



GRASIM INDUSTRIES LIMITED

POSTAL BALLOT NOTICE

[01/2025-2026: 22nd May 2025]

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GRASIM INDUSTRIES LIMITED

(CIN: L17124MP1947PLC000410)

Registered Office: P.O. Birlagram, Nagda - 456 331, Dist. Ujjain, Madhya Pradesh, India, **Tel. No.:** +91 7366-246766
Corporate Office: Aditya Birla Centre, "A" Wing, 2nd Floor, S.K. Ahire Marg, Worli, Mumbai - 400 030, Maharashtra, India
Tel. No.: +91 22 6652 5000 / 2499 5000

E-mail: grasim.secretarial@adityabirla.com; **Website:** www.grasim.com

To
The Members,

NOTICE is hereby given that pursuant to and in compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the 'Rules') and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by the Securities and Exchange Board of India ('SEBI Circular') and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI 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 Circular No. 09/2024 dated 19th September 2024 read with other circulars issued by MCA (referred to as 'MCA Circulars') and other applicable laws and regulations, as amended from time to time (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), to the Members of **Grasim Industries Limited** (hereinafter referred to as '**the Company**') to transact the special businesses as set out hereinunder by passing an Ordinary Resolution(s) and Special Resolution(s), as applicable, by remote e-voting process ('remote e-voting') only.

The proposed Resolution(s) and the Explanatory Statement(s) setting out the material facts as required in terms of Section 102 of the Act read with the Rules and the MCA Circular forms part of this Postal Ballot Notice ('Notice') for seeking consent of the Members holding fully and partly paid-up shares of the Company through Postal Ballot by remote e-voting only.

This Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories / Registrar and Share Transfer Agent ["RTA"] and whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, 23rd May 2025 ["**Cut-off date**"]. Accordingly, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot. Please refer to detailed instructions for remote e-voting explained in notes to this Notice.

Cut-off Date (for determining the Members entitled to vote on the resolutions set forth in this Notice)		Friday, 23 rd May 2025
Remote e-voting period [During this period Members of the Company may cast their vote by remote e-voting]	Commences from	Wednesday, 28 th May 2025, 9:00 a.m. IST
	Ends at	Thursday, 26 th June 2025, 5:00 p.m. IST
URL for Remote e-voting [e-voting details given on page no. 22]		a. KFin Technologies Limited (KFinTech): https://evoting.kfintech.com/
		b. National Securities Depository Limited (NSDL): https://eservices.nsdl.com/ or https://www.evoting.nsdl.com/
		c. Central Depository Services (India) Limited (CDSL): https://web.cdslindia.com/myeasitoken/Home/Login or https://www.cdslindia.com/

SPECIAL BUSINESSES:

1. Appointment of Mr. Himanshu Kapania (DIN: 03387441) as a 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 section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), in line with the Memorandum of Association and the Articles of Association of the Company and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), approval of the Members be and is hereby accorded for appointment of Mr. Himanshu Kapania (DIN: 03387441), as a Director of the Company, not liable to retire by rotation, with effect from 1st April 2025, in respect of whom the Company has received a notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director of the Company.”

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

2. Appointment of Mr. Himanshu Kapania (DIN: 03387441) as a Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special 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, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), in line with the Memorandum of Association and the Articles of Association of the Company and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) and Executive Remuneration Philosophy/ Policy 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, approval of the Members be and is hereby accorded for appointment of Mr. Himanshu Kapania (DIN: 03387441), as the Managing Director of the Company, for a period of 3 years and 1 month with effect from 1st April 2025 up to 30th April 2028, not liable to retire by rotation and at such remuneration for a period of 3 years with effect from 1st April 2025 up to 31st March 2028, as set out in the Explanatory Statement annexed to the Notice, with further liberty to the Board to alter, modify or revise from time to time, the terms and conditions of remuneration of Mr. Himanshu Kapania, as the Managing Director in such manner as may be considered appropriate and as may be permissible at law.

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 the explanatory statement annexed to the Notice.

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

3. Payment of remuneration to Mr. Harikrishna Agarwal (DIN:09288720), former Managing Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 197 and 198 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, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), in line with the Memorandum of Association and the Articles of Association of the Company and Executive Remuneration Philosophy/ Policy of the Company and all applicable guidelines issued by the Central Government from time to time and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), approval of the Members be and is hereby accorded for payment of remuneration (Annual Incentive Pay) for financial year 2024-2025 to Mr. Harikrishna Agarwal, former Managing Director, as set out in the Explanatory Statement annexed to the Notice.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee will review and recommend to the Board the remuneration (Annual Incentive Pay) payable to the former Managing Director as mentioned in the explanatory statement annexed to the Notice.

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

4. Material Related Party Transactions with Hindalco Industries Limited

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

"RESOLVED THAT pursuant to Regulations 2(1)(zb), 2(1)(zc), 23(4) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and the Company's Policy on the Related Party Transactions, as recommended and approved by Audit Committee and the Board of Directors (hereinafter referred to as '**the Board**', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) approval of the Members be and is hereby accorded to the Board to enter into / continue the contract(s) / arrangement(s) / transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Hindalco Industries Limited ('Hindalco'), a related party of the Company on such terms and conditions as may be agreed between the Company and Hindalco, for an aggregate value of up to ₹ 2,535 crore (Rupees Two Thousand Five Hundred Thirty Five Crore only) entered into / to be entered during the financial year 2025-2026, as per details provided in the explanatory statement, subject to such contract(s) / arrangement(s) / transaction(s) being at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / Regulatory Authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

5. Material Related Party Transactions with AV Group NB Inc., Canada

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

“RESOLVED THAT pursuant to the provisions of Section 2(76) and other applicable provisions, if any, of the Companies Act 2013 (‘the Act’) and Rules made thereunder, and pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) and the Company’s Policy on the Related Party Transactions, as recommended and approved by the Audit Committee and the Board of Directors (hereinafter referred to as ‘**the Board**’, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) the approval of the Members be and is hereby accorded to the Board to enter into / continue the contract(s) / arrangement(s) / transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with AV Group NB Inc., Canada (‘AVNB’), Joint Venture of the Company, a related party of the Company, on such terms and conditions as may be agreed between the Company and AVNB, for an aggregate value of up to ₹ 1,300 crore (Rupees One Thousand Three Hundred Crore Only) [C\$ 210 Mn (equivalent to current exchange rate)] entered into / to be entered during the financial year 2025-2026, as per details provided in the explanatory statement, subject to such contract(s) / arrangement(s) / transaction(s) being at arm’s length and in the ordinary course of business of the Company

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / Regulatory Authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

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

Sd/-
Sailesh Kumar Daga
Company Secretary and Compliance Officer
F4164

Place: Mumbai
Date: 22nd May 2025

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE ACT.

