0.82)	–	–	–	–	–
	Balance at the end of the year	(2.50)	–	(0.82)	–	–	–	–	–
(v)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**								
	Current Service Cost	120.88	3.48	117.36	3.65	–	–	4.66	–
	Past Service Cost	–	(1.47)	1.33	0.25	–	–	–	–
	Interest on Defined Benefit Obligations (Net)	97.44	1.24	95.38	1.22	2.36	0.04	2.51	0.04
	Expected Return on Plan Assets	(106.60)		(102.13)					
	Net Cost	111.72	3.25	111.94	5.12	2.36	0.04	7.16	0.04
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	(0.96)	–	(1.83)	–	–	–	–	–
	Amount Recovered from Joint Venture Companies	(0.24)	–	(0.42)	–	–	–	–	–
	Net Charge to the Statement of Profit and Loss *	110.52	3.25	109.69	5.12	2.36	0.04	7.16	0.04
	*Charge towards Discontinued Operations included in above	–	–	2.01	–	–	–	–	–
(vi)	**Amount recognised in Other Comprehensive Income (OCI) for the Year:**								
	Changes in Financial Assumptions	(59.51)	(3.77)	(0.29)	(2.91)	(0.85)	(0.02)	(0.50)	0.01
	Changes in Demographic Assumptions	(1.56)	–	(35.63)	–	–	–	–	–
	Experience Adjustments	29.87	(0.08)	53.31	0.50	2.67	(0.01)	(1.70)	0.01
	Actual return on Plan Assets less Interest on Plan Assets	(0.22)	–	(21.39)	–	–	–	–	–
	Adjustment of Past Service Cost	–	–	–	–	–	–	–	–
	Adjustment to recognise the asset ceiling impact	1.63	–	(1.36)	–	–	–	–	–
	Less: Amount recovered from Joint Venture Companies	0.40	–	0.49	–	–	–	–	–
	Less: Amount transferred to policyholders Liability	–	–	–	–	–	–	–	–
	Recognised in OCI for the year	(29.39)	(3.85)	(4.87)	(2.41)	1.82	(0.03)	(2.20)	0.02
(vii)	**Maturity Profile of Defined Benefit Obligation:**								
	Within next 12 months (next annual reporting period)	203.03	5.39	176.10	3.36	7.31	0.06	7.84	0.06
	Between 1 and 5 years	536.37	7.06	492.88	7.39	21.55	0.23	24.23	0.24
	Between 6 and 9 years	617.68	13.18	567.07	12.01	12.72	0.20	16.08	0.21
	10 years and above	2,106.24	35.66	1,899.59	33.35	8.78	0.33	11.75	0.39

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(₹ 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 31st March 2023		As at 31st March 2022		As at 31st March 2023		As at 31st March 2022	
(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	(128.58)	(8.57)	(131.83)	(6.30)	(0.92)	(0.03)	(1.02)	(0.03)
	100 bps decrease in Discount Rate	140.78	8.60	145.86	6.67	0.98	0.03	1.08	0.03
	100 bps increase in Salary Escalation Rate	138.39	8.58	109.29	6.26	–	–	–	–
	100 bps decrease in Salary Escalation Rate	(124.11)	(8.32)	(97.66)	(5.94)	–	–	–	–
	Increase in Life Expectancy by 1 year	–	–	–	–	0.84	–	0.98	–
	Decrease in Life Expectancy by 1 year	–	–	–	–	(0.74)	–	(0.86)	–
(ix)	**The Major Categories of Plan Assets as a % of Total Plan:**								
	Government of India Securities	3%	N.A.	5%	N.A.	N.A.	N.A.	N.A.	N.A.
	Corporate Bonds	1%	N.A.	0%	N.A.	N.A.	N.A.	N.A.	N.A.
	Insurer Managed Funds	94%	N.A.	91%	N.A.	N.A.	N.A.	N.A.	N.A.
	Others	2%	N.A.	4%	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.**
(x)	**Principal Actuarial Assumptions:**								
	Discount Rate	6.85% - 7.45%	4.44%-17.75%	5.60%-7.25%	2.72%-15%	7.25% - 7.45%	7.45%	6.70% - 7.05%	7.05%
	Salary Escalation Rate	7.00%-10.00%	2.50%-11.00%	6.00%-10.00%	2.50%-10.00%	–	–	–	–
	Mortality Tables	Indian Assured Lives (2012-14) mortality tables	GA 1983 Mortality table / UK Mortality Table AM92 [UK]	Indian Assured Lives (2012-14) mortality tables	GA 1983 Mortality table / UK Mortality Table AM92 [UK]	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.	58-60 Yrs.	–	–	–	–
	Non-Management	58 Yrs.		58 Yrs.		–	–	–	–
(xi)	**Weighted Average Duration of Defined Benefit obligation:**	4 to 10 Yrs.	3-12 Yrs.	4 to 11 Yrs.	3-13 Yrs.	4 Yrs. to 5.5 Yrs.	5.3 Yrs.	5 Yrs. to 5.9 Yrs.	5.9 Yrs.

(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 expected 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

(xiv) Salary Escalation Rate:

The estimates of future salary increase are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

(xv) 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.

(xvi) The best estimate of the expected contribution for the next year amounts to ₹ 22.63 crore (Previous Year ₹ 22.42 crore).

(xvii) Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 74.56 crore (Previous Year ₹ 86.21 crore). Compensated absences of Discontinued Operations were ₹ Nil (Previous Year ₹ 1.46 crore)

(xviii) Other Long-term Employee Benefits:

Amount recognised as expense for other long-term employee benefits is ₹ 1.05 crore (Previous Year ₹ 0.44 crore).

(xix) 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 ₹ 96.86 crore (Previous Year ₹ 83.73 crore) and amount recognised as pre-operative expenses and included in note 2.1.5 as "Contribution-Company owned Provident Fund" is ₹ 1.60 crore (Previous Year ₹ 1.02 crore)

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March 2023 (31st March 2022 : Nil).

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Plan Assets at Fair Value	3,762.45	3,415.95
(b) Present Value of Defined Benefit Obligation at year end	3,744.86	3,387.36
(c) Surplus Available	17.59	28.58
(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	7.25%-7.45%	6.70%-6.85%
- Discount Rate for the remaining term of maturity of Investment Portfolio	7.36%-7.95%	6.43%-8.12%
- Average Historic Yield on Investment Portfolio	7.76%- 8.29%	7.98%- 8.42%
- Guaranteed Interest Rate	8.15%	8.10%

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(xx) Defined Contribution Plans:

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Amount recognised as an expense and included in Note 3.6 as "Contribution to Provident and Other Funds"	196.10	204.31
Amount recognised as pre-operative expense and included in Note 2.1.5 as "Contribution to Provident and Other Funds"	0.02	1.46
Total Contribution to Provident and Other Funds	196.12	205.77

Note: Contribution to Provident and Other Funds of Discontinued Operations were ₹ Nil for 31st March 2023 and ₹ 4.02 crore for 31st March 2022.

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 (except Financial Service business) 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 and Measurement of Financial Assets and Liabilities

₹ in crore

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	5,921.92	5,921.92	5,429.36	5,429.36
Loans (including Loans related to NBFC/HFC Business)	93,213.20	93,213.20	66,201.13	66,201.13
Investments of Insurance Business	25,343.22	25,229.62	19,310.99	19,585.64
Other Investments	149.38	149.38	135.65	135.65
Cash and Bank Balances	3,713.38	3,713.38	3,252.55	3,252.55
Other Financial Assets	4,324.35	4,324.35	3,551.18	3,551.18
Re-insurance Assets	1,274.92	1,274.92	1,256.78	1,256.78
Other Investments: Fixed Deposits with financial institutions with maturity less than twelve months	119.09	119.09	337.04	337.04

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Fair Value through Other Comprehensive Income				
Investments of Insurance Business	12,199.58	12,199.58	11,891.30	11,891.30
Other Investments	8,830.43	8,830.43	12,337.27	12,337.27
Financial Assets at Fair Value through Profit and Loss				
Investments of Insurance Business (including Investments of Assets Held to Cover Linked Liabilities)	33,387.12	33,387.12	32,249.60	32,249.60
Other Investments	14,309.63	14,309.63	13,454.10	13,454.10
Hedging Instruments				
Derivative Assets	509.35	509.35	423.80	423.80
Total	**203,295.57**	**203,181.97**	**169,830.75**	**170,105.40**
Financial Liabilities at Amortised Cost				
Non-Current Borrowings	66,712.46	65,958.35	46,545.96	46,751.84
Current Borrowings	34,635.46	34,635.46	26,457.29	26,457.29
Lease Liabilities	952.17	952.17	882.17	882.17
Supplier's Credit	–	–	183.40	183.40
Policyholders Liabilities	69,089.93	69,089.93	60,873.38	60,873.38
Trade Payables	13,353.27	13,353.27	11,393.44	11,393.44
Other Financial Liabilities	10,131.95	10,131.95	8,435.23	8,435.23
Financial Liabilities at fair value through Profit and Loss				
Lease Liabilities Payable in Foreign Currency	738.47	738.47	675.37	675.37
Hedging Instruments				
Derivative Liabilities	125.63	125.63	159.60	159.60
Total	**195,739.34**	**194,985.23**	**155,605.84**	**155,811.72**

