Management Discussion and Analysis

Inside this section

The Management Discussion and Analysis (MDA) section forms part of the Report and addresses requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Trust, Tested through Time

In 1947, as India stepped into freedom with the dust of Partition still settling, Grasim was born from a simple conviction: trust, once earned, outlasts every storm. Nearly eight decades on, that conviction has only deepened.

When the 2008 financial crisis shook economies to their core, Grasim leaned on the strength of its domestic operations.

Then came a test unlike any other. As COVID-19 halted the world in 2020, Grasim chose to chart its own course. It kept its people, promises and its performance intact, closing FY 2020-21 with revenue up by nearly 2% to ₹ 76,404 crore.

In March 2026, as crude oil surged past US$ 115 a barrel amid conflict in West Asia and markets trembled again, Grasim didn't just weather the storm, it revealed the quiet strength of decades spent building something real. Revenue for that year stood at ₹ 1,75,431 crore. This is what trust looks like when it's built, not borrowed: steady through the noise, generous through hardship, stronger with every test.

Financial Performance

With our scale, brand strength, and ongoing capacity expansion, we are well positioned to outperform the industry and drive consistent, profitable growth.

Hemant Kumar Kadel
Chief Financial Officer
Grasim Industries Limited

A Legacy of Trust. A Future of Sustainable Value.

Grasim's strong financial performance in FY 2025-26 reflects the inherent strength of its diversified business portfolio. Banking on disciplined execution and enhanced cost-efficiency, the Company is set for sustained value creation.

The global economy appeared stable in FY 2025-26, keeping up the growth momentum, despite geopolitical headwinds, and in turn, supporting the macro fundamentals. Given this scenario, how would you assess Grasim's performance and revenue growth during the year?

We indeed had a dynamic macroeconomic environment in the fiscal under review. The global economy performed better than anticipated, tech investments surged and the tension over trade policies moderated with the effective U.S. statutory tariffs tracking 5.30 percentage points (ppts) lower than what was thought. A strong fourth-quarter momentum of 3.90% helped the global economy close FY 2025-26 with an average growth rate of 3.40%, backed by a lower headline inflation of 4.10%[1].

Everything was on track until the war broke out in West Asia at the end of February 2026. The subsequent closure of the Strait of Hormuz triggered a supply shock, exposing the global economy to an energy crisis of unprecedented scale. As a heavily diversified manufacturer, we are closely monitoring the three channels of this shock: First, a direct spike in commodity prices impacting energy-intensive goods like chemicals. Second, the potential threat of fresh inflationary headwinds. And third, a tighter financial condition driven by a flight of risk-off capital[1].

The crisis pushed the IMF to revise its 2026 global growth projections to 3.10% for the short term. The earlier disinflationary trend too has reversed, stoking fears of a return of global headline inflation of 4.40% in 2026[1].

Despite such uncertainties, we had a resilient Indian economy that helped us fight the challenges. India's real GDP expanded by a robust 7.60% in FY 2025-26, according to the Second Advance Estimates[1,2].

This growth is underpinned by rising disposable incomes that translated into a significant surge in consumption. Consumption expenditure indicators are now outpacing growth in direct income tax collections, giving clear hints that wealth creation is rapidly translating into on-ground spending. This momentum is catalysed by progressive government policies, including GST 2.0. The GST reforms simplified the tax structure into leaner 5% and 18% slabs and boosted consumer affordability while enhancing the ease of doing business[3].

The Reserve Bank reduced the policy repo rate by 100 bps during the year, while keeping liquidity conditions in surplus, contributing to economic resilience and credit growth. In effect, we saw robust credit growth, backed by sustained thrust on capital expenditure[3] from the government.

While the macroeconomic environment remained broadly supportive, the Company continued to closely monitor key financial risks arising from currency movements, changes in interest rates, funding conditions, and customer credit quality. Ongoing geopolitical developments and market volatility have the potential to influence foreign exchange rates, commodity prices, liquidity conditions and customer payment behaviour. To manage these exposures, the Company follows prudent risk management practices, including structured foreign exchange hedging, diversified funding sources, disciplined liquidity management, and robust customer credit evaluation and monitoring processes. These measures support financial resilience and help mitigate the potential impact of market uncertainties on business performance and cash flows.

[1]International Monetary Fund [IMF], April 2026 | [2]Reserve Bank of India [RBI], April 2026 | [3]Ministry of Finance (2025, September)

LEFT TO RIGHT

Neelabja Chakrabarty, Company Secretary • **Saugata Chakravarty,** Chief Legal Officer • **Rahul Desai,** Joint President - Treasury
Mahendra Bhandari, Joint President - Corporate Accounts • **Sushil Chopra,** Joint President - Corporate Taxation

Given such a backdrop, our diversified businesses put up consistent progress. Capitalising on India's strong economic momentum, we delivered our highest-ever consolidated revenue of ₹ 1,75,431 crore, with an 18% YoY growth. This growth was broad-based, led by our key subsidiaries, UltraTech Cement and Aditya Birla Capital. Our standalone operations mirrored this success, with a record topline of ₹ 41,039 crore, up 30% from the previous year. This was fuelled by healthy volumes in Cellulosic Fibres and Chemicals, as well as the rapid scale-up of our paints business, Birla Opus and B2B E-commerce platform, Birla Pivot.

Grasim's core businesses faced a tough pricing environment. How did you manage to protect your margins and the bottom line?

Our core businesses navigated global pricing pressures and cyclical headwinds throughout the year. We faced these external pressures by focusing strictly on what we could control, driving operating leverage, optimising our fixed-cost structures, and enhancing supply chain efficiencies. However, our ultimate shield in protecting the bottom line has been the inherent strength of our diversified portfolio, where cycles naturally balance out.

If we look at which business performed better in this complex macroeconomic environment, the Cellulosic Fibres emerged as a standout performer. Despite the broader global turmoil, it delivered a robust 15% YoY growth in EBITDA. This was achieved through a highly favourable product mix led by exports, strong operational efficiencies driven by volume growth, and the strategic advantage of declining key input costs.

Our cement business has delivered a strong and resilient performance in this period, supported by healthy demand across housing, infrastructure, and commercial segments. Volume growth remained robust, driven by our expanding capacity footprint and improved asset utilisation. Operational discipline continues to be a key differentiator. Even in the face of regional pricing pressures, we have sustained healthy margins and strong cash generation. As we look ahead, the demand outlook remains constructive. With our scale, brand strength, and ongoing capacity expansion, we are well-positioned to outperform the industry and drive consistent, profitable growth.

Our Chemicals segment absorbed the brunt of the tough global pricing environment. While we successfully pushed volumes, achieving our highest-ever caustic soda sales volume of 1,232 KT in the fiscal year, disciplined domestic pricing and our pan India presence has led segment's EBITDA growth of 16% YoY.

Margin expansion in core businesses has led the Company to post its highest-ever consolidated EBITDA of ₹ 25,872 crore for FY 2025-26. Our Consolidated Profit After Tax (PAT) attributable to shareholders of ₹ 4,966 crore for the same period, proving our ability to absorb cyclical shock and confidently fund our new growth engines while maintaining strong fiscal health.

Moving to your new growth engines, how did the macroeconomic environment impact your paints business? How do you plan to scale it up?

India's macro resilience, particularly the housing and infrastructure boom, directly influenced Birla Opus. The Indian paints and coatings industry was valued at roughly ₹ 76,000 crore in 2026 and is projected to grow at 10% CAGR over the next decade. However, as we scale this business, we are highly cognisant of the market's inherent challenges. It is a fiercely competitive landscape with the organised sector controlling around 75% of the market. To grab a bigger share of the market, we must navigate intense competition from both value-conscious regional manufacturers and established multinational incumbents.