Item No. 1 & 2

Pursuant to provisions of section 161 of the Companies Act, 2013 ('the Act'), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company, at its meeting held on 10th February 2025, appointed Mr. Himanshu Kapania (DIN: 03387441) as an Additional Director of the Company, w.e.f. 1st April 2025. At the said meeting, Mr. Himanshu Kapania was also appointed as the Managing Director of the Company, for a period of 3 years 1 month w.e.f. 1st April 2025 upto 30th April 2028, on the terms and conditions including remuneration as recommended by the NRC and approved by the Board of the Directors of the Company, subject to approval of the members of the Company.

The Company has entered into Paints business involving large capital expenditure on infrastructure, equipment and facilities, which has significantly strained profit margins along with operational expenses and economic fluctuations. As a matter of abundant cautious and pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V, the remuneration payable to Mr. Himanshu Kapania as Managing Director, may exceed 5% of the net profits of the Company. Therefore, based on the recommendation of NRC, the Board of Directors at its meeting held on 22nd May 2025 has approved the remuneration given as hereunder and period of remuneration for 3 years i.e. from 1st April 2025 to 31st March 2028.

In this regard, the Company has received a consent from Mr. Himanshu Kapania to act as the Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of section 164 of the Act, and has not been debarred or disqualified from being appointed as a Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority and he satisfies all the conditions as set out in Part-I of Schedule V to the Act and under section 196(3) of the Act for being eligible to be appointed as the Managing Director of the Company. The Company has also received a notice from a Member under section 160(1) of the Act proposing his candidature for the office of Director of the Company.

The Board believes that appointment of Mr. Himanshu Kapania will add dynamism to the Company's rich entrepreneurial traditions and help to create sustained stakeholder value. The appointment and terms and conditions of remuneration of Mr. Himanshu Kapania as the Managing Director of the Company are set out hereunder. The proposed remuneration is in accordance with the Executive Remuneration Philosophy / Policy of the Company and commensurate with the nature of qualification and experience in the similar business and the amount of remuneration drawn by his peers.

In terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), approval of members for appointment of a person on the Board of Directors shall be obtained at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Even though Mr. Himanshu Kapania will hold office as an Additional Director upto the date of the ensuing 78th Annual General Meeting, in view of the aforesaid provision of the Listing Regulations, the appointment of Mr. Himanshu Kapania as a Director and Managing Director is put up for the consideration for approval of the Members by way of a Postal Ballot

The terms and conditions of appointment and remuneration of Mr. Himanshu Kapania, are as under:

A. Period of appointment

3 years and 1 month, with effect from 1st April 2025 to 30th April 2028 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

The following remuneration will be for a period of 3 years i.e. from 1st April 2025 to 31st March 2028.

- i. **Basic Salary:** ₹ 3,16,86,000/- (Rupees Three Crore Sixteen Lakh Eighty-Six Thousand only) per annum with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 5,00,00,000 (Rupees Five Crore only) per annum.
- ii. **Special Allowance:** ₹ 4,08,98,280/- (Rupees Four Crore Eight Lakh Ninety-Eight Thousand Two Hundred Eighty only) per annum with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 6,00,00,000/- (Rupees Six Crore only) per annum. This allowance, however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation Fund and Leave encashment.

- iii. **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.
- iv. **Long-term Incentive Compensation (LTIC)** including Employee Stock Option, Restricted Stock Units, Performance Stock Units, Stock Appreciation Rights as per the Scheme applicable to the Executive Directors and / or Senior Executives of the Company and / or its Subsidiaries and / or any other Incentive applicable to Senior Executives of the Company / Aditya Birla Group, in such manner and with such provisions as may be decided by the Board, considering the above, subject to a maximum target opportunity of ₹ 22,50,00,000/- (Rupees Twenty Two Crore Fifty Lakh only) over the term of appointment with an annualized target opportunity of ₹ 7,50,00,000/- (Rupees Seven Crore Fifty Lakh only) per annum.

C. Perquisites:

- i. **Housing:** Company provided (furnished / unfurnished) accommodation and/or HRA in lieu of Company provided accommodation as per the Company's Policy.
 - ii. **House Maintenance:** Reimbursement of expenses at actuals 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.
 - iii. **Medical Expenses:** Reimbursement of all expenses incurred for self and family (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per the Company's policy.
 - iv. **Travel Expenses:** Travel Expenses for self and family in accordance with the Company's Policy.
 - v. **Car:** Two cars for use of Company's business as per the Company's policy.
 - vi. **Club Membership:** Fees of two Corporate Clubs in India (including admission and annual membership fees).
 - vii. **Other expenses:** Entertainment, travelling and all other expenses incurred for the business of the Company as per the Company's Policy.
 - viii. **Retirement Benefits:** Contribution towards Provident Fund, Superannuation Fund, National Pension Scheme and Gratuity as per the Company's Policy.
 - ix. **Other benefits:** Leave and related benefits, Life Insurance, Personal Accident Insurance as per the Company's Policy.
 - x. **Other Allowances/Benefits, 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 future and/ or any other allowance, perquisites as the Board may decide from time to time.
 - xi. **Other Retirement Benefits:** Any other one time / periodic / cash or non-cash benefits as the Board may decide at the time of retirement.
- D.** Annual remuneration review is effective from 1st July of each year, as per the Company's Policy. Any revision / change in allowance / perquisites relating to Company provided – furnished / unfurnished accommodation and /or HRA in lieu of Company provided accommodation / car or other allowances / perquisites, will be adjusted from the existing special allowance, subject to the ceiling as approved by the members of the Company and as per the Company's policy.
- E.** Subject to aforesaid, Mr. Himanshu Kapania shall be governed by such other rules as are applicable to the Senior Executives of the Company from time to time.
- F.** For the purpose of Gratuity, Provident Fund, Superannuation Fund and other like benefits, if any, the service of Mr. Himanshu Kapania, will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.
- G.** The aggregate of the remuneration and perquisites as aforesaid, in any financial year, may exceed the limit under Sections 197, 198 read with Schedule V and other applicable provisions of the Act, for the time being in force or any statutory modifications or re-enactments thereof or otherwise as may be permissible at law.