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023				
Financial Assets:				
1) Measured at Amortised Cost				
- Investments of Insurance Business	17,686.23	7,543.39	–	25,229.62
- Loans (incl. Loans related to NBFC/HFC business)	–	–	93,213.20	93,213.20
- Re-insurance Assets	–	–	1,274.92	1,274.92
- Other Investments (Non-Current): Fixed Deposits with financial institutions with maturity less than twelve months	–	268.47	–	268.47
2) Measured at Fair Value through Other Comprehensive Income				
- Investments of Insurance Business	5,912.60	6,286.13	0.86	12,199.58
- Other Investments in Debentures or Bonds	–	65.33	–	65.33
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	8,066.88	–	698.21	8,765.10
3) Measured at Fair Value through Profit and Loss				
- Investments of Insurance Business [including Investments of Assets Held to Cover Linked Liabilities]	23,329.15	10,057.97	–	33,387.12
- Other Investments in Mutual Funds, Debentures or Bonds and Private Equity Investment Funds	0.35	13,504.53	476.94	13,981.82
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	–	–	121.73	121.73
- Other Investments in Limited Liability Partnership	–	–	26.60	26.60
- Other Investments in Preference Shares	–	–	179.49	179.49
4) Hedging Instruments				
- Derivative Assets	–	509.35	–	509.35
Financial Liabilities:				
1) Measured at Amortised Cost				
- Non-Current Borrowings	–	23,021.12	42,937.23	65,958.35
- Policyholders Liabilities	30,507.41	–	38,582.52	69,089.93
2) Hedging Instruments				
- Derivative Liabilities	–	125.63	–	125.63
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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ 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]	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	12,848.74	382.10	13,231.29
- Other Investments in Equity Instruments (other than Joint Ventures and Associates)	-	-	53.28	53.28
- Other Investments in Limited Liability Partnership	-	-	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	19,829.16	46,751.84
- Policyholders Liabilities	30,160.19	-	30,713.19	60,873.38
2) Hedging Instruments				
- Derivative Liabilities	-	159.60	-	159.60

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 2023 and 31st March 2022, 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 Partnership 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 net worth, the carrying value of the shares would increase/decrease by ₹ 6.76 crore (as at 31st March 2022: decrease by ₹ 7.49 crore or increase by ₹ 7.82 crore using Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant).

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 ₹ 2.90 crore or increase by ₹ 2.94 crore (as at 31st March 2022: decrease by ₹ 5.06 crore or increase by ₹ 5.29 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 (₹ in crore)
As on 31st March 2023				
Private Equity Investment Funds	Price to Book Value Method	Valuation at 10% discount compare to peer group	0.45	6.20
Private Equity Investment Funds		Valuation at par with peer group	0.50	6.90
Private Equity Investment Funds		Valuation at 10% Premium compare to peer group	0.55	7.50
As on 31st March 2022				
Private Equity Investment Funds	Price to Book Value Method	Valuation at 10% discount compare to peer group	0.45	6.00
Private Equity Investment Funds		Valuation at par with peer group	0.50	6.60
Private Equity Investment Funds		Valuation at 10% Premium compare to peer group	0.55	7.28

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the ABCL's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

Financial Assets related to other business	Level 3 assets 31st March 2023	Valuation Technique	Significant unobservable inputs
Equity Shares	3.09	Net worth of investee company	Instrument Price
Others	510.20	Discounted Projected Cash Flow	Expected Gross Recoveries & Discount rates

Financial Assets related to other business	Level 3 assets 31st March 2022	Valuation Technique	Significant unobservable inputs
Equity Shares	2.35	Net worth of investee company	Instrument Price
Others	382.09	Discounted Projected Cash Flow	Expected Gross Recoveries & Discount rates

(ii) Financial Assets related to Other Business of ABCL as at 31st March 2023

Financial Assets	31st March 2023		31st March 2022	
	Favourable changes (+5%)	Unfavourable changes (–5%)	Favourable changes (+5%)	Unfavourable changes (–5%)
Equity Shares	0.15	(0.15)	0.12	(0.12)
Others (Security Receipts, Alternate Funds, etc.)	25.51	(25.51)	19.10	(19.10)

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 2023	31st March 2022
Opening Balances	**2,360.42**	**2,205.35**
Add: Purchase of Investments during the year	336.53	149.57
Add: Fair Value gain recognised in Other Income in the Statement of Profit and Loss	(16.01)	46.90
Add: Fair value loss recognised in OCI	35.01	54.48
Less: Movement in Other Current Asset of Insurance Business	165.49	(286.09)
Add: Movement of Re-insurance Assets	18.15	442.24
Less: Sale/(Redemption) of Investments	(120.84)	(252.03)
Closing Balances	**2,778.75**	**2,360.42**

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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

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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 group 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 group 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.

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 Group 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 favourable 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.

Insurance Contracts Liabilities: Change in Liabilities

₹ in crore

Particulars	Year Ended 31st March 2023				Year Ended 31st March 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the Year	6,273.05	21,255.68	15,725.53	43,254.26	4,820.53	20,198.66	11,852.69	36,871.88
Add/(Less)								
Premium	1,609.96	2,503.01	9,388.32	13,501.29	1,506.70	2,664.95	5,090.14	9,261.79
Unwinding of the Discount /Interest Credited	515.22	753.83	1,316.65	2,585.70	462.82	2,666.28	1,259.69	4,388.79
Insurance Liabilities Released	(267.36)	(3,213.60)	(1,950.70)	(5,431.66)	(253.03)	(3,787.38)	(2,008.47)	(6,048.88)
Others (Expense overrun, Contribution from S/H and Profit/Loss)	(305.82)	(493.29)	(3,590.23)	(4,389.34)	(263.97)	(486.83)	(468.52)	(1,219.32)
Gross Liability at the end of the Year	**7,825.05**	**20,805.63**	**20,889.57**	**49,520.25**	**6,273.05**	**21,255.68**	**15,725.53**	**43,254.26**
Recoverable from Reinsurance	5.22	25.11	1,244.61	1,274.94	8.71	29.48	1,218.60	1,256.79
Net Liability	**7,819.83**	**20,780.52**	**19,644.96**	**48,245.31**	**6,264.34**	**21,226.20**	**14,506.93**	**41,997.47**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Investment Contracts Liabilities

₹ in crore

Particulars	Year Ended 31st March 2023				Year Ended 31st March 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning 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
Additions								
Premium	2,072.26	1,332.78	235.61	3,640.65	1,517.67	1,195.79	164.98	2,878.44
Interest and Bonus Credited to Policyholders	509.29	382.85	36.16	928.30	239.98	697.03	28.63	965.65
Deductions								
Withdrawals/Claims	728.79	894.68	33.24	1,656.71	1,189.17	848.70	34.15	2,072.03
Fee Income and Other Expenses	5.66	13.61	7.60	26.87	4.08	11.97	1.29	17.34
Others Profit and Loss	(87.47)	33.90	35.94	(17.63)	(211.25)	(57.60)	22.16	(246.69)
Others (includes DAC, DOF and Profit/Loss)	–	2.07	–	2.07	–	(1.95)	–	(1.95)
At the end of the Year	**8,649.62**	**10,013.53**	**624.16**	**19,287.32**	**6,715.05**	**9,242.17**	**429.17**	**16,386.39**

Reinsurance Assets

₹ in crore

Particulars	Year Ended 31st March 2023	Year ended 31st March 2022
At the beginning of the year	1,256.80	814.55
Add/(Less)		
Premium	530.23	498.78
Unwinding of the Discount /Interest credited	53.89	53.22
Change in Valuation for Expected Future Benefits		
Insurance Liabilities Released	(299.23)	(690.46)
Others (Experience Variations)	(266.74)	580.70
At the end of the year	**1,274.95**	**1,256.80**

Deferred Acquisition Cost

₹ in crore

Particulars	Year Ended 31st March 2023	Year ended 31st March 2022
As at 1st April	2.58	3.90
Expenses Deferred	–	–
Amortisation	(1.20)	(1.32)
As at 31st March	**1.38**	**2.58**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Insurance Contracts Liabilities: Change in liabilities of Health Insurance Business

₹ in crore

Particulars	Previous Year 31st March 2022
Gross Liability at the beginning of the year	610.72
Add/(Less)	
Incurred but not reported (IBNR) Provision	(5.14)
Premium Deficiency Reserve	–
Reserve for Unexpired Risk	194.12
Freelook Reserve	(0.03)
Gross Liability	
Recoverable from Re-insurance	(35.32)
Net Liability	**764.35**

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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 Liabilities	Mortality Rates		Investment Return		Lapse and Surrender Rates	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Insurance						
With DPF	75% - 223% of IALM2012-14	75% - 223% of IALM2012-14	7.15% p.a.	7.15% p.a.	PY1 : 9% - 25% PY2 : 2% PY3 + : 1% - 2% (varying by product)	PY1 : 10% - 25% PY2 : 2% - 10% PY3 + : 1% - 2% (varying by product)
Linked Business	55% of IALM 2012-14	55% of IALM 2012-14	a) 9.0% p.a. for assets backing linked liabilities b) 6.9% p.a. for asset backing non-unit liabilities	a) 9.0% p.a. for assets backing linked liabilities b) 6.9% 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% - 35% PY3+: 3% -20% (varying by product and duration)
Others	20%-295.8% of IALM2012-14	20%-292.5% of IALM2012-14	6.15%-7.55% p.a.	6.70%-7.55% p.a.	PY1 : 0%-40% PY2 : 0% - 15% PY3+: 0% -12% (varying by product and duration)	PY1 : 0%-40% PY2 : 0% - 15% PY3+: 1% -12% (varying by product and duration)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Portfolio Assumptions by Type of Business Impacting Net Liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Insurance						
With DPF	N/A	N/A	Max 782.25 Per policy	Max 745 policy	0.05	0.05
Linked Business	0%- 3% p.a.	0% - 3% p.a.	782.25 Per policy	745 Per policy	0.05	0.05
Others	N/A	N/A	Max 782.25 Per policy (varies by product)	Max 745 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%	7,780.69	41,458.92	8,649.64	10,577.39	6,227.30	36,711.55	6,715.06	9,600.79
Lapses Decreased by 10%	7,870.65	41,938.23	8,649.64	10,699.67	6,320.65	37,261.89	6,715.06	9,744.72
Mortality Increased by 10%	7,846.52	41,809.69	8,649.64	10,666.88	6,306.67	37,179.46	6,715.06	9,723.16
Mortality Decreased by 10%	7,801.51	41,569.81	8,649.64	10,605.68	6,240.18	36,787.49	6,715.06	9,620.65
Expenses Increased by 10%	7,840.83	41,779.37	8,649.64	10,659.14	6,311.48	37,207.82	6,715.06	9,730.58
Expenses Decreased by 10%	7,806.90	41,598.53	8,649.64	10,613.01	6,235.14	36,757.81	6,715.06	9,612.89
Interest Rate Increased by 100 bps	7,746.42	41,276.31	8,649.64	10,530.80	6,273.04	36,781.51	6,715.06	9,961.46
Interest Rate Decreased by 100 bps	7,909.87	42,147.24	8,649.64	10,753.00	6,273.04	37,177.20	6,715.06	9,400.52
Inflation Rate Increased by 100 bps	7,844.12	41,796.91	8,649.64	10,663.62	6,319.85	37,257.15	6,715.06	9,743.48
Inflation Rate Decreased by 100 bps	7,807.36	41,601.00	8,649.64	10,613.64	6,234.15	36,751.93	6,715.06	9,611.35

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. Group 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 Group to record realized or unrealised losses and increase our provisions for asset default, adversely impacting earnings.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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. Group 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.

