

Cellulosic Fibres

Grasim is a leading global and Indian producer of Cellulosic Staple Fibre (CSF) and Cellulosic Fashion Yarn (CFY). As a key segment within the broader man-made textile fibre industry, Cellulosic Fibres represents Grasim’s commitment to innovation, sustainability, and excellence in the evolving world of textiles.

₹15,897 crore
Highest-ever Revenue

844 KTPA
Highest-ever CSF Sales Volumes

21%
Share of Specialty Fibres



“Cellulosic Fibres is proactively shaping global standards for ethical and sustainable business by collaborating across the MMCF value chain. From responsible sourcing to innovative fibre solutions, we are committed to creating lasting value for our stakeholders while safeguarding our planet. Our purpose is clear: to lead with responsibility and grow with integrity.”

Vadiraj Kulkarni
Business Head



Suresh Kodali
Chief Operating Officer



Manmohan Singh
Chief Marketing Officer



Dr. Aspi Patel
Chief Technology Officer



Satyaki Ghosh
Chief Executive Officer CFY



Anil Rustogi
Chief Financial Officer



Anupama Mohan
Chief Human Resources Officer

Business Overview

Grasim is one of the leading CSF players globally. In India, we have constantly expanded the CSF market through indigenously developed second and third-generation fibres, known as Birla Modal and Birla Excel (Lyocell), respectively. The success of brand ‘LIVA’ can be attributed to our relentless focus on customer centricity over the years. Through Liva Accredited Partner Forum (LAPF), a consortium of spinners, weavers, knitters, and processors committed to quality and innovation using fibres from Grasim, we work with the textile value chain partners to improve processes and products, and offer eco-friendly fashionable clothing. Brand Liva is fuelling demand across the textile value chain.

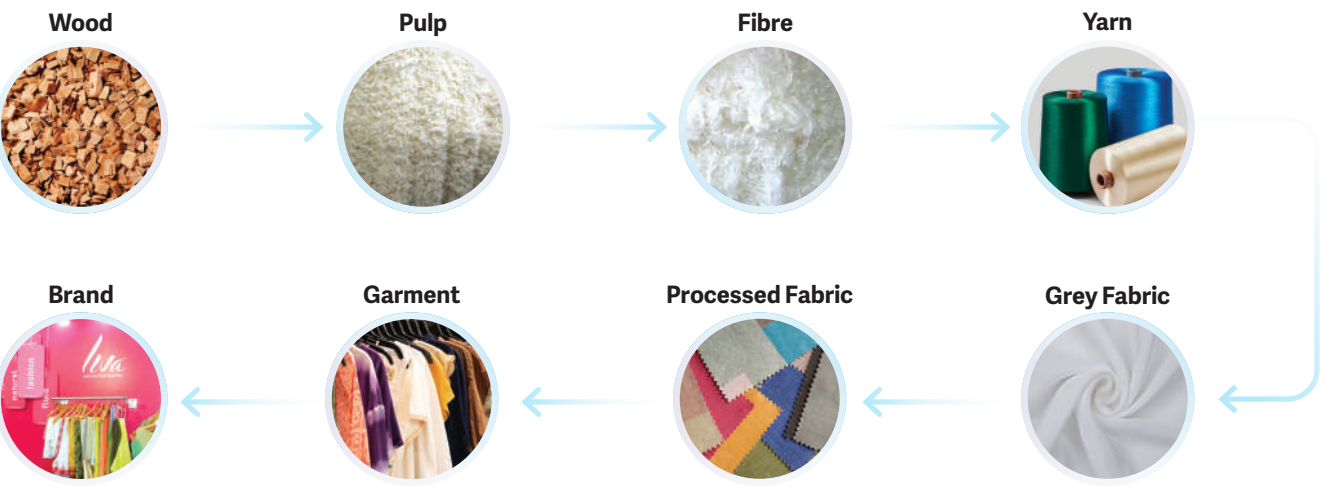
Grasim is also India’s prominent and one of the world’s leading manufacturer of CFY, a premium offering known for its silk-like sheen, softness, and fluid drape. CFY is a preferred choice for high-end fashion, home textiles and traditional wear across global and Indian markets. Raysil® is a well-known brand renowned for its luxurious texture and sustainable origins, crafted from 100% natural wood pulp, offering a biodegradable and eco-friendly alternative to synthetic fibres.

Birla Cellulose redefines comfort by uniting the rich feel of natural fibres with the precision of advanced manufacturing. Made from sustainably sourced wood pulp, it is the world’s first viscose to meet the highest global benchmarks for safety and purity, offering a biodegradable and eco-conscious choice without compromising on luxury.



Management Discussion and Analysis

Cellulosic Fibre Value Chain



Competitive Strengths

Large manufacturing capacity and **global** technical know-how

Strong **sustainability** credentials

Integrated tracer technology enables **end-to-end value chain transparency**

Well-established **global supply network and partnerships** with leading fashion and textile brands

State-of-the-art **R&D** centres enabling in-house development of proprietary specialty fibres

Integration across the value chain, from raw material sourcing (forest plantations) to fibre production

Our Brands



Operating Context

Strong Domestic and Export Demand

India is experiencing strong demand for cellulosic fibres, supported by rising consumption and export opportunities. Viscose, valued for its superior blendability, remains a preferred choice in blended yarns. Lyocell, a next-generation cellulosic fibre, is seeing rapid capacity expansion, with demand growing at more than twice the rate of India's GDP. The enforcement of the Quality Control Order (QCO) on Cellulosic Staple Fibre (CSF) by the Government of India, in consultation with the Bureau of Indian Standards (BIS) has limited low-quality imports, as domestic products offer higher value through consistent quality, innovation and deep integration across the value chain. Globally, CFY consumption continues to be dominated by India, China, Pakistan and Turkey, who together constitute ~85% of the total volume.