- H.** Though considering the provisions of Section 188 of the Act, and the applicable rules and Schedule of the Act, Mr. Himanshu Kapania would not be holding any office or place of profit by his being a mere director of the Company's Subsidiaries / Associates / Joint Ventures. However, as an abundant caution, he can accept the sitting fees/commission payable for attending the meetings of Board(s) of Directors / Committee(s) of Subsidiaries/ Associates / Joint Ventures of the Company or companies promoted by the Aditya Birla Group.
- I.** Mr. Himanshu Kapania shall not be subject to retirement by rotation during his tenure as the Managing Director of the Company. So long as Mr. Himanshu Kapania functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committees of the Company.

The 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.

The annual incentive plan pay-out is tied with the relevant financial and operational metrics achievement, ESG performance and individual performance. The Long-Term Incentives plan induce stretch performance, links executive remuneration to sustained long-term growth and act as a retention and reward tool. The stock options act as the primary long-term incentive vehicle that are best aligned with the executive incentives with stockholder interests. The performance stock units act as a secondary long-term incentive vehicle, to motivate and retain the executive.

The Members are requested to note that, on account of initial losses of new businesses namely Paints and B2B e-Commerce which has strained profit margins for the FY 2024-2025. Hence, as a matter of abundant precaution and pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V, the remuneration payable to Mr. Himanshu Kapania, may exceed 5% of the net profits of the Company during his tenure as the Managing Director of the Company.

Consequently, approval of the members of the Company is sought for the appointment of Mr. Himanshu Kapania for a period from 1st April 2025 to 30th April 2028 and for the amount of remuneration including the perquisites and benefits payable for a period from 1st April 2025 to 31st March 2028, by way of Postal Ballot.

As required under Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of SS-2 (**Annexure-A**), along with Statement as required under Section II, Part II of the Schedule V (**Annexure-B**) of the Companies Act, 2013 and other requisite information with reference to Resolutions at Item No. 1 and 2 is annexed hereto and forms a part of this Notice.

None of the Director(s) and Key Managerial Personnel(s) of the Company or their relatives, except Mr. Himanshu Kapania and his relatives, to whom the resolutions relate, are concerned, or interested in the Resolutions of this Notice.

The Board recommends the Ordinary Resolution and Special Resolution as set out at Item No. 1 & Item No. 2 respectively of this Notice for the approval by the Members of the Company.

Item No. 3

The Members of the Company have approved the appointment and remuneration of Mr. Harikrishna Agarwal as the Managing Director and Key Managerial Personnel of the Company for a period of two years effective from 1st December 2021 to 30th November 2023 through Postal Ballot on 16th November 2021. Further, the members of the Company at its 76th Annual General Meeting held on 25th August 2023 had re-appointed Mr. Harikrishna Agarwal as the Managing Director of the Company for a period of two years effective from 1st December 2023 to 30th November 2025. Mr. Harikrishna Agarwal had requested for an early retirement as Managing Director of the Company with effect from the close of business hours of 31st March 2025. Accordingly, the Board of Directors (**'Board'**) of the Company at its meeting held on 10th February 2025 had accepted the request of Mr. Harikrishna Agarwal for an early retirement. Consequently, Mr. Harikrishna Agarwal have ceased as Managing Director and Key Managerial Personnel as well as Member of the Board of the Company with effect from the close of business hours of 31st March 2025.

The remuneration including perquisites and retirement allowances of Mr. Harikrishna Agarwal, former Managing Director as approved by the members of the Company at its 76th Annual General Meeting held on 25th August 2023 is as given hereinunder for the purpose of good governance and disclosure to the members of the Company:

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
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 Fund and Leave encashment;
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;
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.

The Basic salary is ₹ 1,90,30,000 (Rupees One crore Ninety Lakh Thirty Thousand Only) per annum and Special Allowance is ₹ 2,86,91,067 (Rupees Two Crore Eighty Six Lakh Ninety One Thousand and Sixty-Seven Only) per annum for financial year ended 2024-2025 of Mr. Harikrishna Agarwal.

In terms of shareholders approval at 76th AGM of the Company for the aforesaid total remuneration to Mr. Harikrishna Agarwal, the maximum amount of annual incentive payable is ₹ 9 crore (Rupees Nine Crore Only), which is due for payment in the financial year 2024-25. As per the Company's Policy, amount of annual incentive is payable after the compensation review in July 2025. Considering that the Company has entered into Paints business involving large capital expenditure on infrastructure, equipment and facilities, which has significantly strained profit margins. Consequently the remuneration (annual incentive) for financial year 2024-25 payable to Mr. Harikrishna Agarwal will exceed 5% of the net profits of the financial year 2024-25 of the Company.

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No.3 is annexed (**Annexure-B**) hereto.

None of the Director(s) and Key Managerial Personnel(s) of the Company or their relatives, except Mr. Harikrishna Agarwal and his relatives, to whom the resolution relate, are concerned, or interested in the resolution of this Notice.

The Board recommends the Special Resolution as set out at Item No. 3 of this Notice for the approval by the Members of the Company.

DISCLOSURES RELATING TO DIRECTOR PURSUANT TO REGULATION 36(3) of SEBI LISTING REGULATIONS AND SS-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Annexure A

1	Name of the Director	Mr. Himanshu Kapania
2	DIN	03387441
3	Date of Birth / Age	23 rd April 1961, 64 years
4	Date of First Appointment	-
5	Brief Profile	
a.	Qualifications	An alumnus of IIM, Bangalore and Birla Institute of Technology, Mesra
b.	Experience	With a career spanning over 40 years, Mr. Himanshu Kapania brings deep expertise in leading organisation and brings to the table deep commercial acumen as well as strong understanding of technology, operations and sales & marketing.