Industry Analysis

As on 31st March 2023

₹ in crore

Particulars		Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1	**FVTOCI Financial Assets**							
	Policyholders							
	Debt	325.81	3,745.19	–	56.77	176.70	15.71	4,320.18
	Government Securities	–	–	4,506.13	86.31	–	26.23	4,618.67
	Others	–	–	94.48	–	–	–	94.48
	Shareholders							
	Debt	287.80	1,320.37	–	42.09	207.03	10.71	1,868.00
	Equity	–	76.16	–	–	–	–	76.16
	Government Securities	–	–	1,171.75	20.66	–	26.22	1,218.63
	Others	–	–	3.49	–	–	–	3.49
2	**Financial Assets at FVTPL**							
	Policyholders							
	Debt	1,064.24	5,026.67	–	158.79	658.49	31.41	6,939.60
	Equity	1,902.21	4,837.12	–	2,237.63	7,040.75	522.89	16,540.60
	Government Securities	–	–	7,987.30	–	–	–	7,987.30
	Mutual Fund Units	–	337.79	–	–	–	–	337.79
	Others	–	696.12	788.88	–	–	(39.81)	1,445.19
	Shareholders							
	Debt	1.54	40.36	8.20	–	–	2.51	52.61
	Equity	–	82.75	–	–	–	–	82.75
	Mutual Fund Units	–	1.27	–	–	–	–	1.27
3	**Amortised Cost Financial Assets**							
	Policyholders							
	Debt	1,480.30	5,373.20	–	42.32	170.52	20.30	7,086.64
	Government Securities	–	–	17,596.32	55.56	–	–	17,651.88
	Others	–	10.29	417.05	–	–	–	427.34
	Total Credit Risk Exposure	**5,061.90**	**21,547.29**	**32,573.60**	**2,700.13**	**8,253.49**	**616.17**	**70,752.58**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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**

Credit exposure by credit rating

As on 31st March 2023

₹ in crore

Particulars		UNR	SOVEREIGN	AAA	AA+	AA–	AA	Others	Total
1	**FVOCI Financial Assets**								
	Policyholders								
	Debt	–	–	3,915.17	210.99	–	194.02	–	4,320.18
	Government Securities	–	4,506.13	112.54	–	–	–	–	4,618.67
	Others	–	94.48	–	–	–	–	–	94.48
	Shareholders								–
	Debt	–	–	1,363.38	132.33	47.50	300.50	24.29	1,868.00
	Equity	76.16	–	–	–	–	–	–	76.16
	Government Securities	–	1,171.75	46.88	–	–	–	–	1,218.63
	Others	–	3.49	–	–	–	–	–	3.49

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		UNR	SOVEREIGN	AAA	AA+	AA–	AA	Others	Total
2	**Financial Assets at FVTPL**								
	Policyholders								
	Debt	–	–	6,186.82	454.95	–	297.83	–	6,939.60
	Equity	15,910.12	–	374.86	209.70	–	45.92	–	16,540.60
	Government Securities	–	7,987.30	–	–	–	–	–	7,987.30
	Mutual Fund Units	337.79	–	–	–	–	–	–	337.79
	Others	170.81	788.88	525.31	–	–	–	(39.81)	1,445.19
	Shareholders								
	Debt	–	8.20	44.41	–	–	–	–	52.61
	Equity	–	–	–	51.72	–	31.03	–	82.75
	Mutual Fund Units	–	–	–	–	–	–	1.27	1.27
3	**Amortised Cost Financial Assets**								
	Policyholders								
	Debt	–	–	6,643.54	163.66	106.63	148.96	23.83	7,086.62
	Government Securities	–	17,596.32	55.56	–	–	–	–	17,651.88
	Others	10.29	417.05	–	–	–	–	–	427.34
	Total Credit Risk Exposure	**16,505.17**	**32,573.60**	**19,268.47**	**1,223.35**	**154.13**	**1,018.26**	**9.58**	**70,752.56**

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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ in crore

Particulars		UNR	SOVEREIGN	AAA	AA+	AA–	AA	Others	Total
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**

It is the Group'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 Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group 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).

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	–
State	–
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.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

ECL allowance computed, basis above, during the period under consideration is as follows:

₹ in crore

Movement of Allowances	Year Ended 31st March 2023	Year ended 31st March 2022
Financial Assets		
As at 1st April	**10.15**	**8.93**
Provided during the year	3.11	1.41
Amounts Written off	(0.79)	(0.19)
As at 31st March	**12.47**	**10.15**

Liquidity Risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. The Group'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.

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.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Maturity Analysis on Expected Maturity Bases

As on 31st March 2023

Particulars	Less Than 12 Months	1 to 5 years	More than 5 years	Total
Financial Liabilities				
Other Financial Liabilities	1,424.96	–	2.96	1,427.92
Lease Liability	40.45	87.87	29.15	157.47
Life Insurance Contract Liabilities and Restricted Surplus	2,079.16	14,188.58	52,822.19	69,089.93
Subordinated Liabilities	–	–	499.96	499.96
Trade and Other Payables	562.17	–		562.17

As on 31st March 2022

Particulars	Less Than 12 Months	1 to 5 years	More than 5 years	Total
Financial Liabilities				
Other Financial Liabilities	1,492.11	–	0.61	1,492.72
Lease Liability	6.93	127.29	30.88	165.10
Life Insurance Contract Liabilities and Restricted Surplus	1,242.41	4,818.81	54,047.83	60,109.04
Subordinated Liabilities	–	–	499.74	499.74
Trade and Other Payables	491.39	–	–	491.39

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ In crore

Market indices	Change in Interest Rate	As at 31st March 2023		As at 31st March 2022	
		Impact on Profit Before Tax	Impact on Equity*	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point down	–	135.39	–	135.76
	50 Basis Point down	–	274.47	–	271.52
	25 Basis Point Up	–	(131.84)	–	(135.76)
	50 Basis Point Up	–	(260.26)	–	(271.52)

* Shock only on Interest Rate given(FVOCI)) and hence no impact on Equity considered

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 Interest Rate	As at 31st March 2023		As at 31st March 2022	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
BSE 100	10% rise	225.76	200.43	193.54	202.82
	10% fall	(225.76)	(200.43)	(193.54)	(202.82)

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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

Nature and Term of Outstanding Derivative Contracts

a) Forward Rate Agreements

₹ In crore

Particulars		As at 31st March 2023	As at 31st March 2022
i)	Total notional principal amount of forward rate agreement undertaken during the year (Instrument-wise)		
	7.73% GOI 2034 (MD 19/12/2034)	–	67.10
	8.13% GOI 2045 (MD 22/06/2045)	136.84	107.26
	8.30% GOI 2040 (MD 02/07/2040)	187.04	50.68
	8.30% GOI 2042 (MD 31/12/2042)	482.23	99.31
	8.33% GOI 2036 (MD 07/06/2036)	34.82	269.73
	8.83% GOI 2041 (MD 12/12/2041)	162.31	171.17
	9.23% GOI 2043 (MD 23/12/2043)	245.60	71.87
	8.17% GOI 2044 (MD 01/12/2044)	200.42	79.79
	7.06% GOI 2046 (MD 10/10/2046)	113.36	76.43
	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 (MD 10/08/2034)	–	47.49
	6.99% GOI 2051 (MD 15/12/2051)	73.71	55.94
	6.67% GOI 2035 (MD 15/12/2035)	13.40	38.22
	7.54% GOI 2036 (MD 23/05/2036)	877.64	-
	6.95% GOI 2061 (MD 16/12/2061)	17.40	-
	7.40% GOI 2062 (MD 19/09/2062)	438.00	-
	7.41% GOI 2036 (MD 19/12/2036)	465.27	-
	7.36% GOI 2052 (MD 12/09/2052)	506.01	-
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)	58.86	91.24
	7.62% GOI 2039 (MD 15/09/2039)	289.52	403.08
	7.73% GOI 2034 (MD 19/12/2034)	141.66	251.92
	7.95% GOI 2032 (MD 28/08/2032)	178.68	263.37
	8.13% GOI 2045 (MD 22/06/2045)	293.45	156.61

