

FINANCIAL CAPITAL

At Grasim, financial success extends beyond simply meeting shareholder expectations. Our financial management practices enable us to adapt to the prevailing market conditions and invest in expanding capacities and sustainability initiatives, supporting long-term growth by optimising costs and maintaining a strong balance sheet.

Our focus is on maximising value for our investors and shareholders through sustainable returns. This drives economic value generation and distribution while prioritising manufacturing and digital economic growth and meeting customer demands. As we continue to scale, our guiding principle of being 'A Force for Good' ensures that our financial capital supports a virtuous cycle of value creation for all.

Alignment with SDGs



FY 2023-24 HIGHLIGHTS

₹25,847 crore
Revenue

₹3,573 crore
EBITDA

₹5,900 crore
Capital expenditure

₹1,52,876 crore
Market capitalisation*

₹45,300+ crore
Market capitalisation
added in the year

1.67x
Net debt/EBITDA

* As on 31st March 2024

OUR APPROACH

Our financial success is a collective result of our diversification efforts, robust operational performance, continuous product innovation, and market expansion, underlined by our commitment to sustainability. We maintain financial discipline through rigorous monitoring and prudent management, effective capital allocation, working capital optimisation, debt management, and sustaining a strong balance sheet, delivering optimal returns to our stakeholders.



Stakeholders Impacted

Government and Regulators
Suppliers and Value
Chain Partners
Shareholders
Customers
Employees

Material Issues

Financial Performance
Stakeholder Engagement
Resource Efficiency
Business Ethics
and Compliance

Key Risks

Strategic Risk
External Risk
Operational Risk
Sustainability Risk
Compliance Risk
Financial Risk
Emerging Risk

Supporting / Aligned Policies

[Corporate Tax Policy](#)
[Dividend Distribution Policy](#)
[Policy on Related
Party Transactions](#)
[Risk Management Policy](#)
[Stakeholder Engagement Policy](#)

FOCUS AREAS

Return-based Approach
Capital Allocation
Optimal Capital Structure
Value Creation
Cost-focused Structure



FINANCIAL CAPITAL

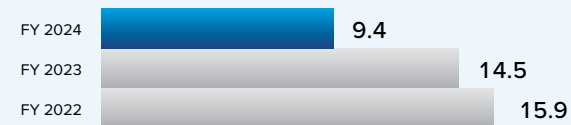
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RETURN-BASED APPROACH

Leveraging our diversified business model, we allocate strategic and financial investments across multiple businesses to generate steady cash flows and long-term growth. With a focus on optimising production costs and enhancing our value-added product mix, we improve profitability, and our margin profile, driving a strong Return on Average Capital Employed (RoACE). This approach improves our performance while ensuring sustained returns on investment.

RoACE*
(excl. CWIP) (%)

9.4%



* Excluding all Investments, Capex in new high-growth businesses and related income/(losses)

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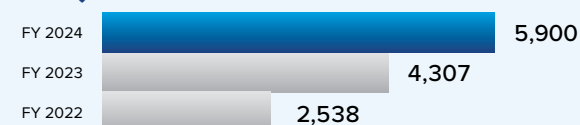
CAPITAL ALLOCATION

We prioritise effective cash flow management to sustain a balance between inflows and outflows, reducing our dependence on external financing. This approach maintains positive cash flows and ample liquidity to meet current and anticipated financial obligations, positioning us well to capitalise on opportunities and navigate potential challenges.

In FY 2023-24, our growth capex stood at ₹5,070 crore, representing approximately 86% of our total capex of ₹5,900 crore. This investment supports our vision to achieve sustained growth, drive innovation, and create long-term value creation for stakeholders.

Total Capex
(₹ crore)

₹5,900 crore



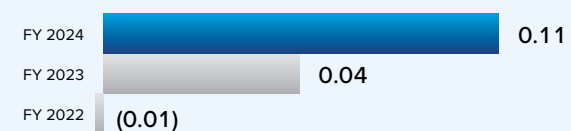
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OPTIMAL CAPITAL STRUCTURE

Adhering to a disciplined capital structure management, we aim to optimise debt levels to reduce interest costs while maintaining investment capacity. Our financial planning includes regular assessments of our debt-to-equity and net debt-to-EBITDA ratios, ensuring they align with industry best practices and our growth objectives.