c.	Present Engagement	Mr. Himanshu Kapania is Business Head - Paints.													
d.	Prior Engagement	Mr. Himanshu Kapania has been with the Group for over 24 years. He has served as Non-Executive Director of the Company from 14 th August 2018 to 31 st December 2019. His leadership experience spans multiple sectors, including telecom, where he has also served as Managing Director of Idea Cellular Limited (renamed as Vodafone Idea Limited after merger of Idea Cellular with Vodafone India Limited).													
e.	Contributions	Mr. Himanshu Kapania has been recognized with the Chairman’s Outstanding Leader Award in 2009 and the Leader of Leaders Award in 2012.													
6	Proposed Term	3 years 1 month i.e. 1 st April 2025 to 30 th April 2028													
7	Shareholding in the Company including shareholding as a beneficial owner	26,358 Fully paid-up equity shares as on 31 st March 2025													
8	Remuneration last drawn	₹ 24.19 crore for the FY 2024-2025 as Business Head - Paints													
9	Remuneration proposed to be paid	As per the explanatory statement of item no. 1 & 2 of this Notice for a period of 3 years i.e. 1 st April 2025 to 31 st March 2028.													
10	Expertise in specific functional Areas	Corporate Governance, Legal & Compliance, Financial Literacy, General Management, Human Resource Development, Industry Knowledge, Technology, Digitisation & Innovation, Marketing, Risk Management, Strategic Expertise, Sustainability.													
11	Terms & Conditions of appointment and remuneration	Terms and conditions of his appointment and remuneration are specified in the explanatory statement of item no. 1 & 2 of this Notice													
Board & Committee Positions & meetings															
12	Number of Board meetings held and attended during the FY	2024-25 - Not Applicable 2025-26 - 1 (One)													
13	Chairman / Member of the Committee of the Board of Directors of the Company	<table><tr><th>Name of the Committee(s)</th><th>Chairman / Member</th></tr><tr><td>Audit Committee</td><td>Member</td></tr><tr><td>Risk Management & Sustainability Committee</td><td>Member</td></tr><tr><td>Stakeholders Relationship Committee</td><td>Member</td></tr><tr><td>Corporate Social Responsibility Committee</td><td>Member</td></tr><tr><td>PIT Regulation Committee</td><td>Member</td></tr></table>		Name of the Committee(s)	Chairman / Member	Audit Committee	Member	Risk Management & Sustainability Committee	Member	Stakeholders Relationship Committee	Member	Corporate Social Responsibility Committee	Member	PIT Regulation Committee	Member
Name of the Committee(s)	Chairman / Member														
Audit Committee	Member														
Risk Management & Sustainability Committee	Member														
Stakeholders Relationship Committee	Member														
Corporate Social Responsibility Committee	Member														
PIT Regulation Committee	Member														
14	List of outside Company Directorships held in Indian Companies	Listed Companies <ul style="list-style-type: none">Vodafone Idea Limited Unlisted Companies <ul style="list-style-type: none">Aditya Birla Management Corporation Private LimitedAditya Birla Idea Payments Bank Limited (Under Liquidation)													
15	Chairman / Member of the Committees of the Board of Directors of other Indian Companies in which he is a Director	Chairman of Committee(s): <ul style="list-style-type: none">Vodafone Idea Limited<ul style="list-style-type: none">Stakeholders’ Relationship CommitteeRisk Management Committee Membership of the Committee(s): <ul style="list-style-type: none">Vodafone Idea Limited<ul style="list-style-type: none">Audit CommitteeNomination and Remuneration CommitteeFinance CommitteeCapital Raising Committee													
16	Listed entities in which the person has resigned in past three years	Aditya Birla Fashion and Retail Limited													

Confirmations		
17	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Himanshu Kapania is not related to any Director or Key Managerial Personnel of the Company
18	Disqualification under the Companies Act 2013	Mr. Himanshu Kapania is not disqualified from holding the office of Director by virtue of Section 164 of the Companies Act, 2013
19	Debarred from holding the office of Director	Mr. Himanshu Kapania is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India and any other competent regulatory authority.
20	List of willful defaulters issued by Reserve Bank of India.	Mr. Himanshu Kapania's name does not appear in the list of willful defaulters issued by Reserve Bank of India.

Annexure B

Details of the Directors seeking approval for payment of remuneration, as set out in item nos. 2 & 3 of this notice, in terms of Section II Part II of Schedule V of the Companies Act 2013

Particulars	Mr. Himanshu Kapania	Mr. Harikrishna Agarwal
Background details	An alumnus of IIM, Bangalore and Birla Institute of Technology, Mesra. With a career spanning over 40 years, Mr. Himanshu Kapania brings deep expertise in leading organisation and brings to the table deep commercial acumen as well as strong understanding of technology, operations and sales & marketing.	Mr. Harikrishna Agarwal is an all-India rank holder-Chartered Accountant. He has done an Executive MBA from Sasin, Chulalongkorn University, Bangkok, and Advance Management Programme from Harvard Business School. He has been associated with Aditya Birla Group for more than four decades and has played diverse roles in the Cement, Chemicals, and Pulp & Fibre businesses across India, Southeast Asia, and China.
Past Remuneration drawn (as per Form-16)	₹ 24.19 crore for the FY 2024-2025 as Business Head - Paints	₹ 14.20 crore for the FY 2024-2025
Recognition or awards	Mr. Himanshu Kapania has been recognized with the Chairman's "Outstanding Leader Award in 2009" and the "Leader of Leaders Award in 2012".	Mr. Agarwal has been recognized with Chairman's "Outstanding Leader Award 2012" and "Certificate of Excellence" in 2021 for his outstanding contribution to Company's growth.
Job profile and his suitability	Mr. Himanshu Kapania has been with the Group for over 24 years. His leadership experience spans multiple sectors, including telecom, where he served as Managing Director of Idea Cellular Limited (renamed as Vodafone Idea Limited after merger of Idea Cellular with Vodafone India Limited). Mr. Himanshu Kapania being the Business Head of Paints Business of the Company and considering his experience in the industry in which the Company operates, the Board considers Mr. Himanshu Kapania suitable for the post of Managing Director of the Company.	Not Applicable
Remuneration proposed	Stated in the Explanatory Statement for Item no.1 & 2 of this Notice.	Stated in the Explanatory Statement for Item no. 3 of this Notice.

Particulars	Mr. Himanshu Kapania	Mr. Harikrishna Agarwal
Comparative remuneration profile with respect to industry, size or the Company profile of the position and person	Considering (i) the size of the operations of the Company; (ii) role, and responsibilities assigned to position; (iii) background, competence, experience and association with the Aditya Birla Group; and (iv) the industry benchmarks & remuneration packages of similarly placed personnel of other corporate bodies, the remuneration proposed to be paid is considered to be fair, just and reasonable.	
Pecuniary relationship directly or indirectly with the company, or relations with the managerial personnel or other director, if any	Other than the remuneration received from the Company, no such pecuniary relationship directly or indirectly with the Company or any Managerial Personnel or other director of the Company.	