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ In crore

Particulars	As at 31st March 2023	As at 31st March 2022
8.24% GOI 2033 (MD 10/11/2033)	90.61	127.42
8.28% GOI (MD 15/02/2032)	50.21	50.21
8.30% GOI 2040 (MD 02/07/2040)	264.68	77.65
8.30% GOI 2042 (MD 31/12/2042)	654.73	267.71
8.32% GOI (MD 02/08/2032)	135.85	135.85
8.33% GOI 2036 (MD 07/06/2036)	441.95	-
8.83% GOI 2041 (MD 12/12/2041)	382.24	230.36
8.97% GOI 2030 (MD 05/12/2030)	-	26.64
9.20% GOI 2030 (MD 30/09/2030)	170.08	327.74
9.23% GOI 2043 (MD 23/12/2043)	337.19	95.73
8.17% GOI 2044 (MD 01/12/2044)	310.26	109.84
7.06% GOI 2046 (MD 10/10/2046)	214.43	113.65
7.63% GOI 2059 (MD 17/06/2059)	35.66	68.09
7.72% GOI 2055 (MD 26/10/2055)	123.27	164.51
6.67% GOI 2050 (MD 17/12/2050)	156.55	187.27
6.76% GOI 2061 (MD 22/02/2061)	32.51	78.07
6.64% GOI 2035 (MD 16/06/2035)	273.49	291.70
6.99% GOI 2051 (MD 15/12/2051)	129.65	55.94
7.50% GOI 2034 (MD 10/08/2034)	44.01	47.49
6.67% GOI 2035 (MD 15/12/2035)	51.62	38.22
6.95% GOI 2061 (MD 16/12/2061)	17.40	-
7.36% GOI 2052 (MD 12/09/2052)	506.01	-
7.54% GOI 2036 (MD 23/05/2036)	696.90	-
7.40% GOI 2062 (MD 19/09/2062)	438.00	-
7.41% GOI 2036 (MD 19/12/2036)	465.27	-

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 2023	As at 31st March 2022
7.40% GOI 2035 (MD 09/09/2035)	0.59	0.96
7.62% GOI 2039 (MD 15/09/2039)	(8.14)	(14.70)
7.73% GOI 2034 (MD 19/12/2034)	(1.82)	(2.27)
7.95% GOI 2032 (MD 28/08/2032)	3.85	1.01
8.13% GOI 2045 (MD 22/06/2045)	(1.20)	(3.84)
8.24% GOI 2033 (MD 10/11/2033)	2.84	2.49
8.28% GOI (MD 15/02/2032)	2.61	2.67
8.30% GOI 2040 (MD 02/07/2040)	(1.59)	(1.43)
8.30% GOI 2042 (MD 31/12/2042)	(2.97)	(6.17)
8.32% GOI (MD 02/08/2032)	4.15	3.91
8.33% GOI 2036 (MD 07/06/2036)	(4.61)	(7.61)
8.83% GOI 2041 (MD 12/12/2041)	4.58	(1.71)
8.97% GOI 2030 (MD 05/12/2030)	-	0.66
9.20% GOI 2030 (MD 30/09/2030)	1.97	4.70
9.23% GOI 2043 (MD 23/12/2043)	2.29	0.49

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ In crore

Hedging Instrument	As at 31st March 2023	As at 31st March 2022
8.17% GOI 2044 (MD 01/12/2044)	(1.94)	(3.43)
7.06% GOI 2046 (MD 10/10/2046)	(0.52)	(1.84)
7.63% GOI 2059 (MD 17/06/2059)	(0.80)	(3.27)
7.72% GOI 2055 (MD 26/10/2055)	0.01	(4.00)
6.67% GOI 2050 (MD 17/12/2050)	(1.62)	(3.92)
6.76% GOI 2061 (MD 22/02/2061)	0.50	0.33
6.64% GOI 2035 (MD 16/06/2035)	(4.95)	(6.25)
6.99% GOI 2051 (MD 15/12/2051)	2.04	(0.63)
7.50% GOI 2034 (MD 10/08/2034)	(0.01)	(0.22)
6.95% GOI 2061 (MD 16/12/2061)	0.32	-
7.40% GOI 2062 (MD 19/09/2062)	0.34	-
7.41% GOI 2036 (MD 19/12/2036)	(0.17)	-
7.36% GOI 2052 (MD 12/09/2052)	4.96	-
7.54% GOI 2036 (MD 23/05/2036)	4.02	-
6.67% GOI 2035 (MD 15/12/2035)	0.22	0.09

c) Movement in Hedge Reserve

₹ In crore

Hedge Reserve Account	As at 31st March 2023		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(67.14)	(25.85)	(92.99)
ii) Add: Changes in the Fair Value during the year and	5.03	(55.40)	(50.37)
iii) Less: Amounts reclassified to Revenue / Profit & Loss Account	(5.30)	-	(5.30)
Balance at the end of the year	**(56.81)**	**(81.25)**	**(138.06)**

₹ 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	(36.49)	53.42	16.93
iii) Less: Amounts reclassified to Revenue / Profit & Loss Account	(4.02)	-	(4.02)
Balance at the end of the year	**(67.14)**	**(25.85)**	**(92.99)**

Particulars	As at 31st March 2023	As at 31st March 2022
i) Name of the Counter party	HSBC Bank, J.P.Morgan, Citi Bank, Credit Suisse, HDFC Bank, Deutsche Bank; Standard Chartered Bank, DBS, Kotak Bank and ICICI Bank	HSBC Bank/ J.P.Morgan/ Citi Bank/ Credit Suisse/ HDFC 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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 Group adopts to underwrite credit exposures.

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 2023.

Financial Liabilities

₹ in crore

As at 31st March 2023	Within 12 Months	After 12 Months	Total
Trade and Other Payables	702.72	–	702.72
Other Financial Liabilities	829.81	240.53	1,070.34
Borrowing & Debt Securities	31,641.16	63,859.30	95,500.46
Total	**33,173.69**	**64,099.83**	**97,273.52**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 and Debt Securities	21,347.02	39,894.61	61,241.63
Total	**22,926.54**	**40,018.66**	**62,945.20**

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 Group cannot expect to eliminate all operational risks, but it endeavours 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

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 Group, 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 2023 and 31st March 2022.

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.

To mitigate the interest rate risk, ALM policy of the respective companies stipulates interest rate sensitivity gap of all the time buckets.

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 Group's profitability materially.

₹ in crore

Market indices	Change in Interest Rate	As at 31st March 2023		As at 31st March 2022	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point Down	111.28	82.72	62.63	46.67
	50 Basis Point Down	222.57	165.43	125.27	93.35
	25 Basis Point Up	(111.28)	(82.72)	(62.63)	(46.67)
	50 Basis Point Up	(222.57)	(165.43)	(125.27)	(93.35)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 fluctuation in foreign exchange rates primarily relates to its External Commercial Borrowings. The Group uses derivative instruments like cross currency swaps to hedge exposure to foreign currency risk.

The Group has taken foreign currency borrowings. For managing, the foreign currency risk and interest rate risk, arising from changes in applicable benchmark on such borrowings, the Group has entered into Cross Currency Swap (CCS) for loan liability covering the entire tenor of the loan along with the interest payable.

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 2023	31st March 2022
Capital Adequacy Ratio of NBFC	16.38%	21.77%
Capital Adequacy Ratio of HFC	21.58%	23.94%

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 2023 and 31st March 2022.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023	As at 31st March 2022
i) Total notional principal amount of CCIRS agreement undertaken during the Year	–	354.45
ii) Total notional principal amount of CCIRS agreement outstanding as on end of the Year	–	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) Overnight Index Swaps (OIS)

₹ In crore

Particulars	As at 31st March 2023	As at 31st March 2022
i) Total notional principal amount of OIS agreement undertaken during the year	50.00	–
ii) Total notional principal amount of OIS agreement outstanding as on end of the year	50.00	–
iii) Maturity date of OIS	4th October 2023	–

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 2023	As at 31st March 2022
CCIRS	–	14.20
Overnight Index Swaps(OIS)	0.19	–

c) Movement in Hedge Reserve

₹ in crore

Cash Flow Hedge Reserve Account	Realised	Unrealised	Total
As at 31st March 2023			
i) Balance at the beginning of the Year	–	(6.65)	(6.65)
ii) Add: Changes in the fair value during the Year	(14.08)	(14.26)	(28.34)
iii) Less: Amounts reclassified to profit or loss	(14.08)	(20.91)	(34.99)
iv) Balance at the end of the Year	–	(0.00)	(0.00)
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)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Particulars	As at 31st March 2023	As at 31st March 2022
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%

Particulars – OIS	As at 31st March 2023	As at 31st March 2022
i) Name of the Counter Party	State bank of India	-
ii) Hedge Designation	Effective	-
iii) Floating rate	FBIL Mibor	-
iv) Fixed rate	6.96%	-

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 2023			
Part I			
(i) Cross Currency Interest Rate Swaps	931.49	–	7.15
(ii) INR Interest Rate swaps	1,000.00	0.84	6.54
(iii) Currency forward	–	–	–
Total	**1,931.49**	**0.84**	**13.69**
Part II			
(i) Cash Flow Hedging			
- Interest Rate derivatives	900.00	0.51	6.54
- Cross Currency Interest Rate Swaps	931.49	–	7.15
- Currency Forward	–	–	–
- Interest Rate derivatives	100.00	0.33	
Total	**1,931.49**	**0.84**	**13.69**
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**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 ₹ 931.49 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 ₹ 931.49 crore at fixed interest rate.