Volatility in Global Fibre Prices

Global fibre markets remain volatile, marked by price fluctuations and uneven demand. Cotton price swings and weak downstream demand have made consistency in pricing and quality a key customer priority. Cellulosic fibres are the fastest-growing fibre category globally and in India. The business continues to leverage its integrated model, backed by captive access to dissolving-grade wood pulp, caustic soda, carbon disulphide, power, and steam, to maintain cost competitiveness and supply assurance.

>2X
India's Cellulosic Fibre growth over other fibres

6%
Cellulosic Fibre's share in Textiles' Fibre Basket

Increased Preference for Sustainable Products

Growing consumer and regulatory preference for sustainable products is accelerating the shift towards eco-friendly fibres. CSF, a biodegradable and renewable alternative to cotton, meets this demand with a lower environmental footprint. Birla Cellulose fibres offer consistent quality and versatility, used on their own or blended, to deliver enhanced comfort, making them ideal for conscious fashion and home textile applications.



Strategic Focus Areas



Specialty Fibres

Specialty fibre continues to be a key strategic growth area. Over the past decade, the cellulosic fibres industry has grown at nearly twice the rate of competing textile fibres such as cotton and polyester. The Company had developed specialised cellulosic fibres for applications in fire retardant textiles, flushable wipes and other hygiene applications. Within these segments, Lyocell, a third-generation specialty fibre, has emerged as the fastest-growing cellulosic fibre, known for its exceptional softness, breathability and strength. Produced through eco-friendly process, it offers excellent moisture management and durability while being fully biodegradable.

Given the growth opportunities and the current capacities being fully utilised, the Cellulosic Fibres division is setting up Lyocell fibre capacity of 110 KTPA at Harihar, Karnataka. The first phase of 55 KTPA will be executed by mid-2027.

110 KTPA
Lyocell Fibre Brownfield Capacity Expansion



Sustainability

Sustainability is embedded across every stage of the value chain, from responsible forestry to pulp production and fibre innovation to compliance. We are focused on enhancing process efficiency through closed-loop systems, low-carbon technologies, and adoption of sustainable and alternative raw materials, while actively working to eliminate hazardous chemicals from our value chain. Our new generation products like Livaeco by Birla Cellulose, Liva Reviva, Birla Excel and Birla Spunshades are designed with superior sustainable credentials which contribute towards a greener environment.

We commercially launched Saxcell fibre, produced from pre-consumer textile waste using advanced chemical recycling. Our continued focus on sustainable raw material



Innovation

Grasim’s Cellulosic Fibres business is anchored in sustainability, with a strong R&D backbone driving future-ready solutions. Aditya Birla Science & Technology Centre (ABSTC) serves as the backbone of Grasim’s Cellulosic Fibres innovation pipeline. Our in-house research centres serve as innovation hubs, continuously developing versatile, eco-conscious products that align with evolving market needs and environmental expectations. ‘GreenTrack’ is our proprietary technology that embeds a unique molecular tracer or digital fingerprint into the fibres during the manufacturing process. This tracer allows multiple stakeholders i.e. brands, retailers, and consumers to verify the origin, authenticity, and sustainability of the fibre used in finished garments or textiles.

4
R&D Centres

sourcing and responsible processing was also recognised by Canopy, where we retained the industry-leading Dark Green Shirt rating, reaffirming our commitment to environmental stewardship.

Highest category,
5 years in a row
in Canopy’s Hot Button Report 2024

2020

2021

2022

2023

2024

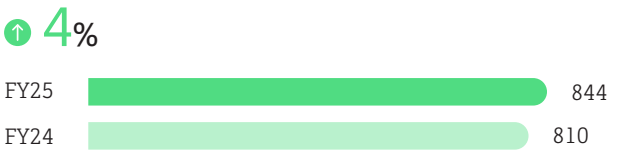
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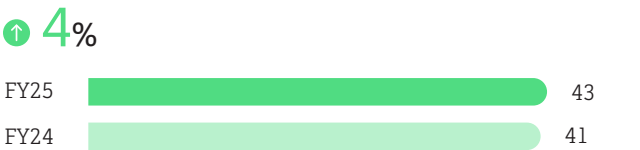
Operating and Financial Performance

Domestic sales volume of CSF grew 5% YoY, supported by resilient, India-focused consumption. Profitability was impacted by elevated input costs, particularly for dissolving-grade pulp, caustic soda and sulphur. CFY volumes were higher by 10% YoY, though realisations remained under pressure due to continued low-priced imports from China.

CSF Sales (KT)



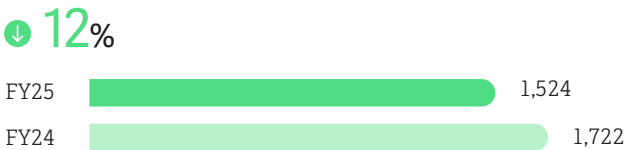
CFY Sales (KT)



Revenue (₹ crore)



EBITDA (₹ crore)



Outlook

Cellulosic Fibres would continue to see consistent growth driven by global cotton supply constraints and a strong shift in customer preferences towards products with enhanced sustainability credentials. Driven by innovation-led applications, Lyocell is well positioned for continued robust growth. The fibre’s environmental advantages, combined with its versatility across high-performance and premium applications, makes it a compelling platform for future investment and expansion.