DETAILS OF THE COMPANY				
Nature of Industry	Cellulosic Fibre, Diversified Chemicals, Fashion Yarn and Fabrics producer in India, B2B e-Commerce and Paints Business			
Date or expected date of commencement of commercial production	Not Applicable			
In case of new Companies, expected date of commencement of actives as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators	(Amount In ₹ Cr)			
	Particulars	FY 2024-2025	FY 2023-2024	FY 2022-2023
	Total Income	33,278.34	27,103.93	27,858.05
	Total Expenses	32,781.65	25,186.77	25,124.78
	Exceptional items	163.98	715.60	88.03
	Profit/(loss)before tax after exceptional items	332.71	1,201.56	2,645.24
	Less: Income tax expense	120.60	256.17	521.51
	Profit/(loss)after tax	212.11	945.39	2,123.73
Foreign investments or collaborations, if any	Nil			
Reasons of loss or inadequate profits	Entry into Paints business involving large capital expenditure on infrastructure, equipment, and facilities have significantly strained profit margins along with operational expenses and economic fluctuations.			
Steps taken or proposed to be taken for improvement	The Company is expanding its presence in Paints Business across country which is expected to increase market share and capacity utilisation levels. Also taking initiatives for optimising power cost by the way of increasing share of Renewable Power.			
Expected increase in productivity and profits in measurable terms	The overall profitability and productivity are expected to improve based on measures enumerated above.			
Disclosures in the annual report	The requisite disclosure of remuneration will be made in the Board's Report/ Corporate Governance Report			

Item No. 4

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. All Material Related Party Transactions shall require prior approval of the members, even if the transactions are in the ordinary course of business and at an arm's length basis.

The Company proposes entering and/or continuing with Material Related Party Transactions with Hindalco Industries Limited ('Hindalco'), a promoter group company in the ordinary course of business and on an arm's length basis for various operational transactions including sale of its products to Hindalco as well as purchase of Hindalco products required for the Company's businesses to achieve its objectives.

The estimated value of the contract(s) / arrangement(s) / agreements(s) / transaction(s) of the Company with Hindalco in terms of the 'Related Party Transactions' under Regulation 2(1)(zc) of the SEBI Listing Regulations exceeds the threshold of Material Related Party Transactions within the meaning of Regulation 23 of the SEBI Listing Regulations.

The maximum annual value of the proposed transactions with Hindalco as mentioned in the table hereunder, has been estimated based on the prevailing market prices in the current financial year. Members may please note that the Company has been undertaking such transactions of similar nature in the previous financial years with Hindalco, in the ordinary course of business and on an arm's length basis. During the current financial year, the Company has obtained the requisite approval from the Audit Committee as per the requirements of the applicable laws.

Considering the quantum of transactions and the extended framework for related party transactions under the amended SEBI Listing Regulations, approval of the Members is sought as per the requirements of Regulation 23 of the SEBI Listing Regulations read with SEBI Master Circular dated 11th November 2024 is as under:

Information pursuant to SEBI Circulars:

Sr. No.	Description	Details
Details of summary of information provided by the management to the Audit Committee		
1	Name of related party & its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Hindalco is a promoter group company and holds 4.29% equity shares of the Company as on 31 st March 2025. The Company is also a promoter group company for Hindalco and holds 3.92 % equity shares of Hindalco as on 31 st March 2025.
2	Name of the Director(s) or Key Managerial Personnel who is related, if any and nature of relationship	Related Director(s): Mr. Kumar Mangalam Birla is the Chairman, Non-executive Director and Promoter of Hindalco and the Company Smt. Rajashree Birla is the Non-executive Director and a part of Promoter Group of Hindalco and the Company; Ms. Ananyashree Birla is the Non-executive Director and a part of Promoter Group of Hindalco and the Company; Mr. Aryaman Vikram Birla is the Non-executive Director and a part of Promoter Group of Hindalco and the Company; Mr. Sushil Agarwal is the Non-executive Director of Hindalco and the Company; and Mr Yazdi Piroj Dandiwalla is an Independent Director of Hindalco and the Company. Related KMPs: Nil

Sr. No.	Description	Details										
3	Type, Material Terms and particulars of the contracts and arrangements	<p>The Transaction involves the following:</p> <ul style="list-style-type: none">Sale of Caustic Soda, Speciality Chemicals, Other Allied Chemicals, Copper Cathode, Copper Scrap, other materials (Traded Good), Fabric, Garments, Paints and Painting ServicesPurchase of Copper, Aluminum and Aluminum Products, including Hydrate / Alumina and other materialsRent expenses and Business Auxiliary Services <p>All the above transactions are/will be entered at an Arm’s Length basis and in the ordinary course of business.</p> <p>Material terms and particulars of the contract and arrangement:</p> <p>Sale of Caustic Soda: Transaction is undertaken based on FOB (Free on Board) rate for the previous month published by IHS Chemical Market Advisory Services, an independent agency, for India region, plus freight charges.</p> <p>Sale of Copper Cathode, Copper Scrap, other materials (Traded Good), Speciality Chemicals, Other Allied Chemicals, Fabric, Garments, paints and Painting Services: Pricing is done based on prevailing market price at the time of sale.</p> <p>Purchase of Aluminum and Aluminum Products: Negotiated Market Price (Hindalco declared price list based on prevailing LME index)</p> <p>Purchase of Copper and other materials: At market Price</p> <p>Purchase of Hydrate / Alumina: Negotiated Market Price considering prevailing market demand and competitive market dynamics.</p> <p>Rent expenses and Business Auxiliary Services: At market Price.</p>										
4	Value of Transactions	<table><tr><th>Transactions</th><th>Amount (In ₹ Cr)</th></tr><tr><td>Sale of Caustic Soda, Speciality Chemicals, Other Allied Chemicals, Copper Cathode, Copper Scrap, other materials (traded good), fabric, garments, paints and Painting Services</td><td>1,000</td></tr><tr><td>Purchase of Copper, Aluminum and Aluminum Products, including Hydrate / Alumina and other materials</td><td>1,525</td></tr><tr><td>Rent expenses and Business Auxiliary Services</td><td>10</td></tr><tr><td>Total</td><td>2,535</td></tr></table>	Transactions	Amount (In ₹ Cr)	Sale of Caustic Soda, Speciality Chemicals, Other Allied Chemicals, Copper Cathode, Copper Scrap, other materials (traded good), fabric, garments, paints and Painting Services	1,000	Purchase of Copper, Aluminum and Aluminum Products, including Hydrate / Alumina and other materials	1,525	Rent expenses and Business Auxiliary Services	10	Total	2,535
Transactions	Amount (In ₹ Cr)											
Sale of Caustic Soda, Speciality Chemicals, Other Allied Chemicals, Copper Cathode, Copper Scrap, other materials (traded good), fabric, garments, paints and Painting Services	1,000											
Purchase of Copper, Aluminum and Aluminum Products, including Hydrate / Alumina and other materials	1,525											
Rent expenses and Business Auxiliary Services	10											
Total	2,535											
5	Any advance paid or received for the contract or arrangement, if any	Nil										
6	Tenure of the transactions	Transactions entered/to be entered during the FY 2025-2026										
7	Percentage of the Company’s Annual Consolidated Turnover for the immediately preceding financial year (i.e. FY 2024-2025)	1.71%										

