FC

Financial Capital

At Grasim, financial success is not just about meeting shareholder expectations; it reflects our philosophy of being a *Force for Growth*. We operate in a dynamic environment where resilience and agility are essential. Our financial strength enables us to invest in capacity expansion, sustainability, and innovation, while aligning with the evolving needs of our customers and the broader manufacturing and digital ecosystems. By doing so, we ensure our growth is inclusive, responsible, and future-ready.

Alignment with SDGs

8 Decent Work and Economic Growth · 9 Industry, Innovation and Infrastructure · 12 Responsible Consumption and Production · 17 Partnerships for the Goals

Stakeholders Impacted

- Government and Regulators
- Suppliers and Value Chain Partners
- Media
- Shareholders
- Customers
- Employees
- Local Communities

Material Issues

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

Strategic Priorities

1
2
4
5

Supporting Policies

- Corporate Tax
- Dividend Distribution
- Related Party Transactions
- Risk Management
- Stakeholder Engagement

Key Risks

- R1 Strategic
- R2 Operational
- R4 Compliance
- R5 Financial
- R6 Sustainability
- ER Emerging

FY 2024-25 Highlights

₹31,563 crore
Revenue

₹3,500+ crore
Capital Expenditure

₹2,857 crore
EBITDA

2.4x
Net Debt/EBITDA

Our Approach

Our approach is driven by strategic diversification, operational excellence, and disciplined financial management. We drive innovation across our product portfolio, expand into new markets, and embed sustainability into core operations. This is supported by prudent capital allocation, efficient working capital practices, and a strong focus on maintaining a healthy balance sheet. Together, these efforts help us deliver consistent, value-accretive returns and build long-term financial resilience.

Focus Areas

1. Return-based Approach
2. Prudent Cash Flow Management
3. Optimal Capital Structure
4. Value Creation
5. Cost-focused Structure

Financial Capital

Focus Area 1

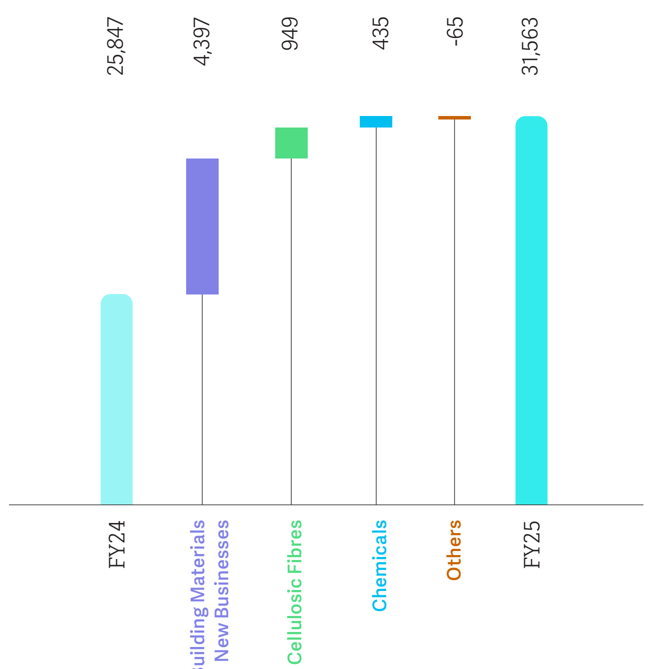
Return-based Approach

We have adopted a disciplined, return-focused approach that prioritises investments in high-growth, value-accretive businesses. We assess opportunities based on scalability, capital efficiency, market potential, and strategic alignment. Increased investments in verticals such as Decorative Paints, B2B E-commerce, Specialty Chemicals, and Specialty Fibres are expected to accelerate standalone revenue, supported by strong margins and favourable market trends.