Name of Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate type	Notional Amount of swap (₹)	Interest Rate Swap type
As at 31st March 2023				
JPY Denominated (in JPY crore) (Maturity Range: February 2026 to March 2026)	838.94	Floating Rate Interest	519.84	Fixed Rate Interest
USD Denominated (in USD lakhs) EDC (Maturity in March 2026)	500.00	Floating Rate Interest	411.65	Fixed Rate Interest
	1,338.94		**931.49**	
As at 31st 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
SMBC Bank (Maturity in March 2023)	3.00	Floating Rate Interest	222.78	Fixed Rate Interest
	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 company has also taken overnight index swap deals to hedge it's cashflows for underlying NCDs. The details are disclosed in the table below:

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Rate Swaps		
Borrowing Amount	100.00	-
Interest Rate Type	Floating rate interest	-
Notional Amount of Swap	100.00	-
Interest Rate Swap Type	Fixed rate interest	-

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023				
Cross Currency Interest Rate Swaps	931.49	(7.15)	Derivative financial instruments	44.75
Currency Forward	-	-	Derivative financial instruments	ß
Interest Rate Swaps	1,000.00	(5.71)	Derivative financial instruments	(5.73)
Total	**1,931.49**	**(12.86)**		**39.02**

₹ in crore

Particulars	Notional Amount	Accumulated fair value adjustment – Liability	Line item in the Statement of Financial Position	Change in Fair Value used for measuring ineffectiveness for the year
Fixed Rate NCD	900.00	(5.75)	Derivative financial instruments	5.79
Total	**900.00**	**(5.75)**		**5.79**

₹ 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	1,463.68	(77.71)	Derivative financial instruments	(35.19)
Currency Forward	0.08	(0.01)	Derivative financial instruments	0.01
Interest Rate Swaps	250.00	(0.09)	Derivative financial instruments	(0.09)
Total	**1,713.76**	**(77.80)**		**(35.27)**

₹ in crore

Particulars	Notional Amount	Accumulated fair value adjustment – Liability	Line item in the Statement of Financial Position	Change in Fair Value used for measuring ineffectiveness for the year
Fixed Rate NCD	250.00	(0.03)	Derivative financial instruments	(0.03)
Total	**250.00**	**(0.03)**		**(0.03)**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023		
Foreign Currency denominated Floating Rate Borrowings	(41.51)	(2.46)
Debt Securities (NCDs)	–	0.21
Total	**(41.51)**	**(2.25)**
As at 31st March 2022		
Foreign Currency denominated Floating Rate Borrowings	54.48	(5.70)
Total	**54.48**	**(5.70)**

The effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in crore

Particulars	Total Hedging Gain / (Loss) Recognised in OCI	Ineffective-ness Recognised in Profit or Loss
As at 31st March 2023		
Foreign Currency denominated Floating Rate Borrowings	3.45	–
Debt Securities (NCDs)	–	0.04
Total	**3.45**	**0.04**
As at 31st March 2022		
Foreign Currency denominated Floating Rate Borrowings	19.30	–
Total	**19.30**	**–**

Note c) : Movements in cash flow hedging reserve

₹ in crore

Particulars	Cash Flow Hedging Reserve	
	As at 31st March 2023	As at 31st March 2022
As at 1st April	**(5.70)**	**(25.00)**
Add/Less: Changes in Fair Value	4.61	25.79
Add/Less: Deferred Tax	(1.16)	(6.49)
As at 31st March	**(2.25)**	**(5.70)**

The effect of the fair value hedge in the statement of profit or loss is, as follows:

Particulars	Hedge ineffectiveness recognised in statement of profit and loss		Line in the statement of profit and loss that includes hedge ineffectiveness
	31st March 2023	31st March 2022	
Interest rate swaps	(0.16)	(0.13)	Net gain on fair value changes

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023			
(i) Cross Currency Interest Rate Swaps	–	931.49	931.49
(ii) Currency Forward	–	–	–
(iii) Interest Rate Swaps	400.00	600.00	1,000.00
Total	**400.00**	**1,531.49**	**1,931.49**
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**

Note:

The Group, its associates and joint ventures have a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses needed to be provided as required under any law/accounting standards.

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 is given below)

- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 'Probability of Default', 'Exposure at Default' and 'Loss Given Default' is given below)

Definition of Default

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 lender 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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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, forward currency options and principal only / 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
-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
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 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 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 2023 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Effect as 31st March 2023

	USD	EUR	GBP	JPY	CAD	CNY/CNH	SEK	AUD	CHF	Others*	Total
Effect of 5% Strengthening of INR											
On Profit $	59.30	25.33	(2.17)	(4.37)	(2.04)	(0.25)	-	35.81	0.01	0.15	111.77
On Equity $	(5.11)	(2.71)	(2.26)	0.02	-	-	-	1.63	(0.10)	0.00	(8.53)
Effect of 5% Diminishing of INR											
On Profit $	(59.30)	(25.33)	2.17	4.37	2.04	0.25	-	(35.81)	(0.01)	(0.15)	(111.77)
On Equity $	5.11	2.71	2.26	(0.02)	-	-	-	(1.63)	0.10	(0.00)	8.53

* 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 2022

	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.

$ sensitivity on profit represents changes in FVTPL items and Equity represents changes in FVTOCI items.

(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 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(a) Cash Flow Hedge

Details of Foreign Exchange Forward Contracts and Interest Rate and Cross Currency Swap Outstanding as on 31st March 2023

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 2023**								
a	USD	11.39	1.93	82.48	83.22	939.12	160.62	8.00	0.32
b	EUR	0.25	5.81	87.40	87.41	21.85	507.85	0.76	(17.47)
c	JPY	–	89.36	–	0.64	–	56.79	–	0.42
d	AUD	0.57	–	57.40	–	32.72	–	(0.05)	–
e	GBP	–	0.45	–	101.00	–	45.45	–	1.40
2)	**Cross Currency Interest Rate Swaps Outstanding as on 31st March 2023**								
a	USD	0.01	–	75.18	–	0.66	–	2.05	–

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

* It has been repaid on 31st August 2021

Foreign currency cash flows:

Particulars	As at	Average Exchange Rate (USD/INR)	Nominal Foreign Currency USD crore	Fair Value Assets (Liabilities) (₹ in crore)
Buy Currency: (USD)				
-for Foreign Currency Bonds	31st March 2023	72.50	20.00	30.27
Buy Currency : (USD)				
-for Foreign Currency Bonds	31st March 2022	72.50	20.00	(0.92)

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 2023	–	–	–
2 to 5 years	31st March 2023	3.32%	5.00	0.90
0 to 2 years	31st March 2022	1.04%	4.00	(0.34)
2 to 5 years	31st March 2022	–	–	–

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023	5.19%	73.55	14.00	(87.13)
0 to 2 years	31st March 2022	–	–	–	–

Particulars	As at	Average Contracted Fixed Interest Rates*	Average Exchange Rate (USD/INR)	Nominal Amount USD crore	Fair Value Assets/ (Liabilities) (₹ in crore)
2 to 5 years	31st March 2023	–	–	–	–
2 to 5 years	31st March 2022	5.19%	73.55	14.00	0.91

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 2023	72.52	20.00	440.94
0 to 2 years	31st March 2022	72.52	20.00	396.68

*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 foreign exchange forward contracts and interest rates swaps contracts designated under cash flows hedges:

₹ in crore

Particulars	As at 31st March 2023		As at 31st March 2022	
	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective Hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(Loss)	(126.39)	–	(2.26)	–

(b) Hedge of net investments in foreign operations:

Derivative asset as at 31st March 2023 includes forward contracts of AED 1,054.06 million (31st March 2022: AED 661.13 million) which has been designated as a hedge of the net investment in the Ultratech's subsidiary UltraTech Cement Middle East Investments Limited (UCMEIL). This derivative is being used to hedge the Group's exposure to AED foreign exchange risk on these investments. Gains or losses on the retranslation of these derivatives are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries. There is no ineffectiveness during the year ended 31st March 2023.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the forward contracts.

Particulars	31st March 2023	31st March 2022
Currency exchange risk hedged	AED to INR	AED to INR
Nominal amount of hedging instruments	AED 1,056.09 Mn	AED 661.13 Mn
Maturity date	March 2024 to March 2033	March 2023
Carrying value of hedging instruments (Derivative Assets)	₹ 2.21 cr	₹ 9.19 cr
Change in the fair value of the hedging instrument during the year	₹ 2.21 cr	₹ 9.19 cr
Fair value gain on effective hedge	₹ 2.21 cr	₹ 9.19 cr

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(c) Fair Value Hedge

Details of Foreign Exchange Forward Contracts Outstanding as on 31st March 2023

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	15.40	1.32	83.24	83.18	1,281.84	110.16	(4.44)	1.20	05-04-2023 to 29-12-2023
b	EUR	3.08	1.37	88.84	89.18	273.36	122.52	0.91	(6.45)	28-04-2023 to 07-02-2024
c	CHF	–	0.01	–	89.62	–	0.46	–	0.00	28-04-2023
d	AUD	5.51	–	56.46	–	311.12	–	–	3.85	05-04-2023 to 07-03-2024
e	CNY/RMB/CNH	0.22	0.78	12.03	12.13	2.66	9.50	(0.03)	0.12	28-04-2023 to 29-12-2023
f	GBP	–	0.22	–	98.13	–	21.25	(0.97)	–	27-04-2023 to 28-11-2023

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

(c) Fair Value Hedge of Interest rate outstanding on Receive Floating and Pay Fix contracts:

₹ in crore

Particulars	As at	Average contracted fixed interest rate	Nominal Amount	Fair Value Assets (Liabilities)
0 to 6 years	31st March 2023	6.99%	250	(2.25)
0 to 6 years	31st March 2022	–	–	–

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	13,462.07	3,287.02	9,816.27	358.78
USD	4,437.24	1,150.44	3,286.80	–
Total as at 31st March 2023	**17,899.31**	**4,437.46**	**13,103.07**	**358.78**
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**

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).

Particulars	As at 31st March 2023		As at 31st March 2022	
	Impact On		Impact On	
	Profit Before Tax	Equity	Profit Before Tax	Equity
INR	32.87	24.60	(18.78)	(12.22)
USD	11.50	8.61	(3.04)	(1.98)

Note: If the rate is decreased by 100 bps the Profit Before Tax will increase by an equal amount.

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 2023, would increase/decrease by ₹ 400.29 crore (for the year ended 31st March 2022 by ₹ 579.20 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 2023 is ₹ 5,564.90 crore (excluding ₹ 357.02 crore of Insurance and NBFC/HFC Business) {31st March 2022 : ₹ 5,050.47 crore (excluding ₹ 371.89 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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.

As per policy receivables are classified into different buckets based on the overdue period ranging from 4 months to one year to more than two years. There are different provisioning norms for each bucket which are ranging from 10% to 100%.

Movement of Loss Allowance:

₹ in crore

Particulars	31st March 2023	31st March 2022
Provision at the beginning of the year:	**201.81**	**222.58**
Add: Provided during the Year	13.32	13.50
Less: Utilised during the Year	(59.12)	(10.96)
Less: Written Back during the Year	(3.89)	(26.22)
Effect of Foreign Conversion	5.20	2.91
Provision at the end of the year:	**157.32**	**201.81**

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 2023 is ₹ 18,082.04 crore (31st March 2022 ₹ 23,251.83 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

The table below provides details of financial liabilities and financial assets as on the reporting date.