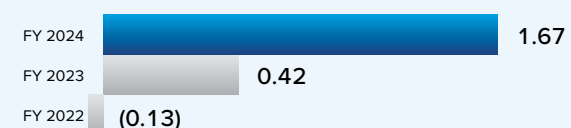
Net Debt to Equity
(x)

0.11x



Net Debt to EBITDA
(x)

1.67x



CASE STUDY

Partnering with IFC for Sustainability and Diversification

In FY 2023-24, Grasim has raised its first Sustainability Linked Non-Convertible Debentures (NCD) of ₹1,250 crore from the International Finance Corporation (IFC). The Sustainability-Linked NCDs will support the Company's investment in paint manufacturing. The Paints business under the brand 'Birla Opus' has set up six manufacturing plants on Pan-India basis, which are fully sustainable with zero liquid discharge and equipped with 4th generation manufacturing technology to manage supply chain processes at lightning speed, zero defects and end-to-end traceability.

This investment will also further our decarbonisation efforts. By increasing the use of renewable energy and water recycling in our manufacturing processes, we aim to make progress on global sustainable development goals and further our commitment to a low-carbon economy. This collaboration also highlights Grasim's drive towards integrating sustainability with financial practices. By leveraging these funds, we aim to enhance our sustainability footprint and drive positive impact within the industry.





FINANCIAL CAPITAL

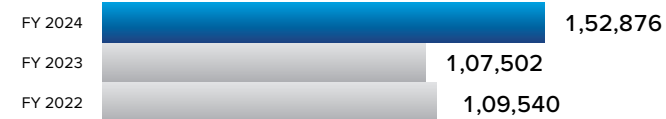
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VALUE CREATION

Grasim has consistently enhanced shareholder value by delivering dividend consistently for 60 years. The disciplined investment in our key business segments – which have seen tremendous financial growth – has contributed to a multiplier effect. This is reflected in our market capitalisation, which increased to ₹152,876 crore in FY 2023-24, a 42.2% growth from the previous year. This is complemented by an increase in revenues and operational efficiencies, leading to strengthened financial stability and wider expansion.

Market Capitalisation

(₹ crore)

₹1,52,876 croreCASE
STUDY

Rights Issue

During the year FY 2023-24, Grasim has successfully completed its rights issue of ₹4,000 crore with an oversubscription of nearly two times. During the year, ₹1,000 crore was raised as application money and the balance would be called upon as decided by the Board. The funds raised by this issue are largely used to support the growth capex and repay existing borrowings. This has enabled existing shareholders to participate in Grasim's growth journey.

Value Creation in Key Subsidiaries

Grasim have investments in several listed group businesses which has also appreciated manifold.

	Cost Price	Market value	
UltraTech Cement Limited	₹2,636 crore	₹1,61,188 crore	61.1x
Aditya Birla Capital Limited	₹18,847 crore	₹24,026 crore	1.3x
Total Investments	₹21,483 crore	₹1,85,214 crore	8.6x

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COST-FOCUSED STRUCTURE

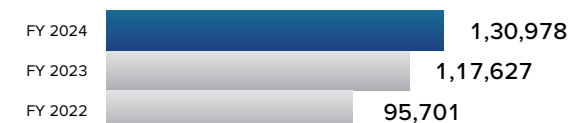
Our robust cost-focused structure has enabled us to maintain our competitive advantage and drive sustainable growth. Our strategy includes backward integration and rigorous supply chain management to minimise costs across all production and operational stages. In the CSF segment, the integration of advanced technologies in production has substantially reduced operating expenses, contributing to a 15% increase in EBITDA for Q4FY24. These efforts demonstrate effective cost management amid fluctuating domestic demand and competitive import pressures.



CONSOLIDATED FINANCIALS

Net Revenue

(₹ crore)

₹1,30,978 crore

EBITDA

(₹ crore)

₹20,837 crore

PBT

(₹ crore)

₹13,700 crore

STANDALONE FINANCIALS

Net Revenue

(₹ crore)

₹25,847 crore

EBITDA

(₹ crore)

₹3,573 crore

PBT

(₹ crore)

₹1,202 crore