Consumer demands are evolving rapidly and paints are no longer viewed merely as decorative finishes. The challenge lies in continuous innovation and R&D to deliver high-performance, functional coatings, such as waterproofing, heat-reflective, and eco-friendly water-based products, while managing price volatility in raw materials. That said, we are executing at an unprecedented scale. FY 2025-26 was defined by the aggressive pan-India expansion of Birla Opus and the completion of its manufacturing footprint. Birla Opus has crossed double-digit market share, accelerating its gains with a revenue growth rate nearly three times that of the broader Indian decorative paints industry.

What would this rapid expansion in paints mean for Grasim's P&L in the near term?

With our sixth and largest plant in Kharagpur commercialising in October 2025, the entire network has gone fully operational. As a result, the capitalisation of borrowing costs for the paints business ceased. This structural accounting shift led to a planned rise in total finance and depreciation costs for FY 2025-26. While this impacts our reported net profit, it is an anticipated phase of our investment cycle as the business ramps up its dealer network and revenue streams towards profitability.

Your B2B E-commerce platform, Birla Pivot, is another new growth engine. How is it performing and what is its strategic role?

Birla Pivot is scaling exceptionally well. We achieved a major milestone during the year, nearing our guided revenue of US$ 1 billion, ₹ 8,500 crore, which sets us to surpass our targets well ahead of the FY 2026-27 guidance. It capitalises on the massive, fragmented building materials market in India, and we are seeing accelerated momentum in new product categories such as non-ferrous, chemicals, and bitumen. While in an investment and rapid-scale phase, its asset-light model ensures a clear path to accretive margins as Gross Merchandise Value (GMV) expands, supported by a steady broadening of our customer footprint and deepening of our credit programmes.

As a heavily diversified manufacturer, how are you balancing this aggressive growth with your sustainability commitments?

Sustainability is structurally embedded in our capital allocation. We continue to strengthen our environmental stewardship by scaling up the integration of clean energy sources across our manufacturing footprint. The share of renewable power in the total capacity has increased to 24% from 11% last year. On the water management front, we are enhancing circularity. On a standalone basis, the proportion of recycled water to freshwater consumption has increased to 53% from 45% last year.

As we aggressively scale Birla Opus, I am proud to share that all six of its manufacturing units have achieved Integrated Management System (IMS) certification across operations. These investments not only fulfil our ESG commitments but also structurally lower our long-term resource and compliance costs, directly protecting the bottom line.

With the major capex cycle for the paints business now complete, what is the strategy for capital allocation and the balance sheet?

FY 2025-26 has been a pivotal year for Grasim. We executed a total consolidated capital expenditure of ₹ 15,396 crore. The most significant milestone within this outlay was our cement business reaching 200 MTPA capacity (in April 2026). Also the successful conclusion of the front-loaded investment phase for our decorative paint business. With these world-class assets now operational, our focus now shifts to rigorous execution. Our primary focus is on extracting maximum asset utilisation and accelerating free cash flow generation from these newly commissioned plants.

During the year, we maintained a strong focus on working capital optimisation through disciplined management of receivables, inventories, and payables across businesses. These efforts contributed to improved cash flow generation and enhanced liquidity. We will systematically deploy capital towards high-return capacity expansions within our core businesses. What I am most proud of is that even after completing one of the largest private sector capex cycles in recent history, our balance sheet remains exceptionally robust. Excluding borrowing related to financial services business, Net Debt-to-EBITDA ratio stood at 1.43x, reflecting disciplined financial management and strong cash generation of our diversified core portfolio.

Cellulosic Fibres

Grasim is India's largest and one of the world's most prominent producers of Cellulosic Staple Fibres (CSF), commanding a leadership position in the domestic market and exporting to over 50 countries. The business draws its resilience from an integrated model, captive dissolving-grade pulp from Harihar, scale advantages across four manufacturing sites, and continuously expanding a specialty portfolio that spans across Lyocell, dyed fibres, modal, micro-modal, and other value-added grades.

The Cellulosic Fashion Yarn (CFY) business, operated through the Veraval and Kalyan facilities with a combined capacity of 51K TPA, serves the premium textiles segment with a range of specialty yarns like Pot-spun Yarn, Continuous-Spun Yarn, Spool Spun Yarn and Tyre Cord.

~1 Million TPA

CSF capacity by 2028 with higher share of specialty fibres

"Amid rising climate and supply chain challenges, we are sharpening our focus on building a responsible and future-ready cellulosic fibres business. The expansion at Harihar would position as one of the largest manufacturers of Lyocell, globally. Guided by our pillars of sustainability, namely responsible sourcing, responsible manufacturing, sustainable products, valuable partnerships, and social responsibility, we are at forefront of driving Circular Fashion, while delivering long-term value."

Vadiraj Kulkarni
Business Head

LEFT TO RIGHT

Suresh Kodali, Chief Operating Officer • Manmohan Singh, Chief Marketing Officer • Saurabh Singh, Chief Technology Officer
Ajit Rajagopalan, Chief Executive Officer, CFY • Ashok Machher, Chief Financial Officer* • Anupama Mohan, Chief Human Resources Officer

* Effective 4th April 2026

Industry Structure and Developments

Global Cellulosic Fibre consumption is expected to grow 3-4% YoY, led primarily by robust expansion in Lyocell demand of about 28% YoY, even as cellulosic fibres demand remained broadly flat. China accounts for 65-70% of global CSF consumption and production, making its operating rates and inventory levels key drivers of CSF pricing. Despite US tariff pressures and broader global uncertainty, CY 2025 demand of cellulosic fibres in China remained resilient supported by high operating rates, rapid expansion in value chain, and an ongoing shift towards blended products. In the rest of the world, including Turkey, Pakistan, Bangladesh, and Indonesia, conditions remain stressed, because of the combined impact of high interest rates, weakened foreign exchange conditions, elevated inflation, and pressure on exports arising from the US tariffs. In India, cellulosic fibre consumption is expected to increase faster. GST harmonisation at 5% across the value chain from fibre to garments priced below ₹ 2,500 would support the textiles industry.

Global cotton production faces structural constraints from water scarcity, volatile output , and rising land costs, leading to price instability and a growing need for scalable, sustainable alternatives. Polyester, while abundant, is increasingly challenged due to its fossil-fuel origin and microplastic concerns. In the context, cellulosic fibres, particularly Lyocell fibre, is positioned to bridge the gap, offering cotton-like properties, a bio-based origin, and a closed-loop production process that aligns with evolving consumer, brand, and regulatory demands, underpinning strong long-term growth potential.

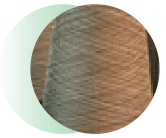
Opportunities

Level Playing Field in a Strict Policy Environment Policy Environment

The domestic cellulosic fibre industry operates under stringent ESG standards, traceability requirements, and regulatory compliance costs not uniformly borne by global competitors. Additionally, ASEAN FTA duty structures provide certain overseas suppliers with cost advantages, while some imports face lower sustainability and social compliance obligations. Grasim continues to engage with policymakers to advocate for fair, parity-based trade policies. Despite the QCO rescission, the business maintained stable domestic pricing, reflecting strong demand-supply fundamentals and the premium positioning of our Cellulosic Fibres brand.