₹ in crore

As at 31st March 2023	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-term Debts)*	6,812.27	5,908.53	6,556.69	19,277.49
Trade Payables	12,088.46	–	–	12,088.46
Interest Accrued but not Due on Borrowings	370.85	–	–	370.85
Other Financial Liabilities (excluding Derivative Liabilities)	6,282.58	26.02	–	6,308.59
Lease Liabilities *	229.85	765.17	759.79	1,754.81
Deferred Premium Payable *	47.68	191.00	143.44	382.12
Derivative Liabilities	111.93	–	–	111.93
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares.	10,476.53	364.67	80.45	10,921.65

* Contractual amount

₹ 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 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

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023	As at 31st March 2022,
Total Debt (Bank and Other Borrowings)	17,899.31	15,727.39
Less: Liquid Investments (Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares)	10,921.65	11,427.84
Net Debt	6,977.66	4,299.55
Owner's Equity	78,741.99	75,698.23
Net Debt to Equity (In times)	**0.09**	**0.06**

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.

4.12 ADDITIONAL INFORMATION DETAILS

4.12.1 Government Grants (Ind AS 20)

a) The Company has outstanding interest-free loans from State Government repayable in full in next one to five years. Company has done the initial recognition of loan at fair value Using prevailing market interest rate for an equivalent loan. The difference of between contractual Value and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the remaining period of loan.

b) Other Operating Revenue (Note 3.1) includes incentives against capital investments received by UltraTech Cement Limited ('UltraTech') amounting to ₹ 356.71 crore (Previous Year ₹ 456.43 crore) under the State Investment Promotion Scheme.

c) Repairs to plant and machinery are net of subsidy received by UltraTech [under State Investment Promotion Scheme] ₹ 1.29 crore (Previous Year ₹ 0.97 crore).

d) Cost of materials consumed includes grants towards royalty expense of UltraTech amounting to ₹Nil (Previous Year ₹ 13.26 crore).

e) 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 ₹50.26 crore (Previous Year ₹ 74.44 crore) has been recognised as an income by UltraTech. Every year, change in fair value is accounted for as an interest expense.

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 In terms of a Scheme of Arrangement between Jaiprakash Associates Limited (JAL); Jaypee Cement Corporation Limited (JCCL), Ultratech ("The Parties") and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Mumbai and Allahabad bench, together with necessary approvals from the stock exchanges, Securities and Exchange Board of India (SEBI), and the Competition Commission of India; the Company had on 27th June 2017, issued 1,000 Series A Redeemable Preference Shares of ₹ 1,00,000 each aggregating to ₹ 1,000 crore to JAL (Series A RPS) for a period of 5 years or such longer period as may be agreed by the Parties (the "Term"). The Series A RPS were held in escrow until satisfaction of certain conditions precedent in relation to the Dalla Super Plant and mines situated in the state of Uttar Pradesh (Earlier known as JP Super), to be redeemed post the expiry of the Term as per the agreement between The Parties.

Upon expiry of the Term, Ultratech offered redemption of the Series A RPS within the stipulated number of days, post adjustment of certain costs pertaining to the conditions precedent, as per the terms of the agreement entered into between The Parties.

Redemption of the Series A RPS was subject to issuance of a joint notice to the escrow agent. The Series A RPS could not be redeemed due to inaction on the part of JAL in signing the joint instruction notice. This matter has since been referred to arbitration and the arbitration proceedings are pending. Ultratech has classified the Series A RPS to Other Financial Liabilities as Liability for Capital Goods.

4.12.4 The Board of Directors of UTCL at the meeting held on 28th April 2023 approved a Scheme of Amalgamation of UltraTech Nathdwara Cement Limited (UNCL) (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiaries viz. Swiss Merchandise Infrastructure Limited (Swiss) and Merit Plaza Limited (Merit) with the Ultratech. The Appointed Date of the Scheme is 1st April 2023. In terms of the Scheme, the entire equity shares of UNCL, Swiss and Merit will be cancelled without issue and allotment of any new shares in lieu thereof. The Scheme is subject to necessary statutory and regulatory approvals, including sanction by the Hon'ble National Company Law Tribunal under Sections 230 and 232 of the Companies Act, 2013.

4.12.5 Disclosure Related to investment in Aditya Birla Health Insurance Co. Limited (ABHI)

ABHI has made a preferential allotment of 50,707,454 equity shares of ₹ 10 each to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly-owned subsidiary of Abu Dhabi Investment Authority ("ADIA"), on 21st October 2022 for an aggregate consideration of ₹ 664.27 crore. Pursuant to such issuance of the equity shares, ADIA owns 9.99% stake in ABHI.

W.e.f. 21st October 2022, ABCL holds 45.91% stake in ABHI. Consequently, ABHI ceased to be a subsidiary and has been accounted as a joint venture. This has resulted in fair value gain of ₹ 2,754.27 crore representing difference between fair value of retained interest in ABHI and derecognition of net assets of ABHI in accordance with 'Ind AS 110 - Consolidated Financial Statements'.

W.e.f. 21st October 2022, the ABCL has applied the equity method to account for its investment in ABHI.

4.12.6 ABCL's Board of Directors of the Company at its meeting held on 27th March 2023, has approved the sale of its entire stake of 50.002% of the issued and paid-up share capital of Aditya Birla Insurance Brokers Limited to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund. The Company has filed an application dated 20th April 2023 with Insurance Regulatory and Development Authority of India ("IRDAI"), seeking approval of the proposed transaction.

The proposed transaction is subject to receipt of the approval of IRDAI and other regulatory / statutory approvals and satisfaction of other conditions under the Share Purchase Agreement. Upon completion of the proposed transaction, ABIBL shall cease to be a subsidiary of the ABCL.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023, which are as under:

Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2023	31st March 2022
Subsidiaries:				
ABNL Investments Limited	ABIL	India	100.00	100.00
Samruddhi Swastik Trading And Investments Limited	SSTIL	India	100.00	100.00
Grasim Business Services Private Limited (w.e.f. 4th January 2023)	GBSPL	India	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 & 74 % of ABREL)	ASPL	India	100.00	100.00
ABReL Renewables EPC Limited (100% of ABREL)	ABRELEPC	India	100.00	100.00
ABReL Century Energy Limited (74% of ABREL)	ABRELCEPC	India	74.00	74.00
ABReL (MP) Renewables Limited (w.e.f. 16th June 2022) (74% of ABREL and 26% of UTCL)	ABRELMP	India	88.90	-
ABReL Green Energy Limited (w.e.f. 22nd June 2022) (74% of ABREL and 26% of UTCL)	ABRELG	India	88.90	-
ABReL EPCCO Services Limited (w.e.f. 4th April 2022)(100% of ABREL)	ABREPCCO	India	100.00	-
ABREL EPC Limited (w.e.f. 13th June 2022) (100% of ABREL)	ABREEPC	India	100.00	-
ABReL (RJ) Projects Limited (w.e.f. 11th November 2022)(100% of ABREL)	ABRELRJ	India	100.00	-
ABReL (Odisha) SPV Limited (w.e.f. 15th June 2022) (74% of ABREL and 26% of UTCL)	ABRLO	India	88.90	-
Waacox Energy Private Limited (100% of ABREL)	WEPL	India	100.00	100.00
Aditya Birla Capital Limited	ABCL	India	54.15	54.18
Aditya Birla PE Advisors Private Limited (100% of ABCL)	ABPEAPL	India	54.15	54.18
Aditya Birla Capital Technology Services Limited (100% of ABCL) (formerly known as Aditya Birla MyUniverse Limited)	ABCTSL	India	54.15	54.18
Aditya Birla Trustee Company Private Limited (100% of ABCL)	ABTCPL	India	54.15	54.18
ABCAP Trustee Company Private Limited (100% of ABCL) (strike off w.e.f. 21st January 2023)	ABCTPL	India	-	54.18
Aditya Birla Money Limited (73.60% of ABCL)	ABML	India	39.85	39.93
Aditya Birla Financial Shared Services Limited (100% of ABCL)	ABFSSL	India	54.15	54.18
Aditya Birla Finance Limited (100% of ABCL)	ABFL	India	54.15	54.18
Aditya Birla Insurance Brokers Limited (50.002% of ABCL)	ABIBL	India	27.07	27.09
Aditya Birla Housing Finance Limited (100% of ABCL)	ABHFL	India	54.15	54.18
Aditya Birla Money Mart Limited (100% of ABCL)	ABMML	India	54.15	54.18
Aditya Birla Money Insurance Advisory Services Limited (100% of ABMML)	ABMIASL	India	54.15	54.18
Aditya Birla Sun Life Insurance Company Limited (51% of ABCL)	ABSLI	India	27.62	27.63
Aditya Birla Sun Life Pension Management Limited (100% of ABSLI)	ABSPML	India	27.62	27.63
Aditya Birla Health Insurance Co. Limited (51% of ABCL) (Up to 20th October 2022)	ABHICL	India	-	27.63
Aditya Birla ARC Limited(100% of ABCL)	ABARC	India	54.15	54.18
Aditya Birla Stressed Asset AMC Private Limited (100% of ABCL)	ABSA	India	54.15	54.18