Birla Pivot has started unlocking value in the fragmented construction materials space by digitally connecting MSMEs, contractors, and retailers to a portfolio of products across cement, steel, chemicals, paints, bathware, etc. These new businesses are not only capturing untapped market potential but are also enabling us to diversify its revenue base, enhance margin resilience, and strengthen its future-ready portfolio, aligning with the Grasim's long-term vision of scalable, sustainable growth.

RoACE (Core Businesses) (%)

Revenue (₹ crore)



Revenue from New Businesses

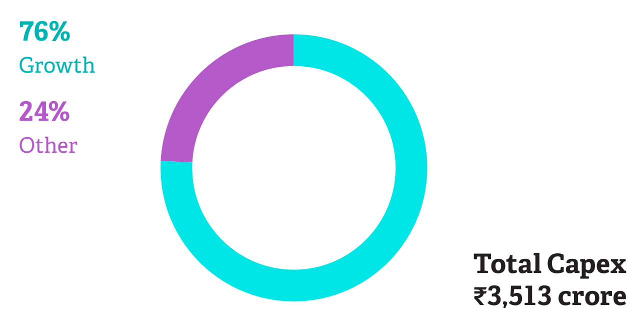
Our strategic foray into high-growth, consumer and digital-led sectors is beginning to contribute meaningfully to incremental revenue growth. Paints business, launched with one of the largest-ever greenfield investments in the sector, has seen strong traction in its early phase, driven by a differentiated brand proposition, rapid distribution ramp-up, and robust manufacturing infrastructure. It has enabled the Company to enter over 6,000 towns within in its first year, translating into growing volumes and revenue momentum.

Focus Area 2

Prudent Cash Flow Management

At Grasim, prudent cash flow management underpins financial discipline and resilience, ensuring sufficient liquidity for operations while supporting strategic investments. A major focus is on growth capital expenditure, directed toward capacity expansion, new product development, and entry into emerging markets. Over the past five years, we have undertaken one of our largest capital expenditure programmes, deploying ₹17,784 crore, with 75% allocated to growth capital expenditure. These investments were backed by stable cash flows from core businesses (Cellulosic Fibres and Chemicals), equity raised through a rights issue, and external funding such as sustainability-linked bonds, maintaining a balanced capital structure.

Total Capex & Growth (%)



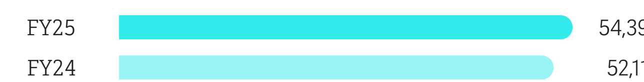
The capital expenditure for FY 2024-25 declined as capital investments in Paints business is nearing completion. During the year, we announced a 110 KTPA brownfield expansion of its high-growth Lyocell fibre business at Harihar, Karnataka, with Phase 1 (55 KTPA) scheduled for completion by mid-2027. We also maintain strong working capital discipline through faster receivables collection, efficient inventory management, and strategic timing of payables.

Focus Area 3

Optimal Capital Structure

To support its next phase of growth, Grasim has adopted an optimal capital structure that balances equity, debt, and innovative financing. The Company's recent capital expenditure programme, focused on high-growth businesses, capacity expansion, and capability enhancement has been strategically funded through internal accruals, a successful rights issue, and prudent borrowing. It has also leveraged development-linked instruments from institutions such as the International Finance Corporation (IFC), aligning its financing strategy with long-term sustainability goals. This diversified approach enhances financial flexibility, optimises the cost of capital, and strengthens the balance sheet, enabling Grasim to consistently create value for its stakeholders.

Net Equity (₹ crore)



Net Debt (₹ crore)