Expansion in High-growth Specialty Fibres Segment

Among cellulosic fibres, Lyocell has emerged as one of the most promising categories, benefitting from its unique combination of softness, breathability, strength, and moisture-management properties. As consumers and brands increasingly prioritise environmentally responsible materials, Lyocell's biodegradable nature and environmentally efficient manufacturing process enhances its sustainability considerations. Reflecting confidence in the long-term demand outlook for Lyocell, the business is expanding its capacity at its Harihar, Karnataka facility by 165K TPA. This expansion will take the total capacity of Lyocell to 210K TPA by 2030.



R&D Engine of Differentiation and Future-readiness

R&D is one of our engines of differentiation, and we treat sustained R&D investments across opex and capex as a strategic priority. Our focus areas span pioneering fibre platforms such as Lyocell, specialty, and circular fibres, driving premiumisation, advancing process innovation for cost reduction, reliability and sustainability. To accelerate this impact, we are strengthening our in-house engineering capabilities for faster lab-to-plant scale-up. This is supported by dedicated investments in pilot facilities, specialised hardware, advanced modelling, and testing. By actively partnering with global technology providers, brands, and value chain partners, our R&D is tightly aligned with customer applications, regulatory trends and sustainability goals. Ultimately, this comprehensive approach enables us to defend our leadership in India while positioning the business for robust global growth.

Sustainability Driving Customer Choiced Future-readiness

Growing consumer awareness of environmental and social issues is accelerating the demand for sustainable products across industries. Customers are increasingly favouring brands that demonstrate responsible sourcing, transparency, lower environmental impact and circularity throughout their value chains. At the same time, brands are integrating sustainability into their product portfolios to meet evolving consumer preferences, strengthen brand loyalty and comply with emerging regulatory requirements. This structural shift presents a significant opportunity for companies that invest in sustainable materials, eco-efficient manufacturing, traceable supply chains and product innovation, enabling them to differentiate their offerings, access premium markets and drive long-term growth while creating positive environmental and social impact.

Segment Performance

Cellulosic Staple Fibres (CSF)

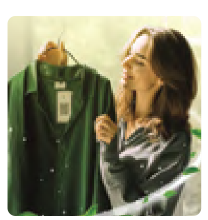
For FY 2025-26, the CSF business navigated persistent input cost pressures, a volatile global fibre pricing environment, the rescission of the Quality Control Order (QCO) on CSF in November 2025 and the overhang of competitively priced Chinese-origin fibre. The business reflects a U-shaped performance, margin compression in H1 due to cost pressures and import competition, followed by a strong H2 recovery driven by volume growth, improved product mix (higher specialty share), and easing input costs. Structurally, the business continues to benefit from disciplined global supply, a stable pricing environment, and strategic shift towards specialty fibres, although Chinese competition and downstream demand softness (especially in yarn) remain key monitorable.

~890K TPA
Total CSF Capacity

Cellulosic Fashion Yarn (CFY)

The CFY business witnessed a challenging operating environment in FY 2025-26, marked by weak downstream demand and persistent pricing pressure. Competitively priced Chinese yarn, benefitting from structural cost advantages and excess production capacity at home created a persistent pricing ceiling in the Indian market.

51K TPA
Total CFY Capacity



Livaeco™ Lyocell

Trace the Source

Livaeco™ Lyocell has a unique molecular tracer in its fibre, this tracer helps in source verification across the value chain. A complete information on the journey of the fibre from forest to fashion is available through a unique QR Code which can be made available to the consumers conveniently.

Key Performance Charts

Revenue (crore)
₹ 17,104 ↑ 8%

FY26	17,104
FY25	15,897

EBITDA (crore)
₹ 1,751 ↑ 15%

FY26	1,751
FY25	1,524

CSF Volumes (KT)
869 ↑ 3%

FY26	869
FY25	844

CFY Volumes (KT)
43.9 ↑ 2%

FY26	43.9
FY25	43

Outlook

The cellulosic fibre business in India is likely to average a 9.76% annual growth rate to reach US$ 3 billion by 2033. The industry expects a gradual normalisation of inventory cycles, which should support a steady recovery in demand. While near-term margin volatility may persist due to import alternatives, the fundamental consumer shift towards eco-friendly fashion provides a strong baseline for future volume growth. In FY 2026-27, our priorities are simple: optimise product mix, drive operational efficiencies, and execute capacity expansions. By maintaining sharp cost discipline and continuously elevating our value-added product portfolio through R&D, we are well-equipped to navigate cyclical volatility and sustain profitable growth.

Navyāsa

A new-age contemporary saree brand crafted from Liva Fabrics that come from nature and are inherently sustainable. Liva fabrics are biodegradable and are made using significantly lesser resources, allowing us to contribute to a greener environment.

Chemicals

Grasim's Chemicals business operates across three integrated businesses – Caustic Soda (1,505K TPA), Chlorine Derivatives (996K TPA) and Specialty Chemicals – comprising epoxy resins and curing agents (246K TPA). As India's largest manufacturer of these chemicals, the business is strategically aligned to sectors driving India's industrial growth and energy transition.

Caustic Soda serves a diversified demand base across alumina, textiles, specialty chemicals, pulp & paper, and soaps & detergents. In addition, **Chlorine Derivatives** support critical applications in water treatment, disinfection and agrochemical intermediates. **Specialty Chemicals** further enable decarbonisation and e-mobility through wind energy, EV composites, lightweight transportation, adhesives, coatings and electrical insulation.

1,232 KT
Record sales volume

"Building on our strong chlor-alkali foundation, we are scaling downstream and Specialty businesses to drive higher value creation. Through integration, cost leadership and sustainable operations, we remain focused on resilient and disciplined growth."

Jayant V Dhobley
Business Head

LEFT TO RIGHT
Mayank Sharma, Chief Executive Officer, Chlor-Alkali • **Rajesh Balakrishnan,** Chief Executive Officer, Specialty Chemicals
Manoj Kedia, Chief Financial Officer • **Shefali Kohli,** Chief Human Resources Officer

Industry Structure and Developments

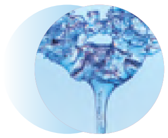
Over the past year, weaker demand from the PVC and construction sectors, particularly in China and parts of Europe, reduced chlorine consumption and lowered operating rates across chlor-alkali plants. Given the co-product nature of chlorine and caustic soda production, this also impacted the global caustic soda supply dynamics. Caustic soda demand, however, remained relatively resilient, on the back of steady consumption from alumina, chemicals, textiles and water treatment sectors.

These trends created a regional imbalance across global markets. Asia, led by China, saw oversupply and soft pricing, while other regions experienced relatively tighter supply conditions at different points during the year. With Asia-Pacific accounting for over half of global caustic soda demand, regional market dynamics continued to influence the global pricing benchmarks.

In India, caustic soda demand fundamentals remain structurally strong, driven by a growth in alumina, textiles, pulp and paper, soaps and detergents. Demand for chlorine derivatives linked to pharma, agrochemicals, water treatment, sanitation and infrastructure applications also remained stable during the year. While domestic capacity additions in recent years have improved the availability, industry utilisation levels remained around 80%. Consequently, despite healthy demand growth in FY 2025-26, domestic realisations broadly tracked softer global pricing trends, resulting in stable volumes but moderated pricing growth.

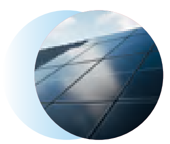
In Specialty chemicals, long-term domestic demand fundamentals remain favourable, supported by infrastructure investments, manufacturing growth, increasing downstream value addition and antidumping measures in select categories. Near-term pricing and margin pressures, however, persist due to global oversupply, heightened competition, and ongoing geopolitical uncertainties.