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2023	31st March 2022
ABARC-AST-001-Trust (100% of ABCL)	ABARCT	India	54.15	54.18
ABARC-AST-008-Trust (100% of ABCL)		India	54.15	54.18
ABARC-AST-010-Trust (100% of ABCL) (w.e.f. 23rd June 2022)		India	54.15	-
Aditya Birla Special Situation Fund -1 (100% of ABCL)	ABSSF	India	54.15	54.18
Aditya Birla Capital Digital Limited (100% of ABCL) (w.e.f. 23rd March 2023)	ABCDL	India	54.15	-
UltraTech Cement Limited (UTCL)	UltraTech	India	57.27	57.27
Dakshin Cements Limited (100% of UTCL) (struck off w.e.f. 9th April 2021)	DCL	India	-	-
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	57.27
PT UltraTech Mining Indonesia (Liquidated w.e.f. 14th June 2022)	PUMI	Indonesia	-	45.82
PT UltraTech Investments Indonesia (Liquidated w.e.f. 14th June 2022)	PTUII	Indonesia	-	57.27
UltraTech Cement Middle East Investments Limited (100% of UTCL)	UCMEIL	UAE	57.27	57.27
Star Cement Co. LLC, Dubai (100% of UCMEIL)	SCCLD	UAE	57.27	57.27
Star Cement Co. LLC, Ras-Al-Khaimah (100% of UCMEIL)	SCCLRAK	UAE	57.27	57.27
Al Nakhla Crusher LLC, Fujairah (100% of UCMEIL)	ANCL	UAE	57.27	57.27
Subsidiaries:				
Arabian Cement Industry LLC, Abu Dhabi (100% of UCMEIL)	ACIL	UAE	57.27	57.27
UltraTech Cement Bahrain Company WLL, Bahrain (formerly known as Arabian Gulf Cement Co WLL) (100% of UCMEIL)	UTCBC	Bahrain	57.27	57.27
Bhagwati Lime Stone Company Private Limited (100% of UTCL)	BLCPL	India	57.27	57.27
Gotan Limestone Khanij Udyog Private Limited (100% of UTCL)	GKU	India	57.27	57.27
PT UltraTech Cement Indonesia (Liquidated w.e.f. 14th June 2022)	PTUCI	Indonesia	-	56.70
PT UltraTech Mining Sumatera (Liquidated w.e.f. 14th June 2022)	PTUMS	Indonesia	-	57.27
UltraTech Nathdwara Cement Limited (100% of UTCL)	UNCL	India	57.27	57.27
Smooth Energy Private Limited (struck off w.e.f. 26th October 2021)	SEPL	India	-	-
Bahar Ready Mix Concrete Limited (struck off w.e.f. 2nd November 2021)	BRMCL	India	-	-
Merit Plaza Limited (100% of UNCL)	MPL	India	57.27	57.27
Swiss Mercandise Infrastructure Limited (100% of UNCL)	SMIL	India	57.27	57.27
Krishna Holdings PTE Limited (Liquidated w.e.f. 24th November 2022)	KHPL	Singapore	-	57.27
Bhumi Resources PTE Limited (100% of UNCL)	BHUMI	Singapore	57.27	57.27
Murari Holdings Limited (Struck off w.e.f. 30th September 2022)	MUHL	British Virgin Islands	-	57.27
Mukundan Holdings Limited (Struck off w.e.f. 27th April 2022)	MHL	British Virgin Islands	-	57.27
Star Super Cement Industries LLC (51% by MUHL and 49% by MHL)	SSCILLC	UAE	57.27	57.27
Binani Cement (Tanzania) Limited (100% of SSCILLC)	BCTL	Tanzania	57.27	57.27
BC Tradelink Limited, Tanzania (100% of SSCILLC)	BCTL	Tanzania	57.27	57.27
PT Anggana Energy Resources (Anggana), Indonesia (100% of BHUMI)	PTAER	Indonesia	57.27	57.27
Binani Cement (Uganda) Limited (100% of SSCILLC)	BCUL	Uganda	57.27	57.27
3B Binani Glassfibre Sarl (3B) (upto 31st March 2022) (100% of UNCL)	3B	Luxembourg	-	-
Project Bird Holding ll Sarl (merged with 3B w.e.f. 12th April 2021) (100% of 3B)	PBHIIS	Luxembourg	-	-
3B-Fibreglass Srl (upto 31st March 2022)(100% of 3B)	3BFS	Belgium	-	-
3B-FibreGlass Norway as (upto 31st March 2022) (100% of PBHIS)	3BFN	Norway	-	-
Tunfib Sarl (upto 31st March 2022) (67% of 3B)	TS	Tunisia	-	-
Goa Glass Fibre Limited (upto 31st March 2022) (100% of 3B)	GGFL	India	-	-
Duqm Cement project International, LLC, Oman (w.e.f. 29th January 2023)	DCPI	Oman	40.09	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2023	31st March 2022
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
Bhaskarpara Coal Company Limited (47.37% of UTCL)	BCCL	India	27.14	27.14
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 Health Insurance Co. Limited (45.91% of ABCL) (w.e.f. 21st October 2022)	ABHICL	India	24.86	-
Aditya Birla Sun Life Trustee Private Limited (50.85% of ABCL)	ABSTPL	India	27.54	27.55
Aditya Birla Wellness Private Limited (51% of ABCL)	ABWPL	India	27.62	27.63
Birla Advanced Knits Private Limited	BAKPL	India	50.00	50.00
Associates:				
Aditya Birla Science & Technology Co. Private Limited	ABSTCL	India	49.50	49.50
Madanpur (North) Coal Company Private Limited (11.17% of UTCL)	MCCPL	India	6.40	6.40
Aditya Birla Sun Life AMC Limited (50.01% of ABCL)	ABSAMC	India	27.08	27.10
Aditya Birla Sun Life AMC (Mauritius) Limited. (100% Subsidiary of ABSAMC)	ABSAMCM	Mauritius	27.08	27.10
Aditya Birla Sun Life AMC Limited, Dubai (100% Subsidiary of ABSAMC)	ABSAMCD	UAE	27.08	27.10
Aditya Birla Sun Life AMC Pte. Limited, Singapore (100% Subsidiary of ABSAMC)	ABSAMCS	Singapore	27.08	27.10
Renew Surya Uday Private Limited (W.e.f. 25th November 2021)	RUSPL	India	26.00	26.00
Aditya Birla Idea Payment Bank (under liquidation w.e.f. 18th September 2019)	ABIPB	India	-	-
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (w.e.f. 15th April 2022)	RAKW	UAE	17.06	-
Modern Block Factory Establishment (100% of RAKW)(w.e.f. 15th April 2022)	MBFE	UAE	17.06	-
Ras Al Khaimah Lime Co, Noora LLC (100% of RAKW) (w.e.f. 15th April 2022)	RAKLC	UAE	17.06	-
Greenyana Sunstream Private Limited- w.e.f. 26th May 2022	GSPL	India	26.00	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

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 2023

₹ 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	37.53%	46,126.14	19.17%	2,123.73	96.64%	(3,074.01)	-12.03%	(950.28)
B	**Subsidiaries**								
	Indian								
1	UltraTech Cement Limited (incl. Subsidiaries)	43.57%	53,556.51	45.76%	5,069.87	-0.27%	8.66	64.31%	5,078.53
2	Aditya Birla Capital Limited (incl. Subsidiaries)	27.94%	34,344.36	39.25%	4,347.78	3.08%	(97.97)	53.81%	4,249.81
4	Samruddhi Swastik Trading and Investment Limited	0.05%	61.93	0.01%	1.28	0.00%	-	0.02%	1.28
5	ABNL Investments Limited	0.08%	103.17	-0.07%	(7.47)	-0.04%	1.40	-0.08%	(6.07)
6	Aditya Birla Renewables Limited(incl. Subsidiaries)	0.70%	864.08	-0.24%	(26.15)	-0.10%	3.25	-0.29%	(22.90)
7	Aditya Birla Solar Limited	0.09%	115.76	0.11%	12.21	0.00%	0.02	0.15%	12.23
8	Grasim Business Services Pvt Ltd	0.00%	0.07	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
	Subtotal (B)	**72.45%**	**89,045.88**	**84.83%**	**9,397.49**	**2.66%**	**(84.64)**	**117.92%**	**9,312.85**
C	**Associates**								
	Indian								
1	Aditya Birla Science & Technology Company Private Limited	0.03%	36.91	0.07%	8.28	0.00%	0.13	0.11%	8.41
2	Madanpur (North) Coal Company Limited	0.00%	0.88	0.00%	-	0.00%	-	0.00%	-
3	Renew Surya Uday Pvt Ltd	0.03%	31.05	0.01%	1.07	0.00%	-	0.01%	1.07
4	Greenyana Sunstream Private Limited	0.00%	5.99	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
5	Aditya Birla Sun Life AMC Limited	4.67%	5,742.46	2.58%	285.94	-0.09%	2.75	3.66%	288.69
	Foreign								
1	Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW)	0.66%	816.23	0.03%	3.52	0.78%	(24.87)	-0.27%	(21.35)
	Subtotal (C)	**5.40%**	**6,633.52**	**2.69%**	**298.53**	**0.69%**	**(21.99)**	**3.50%**	**276.54**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

₹ 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	0.16%	201.18	0.30%	33.41	0.00%	(0.12)	0.42%	33.29
2	Aditya Birla Wellness Private Limited	0.01%	11.80	0.01%	1.01	0.00%	0.06	0.01%	1.07
3	Aditya Birla Sun Life Trustee Company Private Limited	0.00%	0.72	0.00%	0.06	0.00%	-	0.00%	0.06
4	Bhaskarpara Coal Company Limited	0.01%	6.55	0.00%	0.01	0.00%	-	0.00%	0.01
5	Aditya Birla Power Composites Private Limited	0.01%	7.59	-0.09%	(10.42)	0.00%	-	-0.13%	(10.42)
6	Aditya Birla Health Insurance Co. Limited	2.47%	3,032.67	-0.24%	(26.74)	-0.21%	6.74	-0.25%	(20.00)
7	Birla Advanced Knits Pvt Ltd	0.02%	23.03	-0.02%	(1.84)	0.00%	-	-0.02%	(1.84)
	Foreign								
1	AV Group NB Inc.	0.51%	626.77	-1.03%	(114.26)	0.37%	(11.67)	-1.59%	(125.93)
2	Birla Jingwei Fibres Company Limited	0.04%	54.05	-0.11%	(12.32)	0.01%	(0.20)	-0.16%	(12.52)
3	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.00%	0.57	0.00%	0.04	0.00%	(0.06)	0.00%	(0.02)
4	Aditya Group AB	0.34%	418.39	0.37%	41.51	-0.19%	5.94	0.60%	47.45
5	AV Terrace Bay Inc.	0.00%	-	(0.00)	(0.03)	0.02%	(0.59)	-0.01%	(0.62)
	Subtotal (D)	**3.57%**	**4,383.32**	**-0.81%**	**(89.57)**	**0.00%**	**0.10**	**-1.13%**	**(89.47)**
	Consolidation Adjustments (E)	**-18.95%**	**(23,276.04)**	**-5.89%**	**(651.98)**	**0.01%**	**(0.24)**	**-8.26%**	**(652.22)**
	TOTAL (A+B+C+D+E)	**100.00%**	**122,912.82**	**100.00%**	**11,078.20**	**100.00%**	**(3,180.78)**	**100.00%**	**7,897.42**