Sr. No.	Description	Details
8	Justification of Transaction	<p>The Company is one of the leading producers of Caustic Soda and other allied chemicals.</p> <p>The Company sells Caustic Soda to Industries like Textiles, Alumina, Soaps and Detergents, Paper, Chemicals and Inorganic Chemicals and sells other Chemicals to Industries like Industrial Chemicals, Plastic, Additives, Water Treatment, Agrochem, Pharma and Food & Feed.</p> <p>Hindalco Industries Limited produces Aluminium Ingots, Hydrate, Alumina and needs caustic soda and other chemicals like Hydrochloride Acid, Poly Aluminium Chloride, Sodium Hypo-Chloride as raw materials for producing the same. The Company supplies the same to Hindalco Industries Limited.</p> <p>Further, the Company requires Aluminium Ingots, Hydrate and Alumina as a raw material to manufacture Anhydrous Aluminium Chloride, Poly Aluminium Chloride and Insulators. The Company purchases the same from Hindalco.</p> <p>The Company's plants are located in close proximity of Hindalco plants, which adds value for both the companies. The transactions of sale of Caustic Soda, other allied chemicals and purchase of Aluminium Ingots, Hydrate and Alumina are aimed at achieving synergies for both the companies.</p> <p>Further, based on requirement of both the businesses and to take benefit of competitive price:</p> <ul style="list-style-type: none"> - Hindalco may purchase steel from Birla Pivot or Painting services from Birla Opus units of The Company. - The Company may purchase Aluminium Doors and Windows from Hindalco's Eternia unit.
9	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a.	i. details of the source of funds in connection with the proposed transaction	Not applicable
	ii. where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments -nature of indebtedness; - cost of funds; and - tenure	
	iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable
	iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	

Sr. No.	Description	Details		
10	A Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail ID of the Shareholder.	Not applicable		
11	Transaction undertaken during previous financial years	Amount (In ₹ Crore)		
		Particular	FY 2024-2025	FY 2023-2024
		Sale of Caustic Soda, Speciality Chemicals, Other Allied Chemicals, Steel products (traded good), fabric, garments and Painting Services	602	495
		Purchase of Aluminum and Aluminum Products, including Aluminium doors and windows and Hydrate / Alumina and allied chemicals	425	381
		Rent income, Rent expenses and business auxiliary services	2	1
		Total	1,029	877
12	Any other information that may be relevant	All important information forms part of the Statement setting out material facts, pursuant to Section 102 (1) of the Companies Act, 2013 forming part of this Notice.		

The Company has in place a requisite process for approval of Material Related Party Transactions and on dealing with Related Parties. As per the process, necessary details for the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality and dealing with Related Party Transactions and as required under SEBI Circulars.

The Related Party Transactions placed for Members approval shall also be reviewed / monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23 of the SEBI Listing Regulations and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the Members.

The Board recommends the Ordinary Resolution set out at item no. 4 of this Notice for the approval by the Members.

None of the Directors, except Mr. Kumar Mangalam Birla, Chairman, Smt. Rajashree Birla, Ms. Ananyashree Birla, Mr. Aryaman Vikram Birla, Mr. Sushil Agarwal and Mr. Yazdi Piroj Dandiwalla and their relatives to the extent of their directorship and shareholding interest, if any, in the Company, Key Managerial Personnel and their relatives are in anyway concerned or interested, financially or otherwise, in the said resolution.

The existing / proposed transactions shall not, in any manner, be detrimental to the interest of Members and are in the best interest of the Company and its Members. The Members may please note that in terms of provisions of the SEBI Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the Ordinary Resolution at Item No. 4 of this Notice.

Item No. 5

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. All Material Related Party Transactions shall require prior approval of the Members, even if the transactions are in the ordinary course of business and at an arm's length basis.

The Company proposes entering and/or continuing with Material Related Party Transactions with AV Group NB Inc, Canada, Joint Venture of the company ('AVNB') in the ordinary course of business and on an arm's length basis for various operational transactions including purchase of pulp from AVNB required for the Company's businesses to achieve its objectives.

The estimated value of the contract(s) / arrangement(s) / agreements(s) / transaction(s) of the Company with AVNB in terms of the 'Related Party Transactions' under Regulation 2(1) (zc) of the SEBI Listing Regulations exceeds the threshold of Material Related Party Transactions within the meaning of Regulation 23 of the SEBI Listing Regulations.

The maximum annual value of the proposed transactions with AVNB as mentioned in the table hereunder, has been estimated based on the prevailing market prices in the current financial year. Members may please note that the Company has been undertaking such transactions of similar nature in the previous financial years with AVNB, in the ordinary course of business and on an arm's length basis. During the current financial year, the Company has obtained the requisite approval from the Audit Committee as per the requirements of the applicable laws.