Opportunities



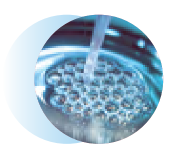
FTA-led Export Opportunities

India's expanding FTA network, including deals with the UK, UAE, Australia, and EFTA nations, along with the ongoing India-EU trade negotiations, enhances export opportunities for epoxy and downstream Specialty chemicals. Grasim's integrated operations, renewable-powered manufacturing, and sustainability-led portfolio position it well for increasingly ESG-focused global markets.



Renewables-led Cost and Carbon Advantage

Renewable energy usage in Chemicals is targeted to increase from around 23% in FY 2025-26 to over 45% by FY 2026-27, reducing energy costs in the power-intensive chlor-alkali business while strengthening Grasim's low-carbon competitiveness.

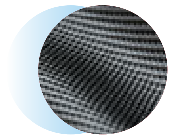


Downstream Value Addition

Across Caustic Soda, Chlorine Derivatives, and Epoxy, Grasim continues to expand into higher-value downstream products, deepen integration and increase captive consumption of intermediates, progressively shifting the portfolio towards a more resilient and value-added Specialty chemicals platform.

Demand Growth Led by Policy and Megatrend

The demand for caustic soda is being driven by rising alumina consumption linked to electrification and renewable energy, while remaining essential to textiles, Specialty chemicals, pulp and paper, and soaps and detergents. Chlorine derivatives continue to benefit from increasing demand in water treatment and disinfection, supported by the Jal Jeevan Mission, wider Zero Liquid Discharge (ZLD), industrial growth, rising water stress, and steady growth in agrochemicals and infrastructure. Specialty Chemicals (Epoxy) see strong structural demand from wind energy, e-mobility, and infrastructure-led industrial applications.



Differentiated Green and Sustainable Portfolio

Grasim is building a differentiated portfolio of sustainable chemistries anchored by Green Epichlorohydrin (ECH), increasing renewable energy usage, and Recyclamine® technology for wind-blade recycling. These initiatives strengthen the Company's position in low-carbon and circular-economy markets while supporting long-term value creation.

Segment Performance

Caustic Soda

FY 2025-26 was a standout year for the Caustic business on the volume front, with sales volumes scaling a record high, despite meaningful production headwinds triggered by intermittent power availability at some plants. The demand momentum was robust across key end-use sectors, and the business showed strong market resilience by sustaining stable domestic realisations even as international benchmark spot prices for caustic soda declined. The business maintained its domestic pricing discipline through a combination of long-term customer relationships, supply reliability, and the structural advantages of serving a pan-India market.

Specialty Chemicals

The Specialty Chemicals segment portfolio encompasses liquid epoxy resins, formulated resins, reactive diluents, and hardeners which serve large and growing end-use applications in wind composites, automotive coatings, anti-corrosion systems, construction chemicals, electronics, and packaging. For FY 2025-26, Specialty chemicals, primarily Epoxy resins and curing agents, have been a growth driver in terms of volumes and mix in the rising share of the chemicals revenues, supported by stabilisation of the recently commissioned epoxy production facility. The reporting year has been characterised by a clear margin compression cycle following anti-dumping duty on ECH imports and the FTA with South Korea leading to inverted duty structure. This resulted in a healthy topline growth, but subdued profitability for the segment.

Chlorine Derivatives

The Chlorine Derivatives segment, which is India's largest chlorine derivative and water treatment portfolio, operationalises Grasim's strategy of gainful chlorine utilisation by converting chlorine into a portfolio of value-added downstream products. Captive chlorine consumption reached 53% in FY 2025-26. The segments cater directly to high-growth industrial sectors, including pharmaceuticals, agrochemicals, water treatment, food and feed, and plastic additives. The business adopted a strategic posture during the year, deliberately deferring select smaller expansion projects that were judged as non-core in the context of uncertain market conditions. This capital prioritisation enabled the management to concentrate resources on two anchor investments, ECH and CPVC projects at Vilayat, while sustaining operational performance across the existing derivatives portfolio.

Key Performance Charts

Chemicals Revenue (crore)

₹ 9,592 ↑ 11%

FY26	9,592
FY25	8,648

Chemicals EBITDA (crore)

₹ 1,406 ↑ 16%

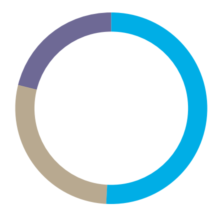
FY26	1,406
FY25	1,208

Caustic Volumes (KT)

1,232 ↑ 5%

FY26	1,232
FY25	1,169

Revenue Contribution (% of Chemicals Revenue)



Caustic Soda	51
Specialty Chemicals	28
Chlorine Derivatives	21

Outlook

FY 2025-26 reflected a defensive operating posture, with emphasis on margin protection, cash generation, and disciplined execution amid a challenging market environment. FY 2026-27 is likely to remain volatile due to troubled geopolitics, while also serving as a period to strengthen operational readiness and strategic positioning for the next upcycle. Although near-term profitability may continue to be uncertain, the medium- to long-term outlook remains constructive, supported by steady demand growth and gradual normalisation of global supply-demand dynamics. Consistent execution on cost, utilisation, and portfolio mix is expected to improve cycle-end competitiveness and resilience versus cycle-entry levels.

Cement

UltraTech Cement Limited, a subsidiary of Grasim Industries Limited, is exclusively engaged in the manufacturing, marketing and distribution of building materials and providing complete building solutions and support services. Globally, UltraTech is the largest company by sales volume of grey cement. The Company also holds a strong position in the white cement and wall care putty segments, reflecting its diversified product portfolio.

UltraTech operates an extensive manufacturing footprint, comprising **34 integrated plants and one clinkerisation unit 36 grinding units, and 10 bulk packaging terminals**, supported by 465 ready-mix concrete plants spread across 167 cities, servicing a wide distribution network of ~1,50,000 channel partners across India.

200 MTPA

and beyond, UltraTech sets a new industry benchmark in grey cement capacity

"India's cement industry is entering a multi-year infrastructure and housing super-cycle, driven by highways, metros, urban redevelopment, manufacturing capex and rural recovery. UltraTech is uniquely positioned to capitalise on this opportunity through its unmatched scale, pan-India footprint, aggressive capacity expansion target to surpass over 240 MTPA and sharp focus on operational efficiencies. The Company is not just participating in India's growth story, it is building the backbone of it."

K.C. Jhanwar
Managing Director
UltraTech Cement Ltd.

LEFT TO RIGHT

Jayant Dua, Managing Director (Designate)* • **Vivek Agrawal**, Chief Marketing Officer • **E. R. Raj Narayanan**, Chief Manufacturing Officer
Atul Daga, Chief Financial Officer • **Chandrashekhar Chavan**, Chief Human Resource Officer

*Effective 1st April, 2026

Industry Structure and Developments

The Indian cement industry is at the cusp of a significant structural upcycle, supported by one of the strongest demand scenarios seen in decades. Unlike previous cycles that were largely driven by regional real estate activity, the current growth phase is far more broad-based and sustainable, anchored by government-led infrastructure creation, urbanisation, housing demand, industrial capex and manufacturing expansion.

Investments in highways, rail corridors, airports, metros, data centres and renewable energy infrastructure are creating long-duration cement demand visibility across the country. At the same time, India's rising urban population and improving affordability continue to support steady growth in residential construction, particularly in Tier-2 and Tier-3 cities.