Before Non-Controlling Interest

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	41.16%	47,815.69	27.23%	3,051.27	98.12%	3,219.07	43.28%	6,270.34
B	**Subsidiaries**								
	Indian								
1	UltraTech Cement Limited (incl. Subsidiaries)	43.40%	50,424.79	65.45%	7,334.24	1.46%	47.83	50.96%	7,382.07
2	Aditya Birla Capital Limited (incl. Subsidiaries)	28.41%	32,999.85	8.87%	993.50	-0.67%	(21.98)	6.71%	971.52
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%	9.23
6	Aditya Birla Solar Limited	0.09%	103.53	0.08%	8.57	0.00%	(0.00)	0.06%	8.57
	Subtotal (B)	**72.40%**	**84,114.95**	**74.46%**	**8,344.60**	**0.92%**	**30.11**	**57.81%**	**8,374.71**
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 2.40 (A))	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%**	**333.60**
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 Private 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	-0.15%	(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 Adjustments (E)	**-19.63%**	**(22,806.10)**	**-5.09%**	**(569.91)**	**0.00%**	**0.01**	**-3.93%**	**(569.90)**
	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

$ 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

4.15 DISTRIBUTION MADE AND PROPOSED (IND AS 1):

₹ in crore

Particulars	As at 31st March 2023	As at 31st March 2022
Cash Dividend Declared and Paid 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: ₹ 5 per share and Special Dividend ₹ 4 per share of face value of ₹ 2 each)		
Proposed Dividend on Equity Shares # :	658.46	658.32
Final dividend for the Year ended on 31st March 2023: ₹ 10 per share of face value of ₹ 2 each (31st March 2022: ₹ 5 per share and Special Dividend ₹ 5 per share of face value of ₹ 2 each)		

Proposed dividends on equity shares are subject to approval of Annual General Meeting, and are not recognised as a liability as at 31st March.

4.16 OTHER STATUTORY INFORMATION

(i) Disclosure related to relationship of the Company with a company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31st March 2023 are as follows:

₹ in crore

Sr. No.	Name of struck off Company	Nature of Transactions with struck-off Company	Relationship with Struck off Company, if any	Balance as at 31st March 2023	Balance as at 31st March 2022
1	Greenhandle Products Private Limited	Purchase of Goods and services	Not Related	-	-
2	Bluepeter Shipping Private Limited	Purchase of Goods and services	Not Related	-	-
3	KRM Construction India Private Limited	Receivables	Not Related	-0.01	-
4	Antriksh Buildhomes Private Limited	Receivables	Not Related	-	-
5	LKPRO Constructions (OPC) Private Limited	Receivables	Not Related	0.01	-
6	Pnahir Multiservices Private Limited	Receivables	Not Related	-	-
7	Chemene Bombay Private Limited { Opening Balance: ₹ (37,436); Closing Balance: ₹ (1,208)}	Receivables	Not Related	-	-
8	Virtuous Infotech Private Limited	Receivables	Not Related	0.12	-
9	Yogiraj Readymix & Developers Private Limited { Closing Balance: ₹ (18,716) }	Receivables	Not Related	ß	0.09
10	Shruthi Homes And Paving Blocks Private Limited { Opening Balance: ₹ 21,344}	Payables	Not Related	-	ß
11	Shree Mechno Fab Infra Private Limited	Payables	Not Related	-0.01	-0.02
12	Prabhunath Engicon Contractors Private Limited	Payables	Not Related	-0.08	-0.07
13	Lemison Laundry Equipment Private Limited	Payables	Not Related	-	-
14	Shree Mechno Fab Infra Private Limited	Payables	Not Related	-	-
15	Prabhunath Engicon Contractors Private Limited	Payables	Not Related	-0.15	-0.11
16	Maark Vision Architects Private Limited	Loan to Customer	Not Related	3.23	3.25
17	Ceeplast Trading Company Private Limited	AMC Charges	Not Related	-	-
18	Chaturbhuja Securities Private Limited	AMC Charges	Not Related	-	-
19	Doniv Enterprises Private Ltd	AMC Charges	Not Related	-	-
20	Orion Media Private Limited	AMC Charges	Not Related	-	-
21	Pusha Steels Limited	AMC Charges	Not Related	-	-
22	Gurukul Commosales Private Limited	AMC Charges	Not Related	-	-
23	Savinan Enterprises Private Limited	Commission Charges	Not Related	ß	-
24	Emirate Fashions Private Limited	Loan given	Not Related	0.10	-
25	Chennai School Of Ship Management Private Limited	Loan given	Not Related	0.81	-
26	Uttam Consultancy Private Limited	Loan given	Not Related	6.59	-
27	Maxin Hydro Dynamic India Private Limited	Loan given	Not Related	-	-
28	Thanco Natural Foods Private Limited	Loan given	Not Related	-	-
29	Bee Luxe Private Limited	Loan given	Not Related	-	-
30	Alaric Healthcare Private Limited	Loan given	Not Related	-	-
31	Rainbow Automotive Private Limited	Payable towards distribution fees	Not Related	-	-
32	Vintage Motors Private Limited	Payable towards distribution fees	Not Related	ß	-
33	The Riders Zone Private Limited	Payable towards distribution fees	Not Related	ß	-
34	Dimple Motors Private Limited	Payable towards distribution fees	Not Related	0.01	-
35	Aligarh Locks Private Limited	Receivable	Not Related	-	0.03
36	Atharv Associates Private Limited	Payable	Not Related	-	ß
37	Columbia Asia Neighborhood Hospitals Private Limited	Payable	Not Related	-	0.01
38	Debnath Engineering Enterprises Private Limited	Payable	Not Related	-	ß
39	GAAP Solutions Private Limited	Payable	Not Related	-	0.07
40	GBS Associates Private Limited	Payable	Not Related	-	ß
41	Hariom Enterprises Private Limited	Payable	Not Related	-	ß
42	Jayalakshmi Constructions Private Limited	Payable	Not Related	-	ß
43	Keller Ground Engineering India Private Limited	Payable	Not Related	-	0.01
44	Lintas India Limited	Payable	Not Related	-	0.13
45	Mahalaxmi Enterprises Private Limited	Payable	Not Related	-	ß
46	Pragati Enterprises Private Limited	Payable	Not Related	-	ß
47	Sahayata Trademart Private Limited	Payable	Not Related	-	ß
48	Sika (India) Limited	Payable	Not Related	-	ß
49	Micro Focus Limited	Payable	Not Related	-	-
50	Perfect Services Private Limited	Payable	Not Related	-	-
51	Ceeplast Trading Company Private Limited	Receivable	Not Related	-	ß
52	Chaturbhuja Securities Private Limited	Receivable	Not Related	-	ß
53	Doniv Enterprises Private Limited	Receivable	Not Related	-	ß
54	Orion Media Private Limited	Receivable	Not Related	-	ß
55	Pusha Steels Limited	Receivable	Not Related	-	ß
56	Gurukul Commosales Private Limited	Receivable	Not Related	-	ß
57	Emirate Fashions Private Limited	Receivable	Not Related	-	0.10
58	Maxin Hydro Dynamic India Private Limited	Receivable	Not Related	-	0.04
59	Thanco Natural Foods Private Limited	Receivable	Not Related	-	0.20
60	Bee Luxe Private Limited	Receivable	Not Related	-	0.09
61	Alaric Healthcare Private Limited	Receivable	Not Related	-	0.08
62	Rainbow Automotive Private Limited	Payable	Not Related	-	ß
63	Vintage Motors Private Limited	Payable	Not Related	-	ß
64	The Riders Zone Private Limited	Payable	Not Related	-	ß
65	Dimple Motors Private Limited	Payable	Not Related	-	ß
66	Sandhya Hotels Private Limited	Receivable	Not Related	-	5.24

Note: Figures of ₹ 50,000 or less have been denoted by ß.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March 2023

(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 2023 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.

(vi) The Company has not any such transaction which is not recorded in the books of account 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 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.

(viii) 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."

(ix) 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 AUTHORISATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year ended on 31st March 2023 were approved by the Board of Directors on 26th May 2023.

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: 26th May 2023

For KKC & Associates LLP
Chartered Accountants
Firm Registration No.: 105146W/W100621

Gautam Shah
Partner
Membership No.: 117348

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Harikrishna Agarwal
Managing Director
DIN: 09288720

N. Mohan Raj
Independent Director
DIN: 00181969

Dr. Santrupt Misra
Non-Executive Director
DIN: 00013625

Pavan K. Jain
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
Membership No.: F 4164

Mumbai
Dated: 26th May 2023



Grasim Industries Limited

Registered Office:
Birlagram, Nagda - 456 331,
Madhya Pradesh

Corporate Office:
Aditya Birla Centre,
'A' Wing, 2nd Floor,
S. K. Ahire Marg, Worli,
Mumbai - 400 030, Maharashtra

grasim.secretarial@adityabirla.com | www.grasim.com

Concept and design at AICL (hello@aicl.in)