

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



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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

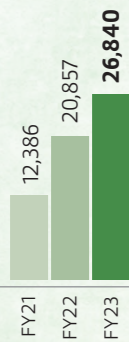
OPERATION RELATED INVESTMENTS

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

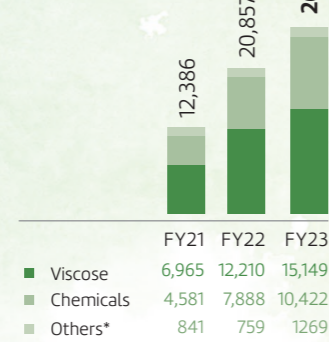
(₹ crore)

↑ 29%
y-o-y growth
↑ 47%
3-year CAGR



REVENUE SEGMENT WISE

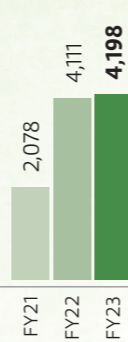
(₹ crore)



EBITDA

(₹ crore)

↑ 2%
y-o-y growth
↑ 42%
3-year CAGR



FREE CASH FLOW

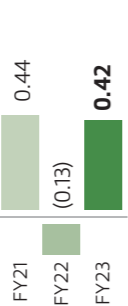
(₹ crore)

↓ (13%)
y-o-y growth
↓ (2%)
3-year CAGR



NET DEBT TO EBITDA

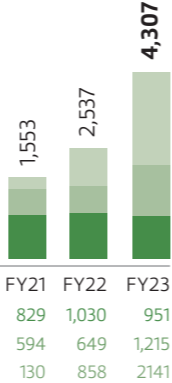
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CAPEX SEGMENT WISE

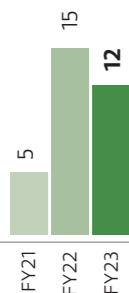
(₹ crore)

↑ 70%
y-o-y growth
↑ 67%
3-year CAGR



ROAVCE#

(%)



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

Consolidated Financials

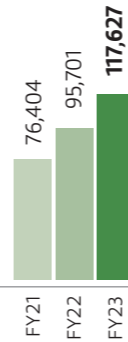
CONSISTENT GROWTH

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)

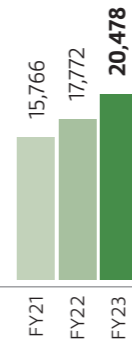
↑ 23%
y-o-y growth
↑ 24%
3-year CAGR



EBITDA

(₹ crore)

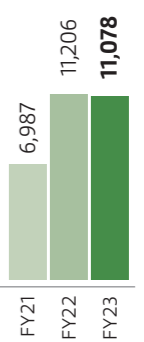
↑ 15%
y-o-y growth
↑ 14%
3-year CAGR



PAT*

(₹ crore)

↓ (1%)
y-o-y growth
↑ 26%
3-year CAGR



NET WORTH

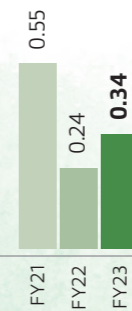
(₹ crore)

↑ 4%
y-o-y growth
↑ 10%
3-year CAGR



NET DEBT TO EBITDA#

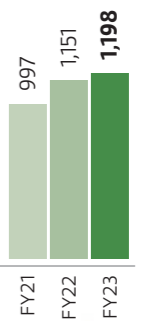
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BOOK VALUE

(₹ per share)

↑ 4%
y-o-y growth
↑ 10%
3-year CAGR



ROAVCE

(%)



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