From an industry structure perspective, the sector is increasingly moving towards consolidation, with larger and financially stronger players steadily gaining market share. Scale is becoming a decisive competitive advantage, enabling companies to optimise logistics, improve fuel efficiency, secure raw material linkages and drive superior operating leverage. This transition is reshaping the competitive landscape from a fragmented regional industry into a more organised national business with higher barriers to entry. In parallel, the industry is also witnessing a strategic shift towards sustainability, green energy usage, waste heat recovery systems and premium product offerings, which are expected to enhance long-term profitability and resilience.

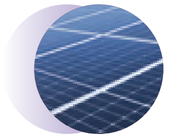
Opportunities

India's Infrastructure and Housing Growth Cycle

India is entering a prolonged infrastructure and urban development cycle, supported by sustained government spending on roads, railways, metros, airports, industrial corridors and affordable housing. Alongside public investments, private sector capex and real estate demand are also witnessing strong momentum across residential, commercial and industrial segments. This creates significant long-term demand visibility for the cement sector. With its pan-India footprint, strong brand equity and expanding capacity base, UltraTech is strategically positioned to capitalise on this structural demand opportunity and further strengthen its leadership position across regions.

Scale, Benefits and Industry Consolidation

The cement industry is moving steadily towards consolidation, where scale, cost-efficiency and distribution reach are the key competitive differentiators. Larger players are increasingly benefiting from stronger procurement capabilities, integrated logistics networks, operational efficiencies and superior access to capital. UltraTech's continued capacity expansion and strategic acquisitions provide a significant opportunity to improve the market share, optimise regional presence and unlock synergies across operations. As the industry becomes more organised, the Company is well placed to benefit from higher operating leverage and improved profitability over the long term.



Sustainability, Premiumisation as Growth Drivers

The industry sees a structural shift towards green manufacturing, renewable energy adoption and premium product offerings. Customers are increasingly demanding value-added and sustainable building solutions, particularly in urban and infrastructure projects. UltraTech's investments in green energy, waste heat recovery systems, alternate fuels and low-carbon products provide a strong platform to improve operational efficiency while aligning with evolving sustainability expectations. Simultaneously, growing contribution from premium products and building solutions offers an opportunity to enhance realisations, strengthen customer engagement and drive long-term margin expansion.

Segment Performance

UltraTech Cement delivered a landmark financial performance in FY 2025-26, marked by record volumes, strong profitability expansion, and continued balance sheet strengthening. The Company also reported its highest-ever annual cement sales volumes, with domestic grey cement volumes reaching 145 million tonnes during the year. In April 2026, UltraTech also marked an important strategic milestone as it crossed 200 MTPA grey cement capacity, achieving its long-term scale ambition ahead of schedule. Consolidated net sales for the year grew to ₹ 88,512 crore from ₹ 75,955 crore in last year, while EBITDA increased sharply to an all-time high of ₹ 17,598 crore from ₹ 13,302 crore in the previous year.

Operationally, FY 2025-26 demonstrated the strength of UltraTech's scale-driven business model and execution capabilities. Capacity utilisation remained healthy, supported by robust demand across infrastructure, housing and commercial construction segments. Operating EBITDA per tonne improved meaningfully during the year, aided by better realisations, lower fuel costs and increasing contribution from green energy initiatives. The Company's green power mix increased to 35.8%, helping moderate energy cost volatility and structurally improve operating efficiency. In parallel, UltraTech continued to deepen its premium product mix, optimise logistics and improve clinker efficiency, all of which contributed to margin expansion despite a competitive pricing environment in certain regions.

Key Performance Charts

Revenue (crore)

₹ 88,512 — 17%

EBITDA (crore)

₹ 17,598 — 32%

Consolidated Sales Volumes (MnT)

154.3 — 14%

UltraTech scales toward 200+ MTPA

Outlook

The Company continues to invest in future growth while maintaining a prudent financial foundation. Growth investments remain largely self-funded through internal accruals, underlining the Company's strong free cash flow generation capability. The business has articulated a quantified efficiency improvement programme over a multi-year window. In FY 2024-25, it achieved improvement of ₹ 92/tonne and for FY 2025-26 it achieved improvement of ₹ 93/tonne.

The cost efficiencies would be based on three levers:
(i) Logistics optimisation
(ii) Higher blending
(iii) Green power ramp-up

With operating and integration synergies from acquisitions such as India Cements and Kesoram beginning to reflect in operational performance, UltraTech enters FY 2026-27 with enhanced scale, stronger regional presence and improved profitability visibility.

35.8 %

Green power mix

Paints

Birla Opus is redefining India's decorative paints industry through scale, speed and innovation. With one of the industry's largest greenfield investments of ₹ 10,000 crore, six world-class manufacturing facilities, Birla Opus has fast emerged as a formidable player, driven by superior product quality, deep distribution network and strong consumer acceptance.

3rd Largest
Indian decorative paints player by revenue

"As Birla Opus transitions from the 'build' phase to the 'harvest' phase of its investment cycle, the confluence of complete infrastructure, growing brand equity, a deepening distribution network, and a strengthening institutional pipeline positions the business to deliver both increased revenue and improved profitability in FY 2026-27 and beyond. The paints disruption that Birla Opus initiated is now a permanent feature of the Indian competitive landscape."

Himanshu Kapania
Managing Director and Business Head

LEFT TO RIGHT
Sachin Sahay, Chief Executive Officer • Ajith Kumar, Chief Operating Officer • Inderpreet Singh, Head – Marketing
Ashish Jajoo, Head - Sales • Srikanth Sasikumar, Head - Consumer Experience • Shantilal Dugar, Chief Financial Officer
Gautam Sinha, Chief Human Resource Officer

Industry Structure and Developments

The Indian decorative paints industry continued to demonstrate resilient growth in FY 2025-26 on the back of sustained demand from urban housing, renovation activity, infrastructure development and increasing premiumisation across product categories. Despite a relatively mixed consumption environment during parts of the year, the sector saw healthy volume-led growth, driven by strong rural recovery, festive demand and continued expansion in Tier-2 and Tier-3 markets.

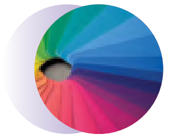
Consumer preferences increasingly shifted towards higher-quality emulsions, waterproofing solutions and value-added coatings, reflecting greater aspirations and deeper awareness around aesthetics and durability. The current pressure within the industry is less about consumption slowdown and more about subdued realisations driven by elevated competitive intensity, higher discounting, and an increasing mix contribution from economy and sub-economy categories, including the deep-discounted putty segment. The industry is estimated to have been grown in mid- to high-single-digit, in contrast, Birla Opus has been able to demonstrate 100% growth YoY.

The growth trajectory remains broad-based across paints categories, with premium and luxury products continuing to contribute nearly 65% of overall revenue. This highlights a clear consumer preference for differentiated, branded and higher-quality offerings even amid a competitive pricing environment.

Opportunities

Housing, Urbanisation and Market Dynamics

The paints industry continues to operate in a supportive macroeconomic environment, underpinned by sustained urbanisation, favourable demographics, and long-term housing demand. Rising aspirations, increasing disposable incomes, and evolving consumer preferences for quality, aesthetics, and durability continue to support demand across both new construction and renovation segments. The organised sector is gaining share, supported by formalisation, brand consolidation, and expanding reach across urban and emerging markets. Government-led initiatives focused on affordable housing, urban redevelopment, and infrastructure modernisation would support the incremental demand. Higher activity in Tier-2 and Tier-3 cities, along with refurbishment-led demand in established urban centres, continues to shape consumption trends in decorative coatings.