Considering the quantum of transactions and the extended framework for related party transactions under the amended SEBI Listing Regulations, approval of the Members is sought as per the requirements of Regulation 23 of the SEBI Listing Regulations read with SEBI Master Circular dated 11th November 2024 is as under:

Information pursuant to SEBI Circulars:

Sr. No.	Description	Details
Details of summary of information provided by the management to the Audit Committee		
1	Name of related party & its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	AV Group NB Inc, Canada (AVNB) is a Joint Venture of the Company. The Company holds 45% equity shares of the AVNB as on 31 st March 2025.
2	Name of the Director(s) or Key Managerial Personnel who is related, if any and nature of relationship	Related Director(s): Nil Related KMPs: Nil
3	Type, Material Terms and particulars of the contracts and arrangements	<p>The Transaction involves the following:</p> <ul style="list-style-type: none"> Purchase of pulp Business auxiliary services. <p>All the above transactions are/will be entered at an Arm's Length basis and in the ordinary course of business.</p> <p>Material terms and particulars of the contract and arrangement:</p> <p>Purchase of pulp: Pulp price will be benchmarked to the Pulp Price paid to our major independent pulp supplier, subject to adjustment for Softwood premium. Price is based on average CCF (China Chemical forum) price after applicable discount as per the agreement.</p> <p>Business auxiliary services: At Market Price</p>

Sr. No.	Description	Details	
4	Value of Transactions	Transactions	Amount (In ₹ Cr)
		Purchase of Pulp	1,298
		Business Auxiliary Services	2
		Total	1,300
5	Any advance paid or received for the contract or arrangement, if any	Nil	
6	Tenure of the transactions	Transactions entered/to be entered during the FY 2025-2026	
7	Percentage of the Company's Annual Consolidated Turnover for the immediately preceding financial year (i.e. FY 2024-2025)	0.88%	
8	Justification of Transaction	<p>AV Group NB consists of 2 mills namely Atholville (AVC) & AV Nackawic (AVN) located in New Brunswick province in AV cell Canada. These mills were acquired in 1998 & 2005 respectively and engaged in manufacturing of Dissolving Grade Pulp. Pulp, being a key cost driver, constitutes about 60% of total variable cost of Cellulosic Fibres.</p> <p>These mills were acquired with following intent:-</p> <p>A. Reliable Supply of Pulp to ensure consistent Quality of Cellulosic Fibres</p> <ul style="list-style-type: none">Uniform supply source ensures better qualityAvailability of DG Pulp in required quantity, quality and in time <p>B. Volatility in the Pulp Price</p> <ul style="list-style-type: none">Captive pulp helps in effective bargaining power while negotiating long term supply contract <p>Purchase of pulp from AV Group NB helps to achieve above objective of the Company.</p>	
9	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:		
a.	i. details of the source of funds in connection with the proposed transaction	Not applicable	
	ii. where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments		
	-nature of indebtedness;		
	- cost of funds; and		
	- tenure		

Sr. No.	Description	Details															
	iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not applicable															
	iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.																
10	A Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail ID of the Shareholder.	Not applicable															
11	Transaction undertaken during previous financial years	<table> <tr> <th colspan="3">Amount (In ₹ Cr)</th></tr> <tr> <th>Particular</th><th>FY 2024-2025</th><th>FY 2023-2024</th></tr> <tr> <td>Purchase of Pulp</td><td>1,005</td><td>896</td></tr> <tr> <td>Business auxiliary services</td><td>1</td><td>1</td></tr> <tr> <td>Total</td><td>1,006</td><td>897</td></tr> </table>	Amount (In ₹ Cr)			Particular	FY 2024-2025	FY 2023-2024	Purchase of Pulp	1,005	896	Business auxiliary services	1	1	Total	1,006	897
Amount (In ₹ Cr)																	
Particular	FY 2024-2025	FY 2023-2024															
Purchase of Pulp	1,005	896															
Business auxiliary services	1	1															
Total	1,006	897															
12	Any other information that may be relevant	All important information forms part of the Statement setting out material facts, pursuant to Section 102 (1) of the Companies Act, 2013 forming part of this Notice.															

The Company has in place a requisite process for approval of Material Related Party Transactions and on Dealing with Related Parties. As per the process, necessary details for the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality and Dealing with Related Party Transactions and as required under SEBI Circulars.

The Related Party Transactions placed for Members approval shall also be reviewed/ monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23 of the SEBI Listing Regulations and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the Members.

The Board recommends the Ordinary Resolution set out at item no. 5 of this Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel(s) and their relatives are in anyway concerned or interested, financially or otherwise, in the said resolution.

The existing/proposed transactions shall not, in any manner, be detrimental to the interest of members and are in the best interest of the Company and its Members. The Members may please note that in terms of provisions of the SEBI Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the Ordinary Resolution at Item No. 5 of this Notice.

NOTES:

1. The Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 ("the Act") setting out the material facts and reasons in respect of the resolution as set out above, is annexed hereto and forms part of this Notice.
2. Pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules made thereunder and General Circular No. 09/2024 dated 19th September, 2024, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by the Securities and Exchange Board of India ("SEBI") ("the Circulars"), companies have an option to seek the approval of the Members through Postal Ballot (via remote e-voting) for the above-mentioned resolution, instead of getting the same passed at a General Meeting. Accordingly, if the resolution is approved by the Members through Postal Ballot via remote e-voting, it shall be deemed to have been passed as if the same has been passed at a General Meeting of the Members convened in this regard. The Resolution, if passed by requisite majority, shall be deemed to have been passed on Thursday, 26th June 2025, being the last day of remote e-Voting.

3. Dispatch of Postal Ballot Notice through electronic mode

In accordance with the provisions of the circulars, this Notice is being sent through email only to Members whose email IDs are registered with KFin Technologies Limited ("KFin"), Registrar and Share Transfer Agent ("RTA") of the Company, National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL) as at close of business hours on Friday, 23rd May, 2025, ("cut-off date"). As per the Circulars, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through remote e-voting only. In respect of those members who have not registered their e-mail IDs, the Company has mentioned the documents to be provided to KFin hereunder.

Members may note that the Notice will be available on the Company's website <https://www.grasim.com/>, website of the Stock Exchanges i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at <https://evoting.kfintech.com>.