0.13x Net Debt to Equity - FY25

0.11x Net Debt to Equity - FY24

Financial Capital

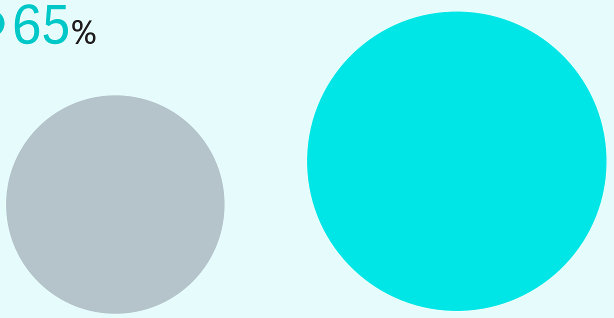
Focus Area 4

Value Creation

Grasim has a strong legacy of delivering sustained total shareholder return (TSR), marked by appreciation and over six decades of uninterrupted dividend payouts. Our disciplined capital allocation across high-potential businesses has consistently supported robust financial performance and long-term growth. In FY 2024-25, Grasim's market capitalisation reached ~₹1,77,000 crore, reflecting a 29% CAGR since FY 2022-23. This achievement stems from top-line growth, improved operational efficiency, prudent cash flow management, and a consistent focus on value creation. By reinvesting in scalable businesses and strengthening core capabilities, we continue to build a resilient foundation for value generation across economic cycles.

Market Capitalisation

65%



₹1,07,502
31st March 2023

₹1,77,710
31st March 2025

The Company has created significant value for its stakeholders through its businesses at standalone level as well as the subsidiaries as detailed below. The Company's investment in the other group companies has also contributed to the overall value creation.

Value Creation in Subsidiaries

Our value creation ability is further strengthened through our subsidiaries, which act as key engines of growth and innovation across diverse sectors. Each subsidiary has delivered strong performance, contributing to both revenue growth and strategic diversification. Backed by our strategic investments, operational synergies, and robust governance oversight, these entities have scaled efficiently, unlocked new opportunities, and enhanced stakeholder value.

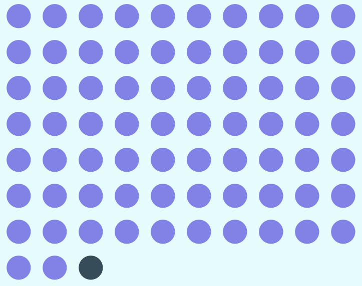
Investments in Key Listed Subsidiaries

UltraTech Cement

Value
₹1,90,293 crore

Investment
₹2,636 crore

Returns



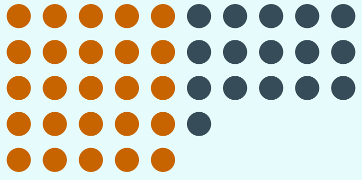
72x

Aditya Birla Capital

Value
₹25,351 crore

Investment
₹18,847 crore

Returns



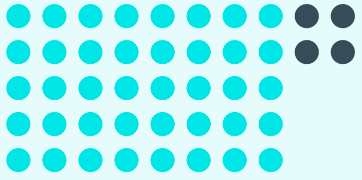
1.4x

Total

Value
₹2,15,644 crore

Investment
₹21,483 crore

Returns



10x

Other Listed Investments

Value
₹10,882 crore

Fair Value of Grasim liquid investments in other Aditya Birla Group listed companies such as Hindalco, Aditya Birla Fashion and Retail, Thai Rayon and Vodafone Idea is ₹10,882 crore as on 31st March 2025.

Focus Area 5

Cost-focused Approach

At Grasim, we have established a cost-focused manufacturing structure that drives operational excellence and competitive advantage. Through scale, process innovation, backward integration, and continuous efficiency improvements, the Company has established itself as one of the lowest-cost producers in its key businesses, including Cellulosic Fibres and Chemicals. This cost leadership is further strengthened by digitalisation, energy optimisation, and strategic sourcing practices that effectively reduce input costs without compromising quality. Our ability to maintain a lean cost structure has not only safeguarded margins in volatile environments but also supported market share gains and long-term value creation across our manufacturing portfolio.

Financials

Consolidated

Revenue (₹ crore)

FY25	1,48,478
FY24	1,30,978

EBITDA (₹ crore)

FY25	20,023
FY24	20,837

Standalone

Revenue (₹ crore)

FY25	31,563
FY24	25,847

EBITDA (₹ crore)

FY25	2,857
FY24	3,573