Disruptions and Demand for Sustainable Solutions

The decorative paints industry continues to undergo a transformation, driven by technological advancements, stress on sustainability, and evolving consumer expectations. Environmental considerations, regulatory norms, and growing awareness around health and safety are influencing the adoption of low VOC, eco-friendly, and compliant product solutions across markets. Innovation remains a key differentiator, with growing adoption of digital engagement tools, app-based advisory platforms, and advanced product offerings. Functional coatings with enhanced attributes such as durability, hygiene, and ease of maintenance are gaining traction, reflecting a shift towards value added and performance-oriented solutions.

Segment Performance

Design: Nurturing Growth in Diversified Offerings

In a short span since its launch in 2024, Birla Opus has built a wide portfolio spanning emulsions, enamels, waterproofing and wood finishes, wallpapers, designer finishes, tools and gained significant traction among dealers, painters, contractors, institutional customers, architects, interior designers and homeowners alike.

The fiscal under review had an extra shine at Grasim with Birla Opus Paints setting its sixth manufacturing facility at Kharagpur in West Bengal on stream with an installed capacity of 236 million litres per annum (MLPA). Our cumulative capacity reached 1,332 MLPA in the first phase of six greenfield plants, helping Birla Opus to raise its share of the organised decorative paints capacity to approximately 24%. It reinforced our capacity position as the second-largest decorative paints manufacturer in India. The fully operational pan-India manufacturing footprint enhanced supply chain efficiency, regional servicing capability, and resilience, particularly improving access to eastern and north-eastern markets.

The fully operational pan-India manufacturing footprint enhanced our supply chain efficiency, regional servicing capability, particularly improving the access to eastern and north eastern markets. During the year, Birla Opus Paints made its operating framework more robust by securing ISO 9001, ISO 14001, ISO 45001 certification for quality management, environmental management, and occupational health and safety.

Beyond paints, our dedicated wallpaper manufacturing facility at Bhiwandi (Maharashtra) performed well, with fresh collections launched during the year, supporting portfolio expansion and consumer engagement in the premium interior décor segment. The wallpaper category continued to register a steady market growth strengthening Birla Opus' differentiated product portfolio beyond conventional paint offerings.

Develop: Widest Range of Superior Quality Products

Our advanced R&D laboratory ecosystem, supported by an advanced pilot plant and a team of 102 scientists, continues to be a key driver of competitive differentiation, portfolio expansion, and cost leadership in architectural paints. During the year, R&D significantly strengthened the portfolio of SKUs across exterior and interior emulsions, waterproofing, textures and designer finishes, enamels and wood finishes, stainer and wallpapers. The addition of 42 products and 11-line extensions took the overall portfolio to 218 products, spanning across over 1,870 SKUs, in FY 2025-26. The point-of-sale colour system was rolled out in record time, integrating more than 60 Opus products and enabling approximately 7 lakh shades, including competitive shade matching. The shade repository has more than doubled, strengthening dealer and customer competitiveness. Birla Opus also expanded its product offering beyond paints into wallpapers, designer finishes and painting tools.

Product superiority has been driven by pioneering in-house polymer development, including emulsions and resins with intrinsic technology inputs. These have enabled multiple differentiated attributes such as high scuff and stain resistance, spatter resistance, distinctive haptic effects, outstanding Dirt Pickup Resistance (DPUR), and superior durability. R&D also successfully developed in-house opacifying polymers, surfactants, and RDPs, materially reducing dependence on external sourcing.

R&D operates a dedicated Product Life Cycle Management (PLCM) system integrated with SAP, Marketing, and Manufacturing, ensuring disciplined NPD and DCR governance. All products undergo rigorous internal and third-party validation, with NABL-accredited certifications (including GVM Test House), confirming superior performance versus leading competitors. The R&D function has also received the ISO 9001 certification.

Delight: Shades of Happiness for Consumers

In FY 2025-26, Birla Opus strengthened its market presence through a compelling combination of product breadth, brand building and high-impact consumer engagement. It also built strong brand salience, emerging as the second most top-of-mind paints brand with highest visibility in urban India.

We enabled this through a multi-pronged approach to offer robust solutions, product range expansion and boost brand resonance amongst diverse audience. A slew of consumer marketing initiatives were strategically rolled out throughout the year, enabling thematic campaigns, PR outreach for corporate reputation building, marquee event partnerships to innovative product launches.

This was reinforced by the launch of Birla Opus Assurance, a first-of-its-kind initiative in the paints industry, along with festival-led digital campaigns across Diwali, Ganesh Chaturthi, Pongal and Eid that embedded the brand into everyday Indian life. Media and activation efforts further amplified the reach through the India Colours League during the IPL, supported by around one lakh direct engagements, 4.5 lakh AI-customised videos featuring the brand ambassador, and more than 50 cricket and over 100 non-cricket content integrations.

Birla Opus Brand Love

*in urban India

Find more on:

https://www.youtube.com/@birlaopus/videos

Distribution: Painting a Pan-India Canvas

In FY 2025-26, Birla Opus has scaled rapidly to become the third-largest decorative paints brand in India in under two years of launch. This momentum was aided by an expansive market presence of 50,000 dealers spanning over 11,500 towns nationwide, covering 100% of towns each with more than 50,000 population, available in over 6,000 pin codes. A key enabler of this scale has been the development of the largest pan India sales depot network, 146 depots by March 2026 ensuring superior serviceability and faster replenishment cycles to dealers across the country. The dealer loyalty programme known as 'Signature Club' has garnered excellent response and is fast growing popular with dealers across India appreciating its uniqueness and looking forward to participate in the programme.

Birla Opus is the second most widely distributed decorative paints brand in India, with dealers armed with new-age compact tinting machines enabling real-time data analytics. Birla Opus operates the largest franchise network in the paints industry, with over 1,200 active franchise stores across the country. This extensive franchise footprint has enabled a differentiated, premium consumer experience while significantly upgrading the paints retail landscape through modern retailing format and consumer consultation.

Birla Opus offers exclusive range of products under 'Birla Opus Prime' for the institutional and project sales. The Birla Opus Prime has range of 46 products to cater to the specific needs of such customers. Birla Opus Products have received more than 70 specification approvals from multiple departments across cities such as CPWD, PWD, MES to name a few. The specification approvals under other governmental departments are under approval stage. Birla Opus has a dedicated institutional projects team that works on Builder, Co-operative Housing Societies (CHS), Government, Education, Commercial, Factory, Hospitality, Hospital, and Religious places segments. During the year, Birla Opus has a robust pipeline of over 45,000 sites in various stages of work progress spread across over 650 towns.

Disrupt: Ideas, Innovations, Influencers at Play

In FY 2025-26, our various functions delivered exceptional results across customers, partners, and systems, setting several industry firsts and redefining engagement standards in the paints sector. PaintCraft, the company Painting services launched in August 2025, achieved the fastest scale-up of an organised painting service in the industry, expanding from 11 to over 150 cities, generating more than 1.75 lakh leads within months.

Birla Opus became the second most searched paints brand in the country, with over one crore website visits year-to-date and the distinction of being the only one in its category selling across both its own platform and third-party marketplaces. Opus Assurance extended service warranty coverage to over 40,000 homes and 30,000 contractors since its August launch, another industry first.

A network of over 1,200 franchise stores drove 3.5 lakh customer walk-ins. The contractor ecosystem grew to 4.5 lakh active contractors, making a significant milestone in the second year of operations. Birla Opus Colour Stars, exclusive Contractor loyalty club recognises craftsmanship and commitment making their journey with Opus more rewarding. It supports their welfare beyond business through well-being assistance, special recognition, and privileges for top-performing partners. Birla Opus has done more than 10,000 enrolments for contractors through the last year across government schemes like e-Shram, etc. helping benefits reach the unorganised workforce. Proprietary systems, including industry-first Track & Trace, a dynamic pricing engine, and a unified data standards initiative collectively position Birla Opus as a technology-led, experience-first organisation built for disciplined growth.