4. Registration of e-mail ID

Members who have not registered their email IDs are requested to do so at the earliest. Members holding shares in:

- Electronic mode can register their email ID by contacting their respective Depository Participant(s) ("DP").
 - Physical mode can register their email ID with the KFin. Requests can be emailed to einward.ris@kfintech.com or by registering with the first holder PAN at <https://kprism.kfintech.com/signup>. Existing users can login through KPRISM (<https://kprism.kfintech.com/>). All updations to be done through ISR Forms only.
5. Members whose names appears in the Register of Members / List of Beneficial Owners as on the cut-off date only i.e., 23rd May 2025 shall be entitled to vote on the resolution set out in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

6. Instructions for remote e-voting





- i. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the Company is providing facility to the Members to exercise voting through electronic voting system ("remote e-voting") on the e-voting platform provided by KFin. The Members may cast their votes remotely, using remote e-voting only on the dates mentioned hereunder. The instructions for remote e-voting forms part of this Notice.
- ii. Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Wednesday, 28 th May 2025 (9:00 a.m. IST)	Thursday, 26 th June 2025 (5:00 p.m. IST)

- iii. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- iv. The shareholders are requested to cast their vote for fully paid-up shares of ₹ 2 each (EVEN 8804) as well as for partly paid-up shares of ₹ 0.50 each (EVEN 8805) and partly paid-up shares of ₹ 1 each (EVEN 8806), as the case may be. The voting rights for fully paid-up and partly paid-up equity shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off Date
- v. During the above period, Members of the Company holding shares either in physical form or in dematerialised form, as on 23rd May 2025, i.e., cut-off date, may cast their vote by remote e-voting.
- vi. Mr. Dilip Bharadiya (FCS 7956 & C.P. No. 6740), Partner, M/s. Dilip Bharadiya & Associates, Company Secretary and failing him Mrs. Kumudini Bhalerao (FCS 6667 & C.P. No. 6690), Partner, M/s Makarand M. Joshi & Co., Practicing Company Secretaries and failing her Mr. Makarand M. Joshi (FCS 5533 & C.P. No. 3662), Partner, M/s Makarand M. Joshi & Co., Practicing Company Secretaries have been appointed as the Scrutinizer for conducting the Postal Ballot only through remote e-voting process in a fair and transparent manner. The Scrutinizer's decision on the validity of remote e-voting will be final.
- vii. The process and manner for remote e-voting is as under:
 - a. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular") the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin, on the resolutions set forth in this Notice. The instructions for remote e-voting are given herein below.
 - b. E-voting process has been enabled for 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.
 - c. 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 e-voting facility.
 - d. The process and manner of remote e-voting is explained below:
 - i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
 - ii. Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

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	<p>1. For OTP based login</p> <ul style="list-style-type: none"> i. You can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. ii. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. iii. Enter the OTP received on registered email id/mobile number and click on login. iv. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. v. Click on the company name i.e., 'Grasim Industries Limited' or e-Voting service provider name i.e. KFin and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. <p>2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <ul style="list-style-type: none"> 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 company name i.e. 'Grasim Industries Limited' or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. <p>3. Those not registered under IDeAS:</p> <ul style="list-style-type: none"> 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. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. 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. v. 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.

Type of Member	Login Method
	<p>vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</p> <p>vii. Click on company name i.e Grasim Industries Limited or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period.</p> <p>viii. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="895 486 1193 668"> <p>NSDL Mobile App is available on</p> <div>  App Store  Google Play </div> <div>   </div> </div>
Individual Members holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Electronic Access To Securities Information (“Easi/ Easiest”) facility:</p> <p>i. Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.</p> <p>ii. Click on New System Myeasi.</p> <p>iii. Login to Myeasi option under quick login.</p> <p>iv. Login with the registered user ID and password.</p> <p>v. Members will be able to view the e-voting Menu.</p> <p>vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.</p> <p>2. User not registered for Easi/ Easiest</p> <p>i. Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering.</p> <p>ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</p> <p>iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.</p> <p>3. Alternatively, by directly accessing the e-voting website of CDSL</p> <p>i. Visit www.cdslindia.com.</p> <p>ii. Provide demat account number and PAN.</p>

Type of Member	Login Method
	<ul style="list-style-type: none"> iii. System will authenticate user by sending OTP on registered mobile and email 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 KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / website of DPs	<ul style="list-style-type: none"> i. Members can also login using the login credentials of their demat account through their DPs 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 'KFin'. v. Members will be redirected to e-voting website of KFin 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.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

II. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin 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 KFin 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' 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 mentioned herein above. 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. In case you do not desire to cast your vote, 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, 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.
- III. The report of the Scrutinizer shall be submitted to the Chairman (or to such other person authorised by the Chairman) after the completion of scrutiny of remote e-voting. The result of voting will be announced by the Chairman or any other person duly authorised by Chairman, on or before Monday, 30th June 2025. These results will also be displayed along with the Scrutinizer Report on the notice board of the Company at its Registered Office and its Corporate Office. The results will also be posted on the website of the Company www.grasim.com, website of KFinTech at <https://evoting.kfintech.com>, and will also be intimated to the National Stock Exchange of India Limited and BSE Limited.
- IV. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on Thursday, 26th June 2025 i.e. the last date specified for receipt of votes through the remote e-voting process.
- V. All relevant documents referred to in the Explanatory Statement shall be available for inspection electronically without any fee by the Members from the date of dispatch of this notice till the last date of the remote e-voting process. Members seeking to inspect such documents can send an e-mail at grasim.secretarial@adityabirla.com.
- VI. Members of the Company including Institutional Investors are encouraged to vote on the resolutions proposed in this Notice.

General Guidelines for Members:

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signatures of the duly authorised signatory(ies) who are authorised to vote on their behalf. The documents should be emailed to scrutiniser.grasim@adityabirla.com and einward.ris@kfintech.com with the subject line "Grasim Industries Limited Postal Balot 01/2025-2026".
2. In case of any query and/ or assistance required, Members may refer to the Help & Frequently Asked Questions ("FAQs") available at the download section of <https://evoting.kfintech.com> or contact KFin at the email ID evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001 for any further clarifications/ technical assistance that may be required.
3. As per the provisions of Section 72 of the Act and SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024, the facility for making nomination is available for the Members in respect of the shares held by them in physical mode. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 with RTA.

4. Further members holding physical shares are informed that they can opt out of nomination or cancel the existing nomination by filing following form with RTA:
 - a. Form ISR – 3: For opting out of nomination by shareholder(s)
 - b. Form SH - 14: For cancellation or variation to the existing nomination of the shareholder(s)
5. SEBI vide its Master Circular SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/14 dated 28th December 2023, has introduced Online Dispute Resolution (ODR), which is in addition to the existing SCORES platform which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform. The ODR portal can be accessed at <https://smartodr.in/login/login> and also on Company's Website at <https://www.grasim.com/>.