Birla Opus Abhinandan Dealers Meet 2026

A network of over

1,200 Franchise stores

Key Performance Charts

Contractors Working with Opus (No.)

~4,50,000 ↑ 42%

FY26	~4,50,000
FY25	~2,63,000

Towns Covered (No.)

11,500 ↑ 72%

FY26	11,500
FY25	6,679

Outlook

While structural tailwinds are driving the paints industry in India, housing construction cycle, driven by higher per-capita income and aspiration-led premiumisation is giving it the momentum. The acceleration is fuelled by multi-decade high government spending on infrastructure. With manufacturing scale, distribution reach and brand engagement progressing in a calibrated manner, Birla Opus continues to focus on building a resilient, differentiated decorative paints business. The Company remains committed to operational excellence, customer-centricity, and long-term value creation as it advances through its growth phase.

The competitive dynamics that Birla Opus helped catalyse, and that reshape the strategies of paints companies will be most beneficial for a challenger with brand strength, capacity, and distribution depth to capitalise on growing demand. The strategic priorities for FY 2026-27 are clear, drive secondary sales intensity, accelerate institutional project conversion, expand PaintCraft, and deliver the revenue scale required for profitable operations. Our target of ₹ 10,000 crore revenue in three years from the day the sixth plant went on stream in October 2025 stays fixed. It is supported by the volume trajectory and market share growth seen through FY 2025-26. The paints business is expected to become a meaningful positive contributor to Grasim's standalone profitability as revenues approach this milestone.

B2B E-commerce

Birla Pivot has evolved into a full-stack B2B E-commerce platform for building materials. The business is an operating system for procurement, offering price discovery, credit, fulfilment, and supply chain, unified on a digital backbone, purpose-built for the complexity of B2B commerce.

Every consignment tracked in real time. Every seller, transporter, and delivery milestone connected on a common platform. Credit and financing are embedded into every transaction seamlessly. The technology platform, built entirely in-house, is our deepest moat.

₹ 8,500 crore

Revenue nears one-year ahead of its guidance

"Over the last three years, we have served businesses across the entire spectrum of India's construction and industrial economy, EPC companies, civil and MEP contractors, real estate developers, manufacturing entities, OEMs, retailers and delivered a B2C-like experience in a world that has historically been anything but. We are making complex procurement seamless. And when something becomes effortless and repeatable, it stops being a channel and becomes a habit."

Sandeep Komaravelly,
Chief Executive Officer

LEFT TO RIGHT

Abhilash Pillai, Chief Operating Officer • **Vivek Gupta,** Chief Technology Officer • **Shathanand Rao,** Chief Product Officer
Shatrughan Singh, Chief Commercial Officer • **Vinod Kabra,** Chief Business Officer • **Shreya Chandra Shekar,** Head - Strategy
Nitin Hebbar, Chief Business Officer • **Mohana Sundaram,** Chief Financial Officer • **Anurag Saxena,** Chief Human Resource Officer

Industry Structure and Developments

India's B2B commerce is at a turnaround point. A market of US$ 2 trillion, one of the largest in the world, still runs largely on handshakes, phone calls, and intermediaries. Less than 2% of procurement is digital. And yet the ground is shifting fast: India's 73 million+ SMEs have embraced digital tools in their day-to-day operations, GST filings, e-way bills, UPI payments, and digital credit have become second nature.

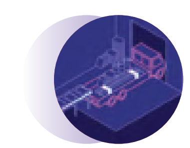
What has been missing is a platform that brings that same transformation to how they buy, finance, and receive the raw materials that run their businesses. In a country as dynamic and fast-growing as India, the next great leap in commerce won't come from building another marketplace. It will come from digitising and organising B2B procurement at a scale and complexity few have imagined. That is exactly what Birla Pivot is doing: turning the most fragmented, operationally intense sectors of the economy into a single, seamless commerce experience.

Opportunities

Advancing Platform Intelligence and Digital Adoption

FY 2025-26 marked an important step in expanding the opportunity embedded within our technology platform. As Pivot EDGE builds deeper buyer-level intelligence, tracking procurement patterns across tenders, sites, and timing, and drawing on multiple data sources, it strengthens our ability to personalise engagement, anticipate demand, and improve conversion with increasing precision.

As the US$ 900 billion-plus business-to-business (B2B) industry grows over 10% a year to exceed US$ 1.5 trillion by 2030, driven by digitisation and industrial expansion, Pivot Vault's Early Warning System gives us the ability to monitor credit portfolio health in real time. It enables proactive intervention and sharper risk selection as we scale. At the same time, crossing 50% digitisation across WhatsApp and self-serve channels in a segment where technology adoption has traditionally been low highlights a much larger structural opportunity: to reshape customer behaviour, deepen platform stickiness, and unlock scalable, lower-friction growth through digital adoption.



Building Trust at Scale

As order complexity increased and volumes scaled, our operational performance strengthened alongside the business, opening up a larger opportunity to differentiate through execution. Improvements in OTIF (on-time and in-full) and NPS across both project and retail customer segments reflect more than operational discipline, they show our growing ability to deliver reliability at scale in categories where execution remains highly fragmented. This creates a meaningful strategic advantage. In B2B commerce, where trust is the hardest capability to build and the hardest to replicate, stronger service consistency deepens customer loyalty, increases repeat business, and positions Birla Pivot as the preferred procurement partner as buyer requirements become more complex.

Purpose-built B2B Architecture

Four proprietary modules handle every layer of the B2B commerce journey: **Pivot Edge** for buyer engagement, **Pivot Grid** for multi-party order fulfilment, **Pivot Vault** for credit-embedded commerce, and **Pivot XP** for real-time logistics orchestration.

These are not off-the-shelf tools. They are built for B2B complexity, multi-site deliveries, multi-seller sourcing, custom credit structures and WhatsApp-native workflows for even those buyers who have never used a laptop to place an order.

Segment Performance

FY 2025-26 the revenue reached nearly ₹ 8,500 crore, one full year ahead of its guidance. This was one of the fastest growth trajectories in India's B2B commerce landscape. Critically, this growth was not concentrated. Building materials, chemicals, and metals, all contributed meaningfully, and both our project and retail customer segments scaled in tandem. More than 1% of all steel consumed in India flows through Birla Pivot. Over 3% of imported bitumen, and growing volumes in polymer and copper signal that we are becoming a structural part of how India sources its industrial raw materials.

Geographically, we delivered to more than 5,000 pin codes across 400 cities, making us a multi-category platform connecting OEMs and brands directly to end buyers across the country. Within the retail channel, a network of over 5,000 touchpoints with our private label portfolio in tiles, ply, and bathware emerged as a differentiated offering for this channel. Average revenue from repeat buyers grew healthy YoY, a clear signal that customers who come to Birla Pivot stay and deepen their relationship with the platform over time.

50,000+ SKUs from 1,000+ brands offered by Birla Pivot

Outlook

Our goal for FY 2026-27 is to keep up our revenue momentum, deepen our presence across categories, scale new geographies, and exit FY 2026-27 with EBITDA break even. The priorities are deliberate. Deepen our presence in Building Materials, push further into Chemicals and Metals, where supply-side relationships are maturing and structural demand is strongest. Embed AI into credit underwriting and ordering workflows, faster decisions, sharper risk calibration, better experience at scale, and onboard customer segments that compound the network effects in our favour.

We are building a platform that connects every OEM and manufacturer to the last point of purchase underpinned by data intelligence that compounds with every transaction, the long-term potential here is not measured in revenue lines alone, it is measured in how Birla Pivot builds the infrastructure that transforms the entire B2B commerce landscape and in doing so, becomes the most trusted B2B E-commerce platform in the country.

Financial Services

Aditya Birla Capital Limited (ABCL), a subsidiary of Grasim Industries, is a diversified financial services platform, offering a comprehensive suite of solutions across lending, insurance, asset management, wealth management and digital payments.

The Company's business model is built around creating an integrated financial ecosystem where customers can access multiple financial products through a single platform, enabling deeper engagement, cross-selling opportunities and higher customer lifetime value. The Company is strategically positioned as a scalable, digital-first financial solutions platform focused on retailisation, ecosystem synergies and long-term value creation across the financial lifecycle of its customers.

₹ 4,000 crore

Equity capital raised to fund growth

"By integrating lending, insurance, investments and payments through our omnichannel ecosystem ABCD, we are creating a scalable model centred on 'One Customer, One Experience and One Team'. As India's financialisation journey accelerates, our focus remains on leveraging technology, data intelligence and cross-business synergies to deepen customer engagement, enhance lifetime value and build a scalable, resilient and innovation-led institution positioned for long-term sustainable growth."

Vishakha Mulye
Managing Director & Chief Executive Officer

LEFT TO RIGHT
Rakesh Singh, Executive Director, Chief Executive Officer, NBFC • **Vijay Deswal,** Chief Strategy Officer and Head - Investor Relations
Pinky Mehta, Chief Financial Officer • **Subhro Bhaduri,** Chief Human Resources Officer

Industry Structure and Developments

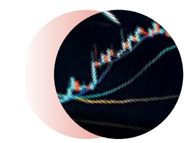
India's financial landscape is entering a new phase of evolution, shaped by rising household participation in formal financial products, accelerating digital connectivity and growing demand for integrated financial solutions.

Consumers today are increasingly seeking seamless access to credit, protection, savings and investment offerings through technology-enabled platforms. This in turn is driving a shift towards a more personalised, accessible and experience-led financial services. The industry also sees rapid expansion beyond metro cities, supported by improving financial awareness, digital public infrastructure and deeper penetration across emerging consumer segments.

At the same time, advancements in analytics, AI and automation are redefining how financial institutions engage with customers, assess risk and deliver scalable solutions with greater efficiency and agility. In this evolving environment, diversified financial services players are building strong digital ecosystems, multi-product capabilities and customer-centric platforms.

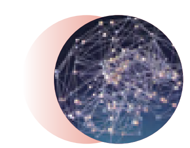
Together, these forces are expected to sustain the momentum of financial inclusion and innovation across both established and emerging markets, along with their unique positioning to participate in India's long-term structural growth opportunity and the ongoing transformation of the country's financial ecosystem.

Opportunities



India's Expanding Financialisation Opportunity

India is entering a multi-decadal structural growth cycle led by rising household participation in formal financial products, increasing penetration of insurance and investments, and expanding access to credit across emerging consumer segments. As aspirations rise and financial awareness deepens, the over US$ 1 trillion BFSI sector grows 22% annually, showing a significant shift towards holistic financial planning and creating long-term opportunities for diversified financial services platforms with scale, trust and innovation-led capabilities.



Technology and Data as Growth Multipliers

The next phase of growth in financial services will be shaped by intelligent digital ecosystems, hyper-personalisation and AI-led decision making. ABCL is strengthening its digital-first operating model through ABCD, leveraging analytics, automation and data intelligence to enhance underwriting, improve customer experience and create scalable, future-ready distribution capabilities across businesses.

Unlocking the Next Wave of Consumer Growth

Rapid digital adoption, increasing income levels and improving financial access across Tier-2, Tier-3 and emerging markets are redefining the opportunity landscape for the sector. ABCL continues to expand its reach through a diversified product portfolio, deeper distribution architecture and digitally enabled engagement models, positioning itself to participate meaningfully in India's evolving consumption and financial inclusion story over the coming decade.

Segment Performance

NBFC

The NBFC business delivered strong and well-diversified growth momentum in FY 2025-26, with the lending portfolio scaling up significantly on the back of sustained traction across retail, SME and secured lending segments. The segment's AUM grew 27% YoY to approximately ₹ 1.60 lakh crore, supported by deeper penetration into granular customer segments and continued expansion across emerging markets. Asset quality metrics improved materially, with gross Stage 2 and 3 assets reducing to 2.42%, reflecting the strength of the underwriting framework and collections infrastructure.

Housing Finance

The housing finance business continued to emerge as a key growth engine for the group, driven by strong demand in affordable and mid-income housing markets. Housing Finance AUM grew 53% YoY to ₹ 47,452 crore, while disbursements increased 37% to ₹ 7,977 crore in Q4FY26. Profit before tax for the business nearly doubled to ₹ 832 crore in FY 2025-26, reflecting strong operating leverage and improving business scale. The business also strengthened its capital position through a ₹ 2,750 crore equity fund-raise from Advent International, positioning it well for the next phase of growth.

AMC

The AMC business continued to benefit from increasing financialisation of household savings and robust participation in capital markets. Quarterly average mutual fund AUM grew 14% on-year to ₹ 4,35,866 crore, supported by healthy equity inflows, sustained SIP momentum and rising retail investor participation. The business maintained its focus on strengthening digital engagement, broadening distribution reach and enhancing product capabilities across investment categories.

Life Insurance

The life insurance business delivered resilient growth supported by improving product mix, higher protection orientation and strong customer demand for long-term savings solutions. Individual first-year premium income grew 15% YoY to ₹ 4,725 crore in FY 2025-26, reflecting healthy traction across proprietary, banca and digital channels. The business continued to strengthen its market positioning through customer-centric offerings, improved distribution productivity and greater operational efficiencies.

Health Insurance

The health insurance business sustained strong growth momentum during the year under review, driven by increasing healthcare awareness and rising adoption of comprehensive health protection products. Gross written premium increased 39% over the previous fiscal to ₹ 6,855 crore, making it one of the fastest growing businesses within the portfolio. Growth was supported by expansion in retail health, product innovation and wider distribution reach across physical and digital channels. The business also continued to strengthen operational capabilities and customer experience through technology-led interventions.

Key Performance Charts

Revenue (crore)

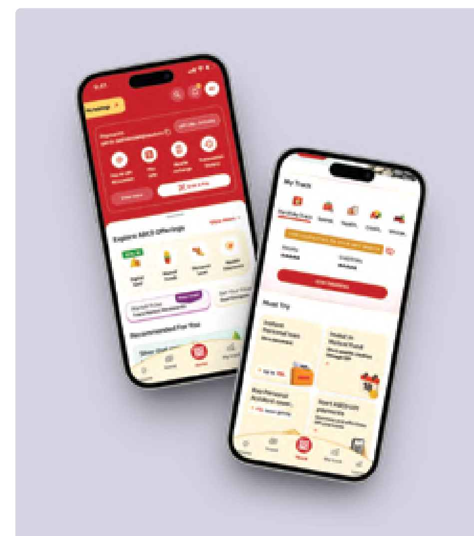
₹ 45,427 ↑ 12%

FY26	45,427
FY25	40,651

PAT - Owner's share (crore)

₹ 3,635 ↑ 22%

FY26	3,635
FY25	2,981



Tech-led Transformation

ABCL's ABCD Digital Platform

Accelerates a technology-led approach to customer acquisition, servicing, and distribution while leveraging data analytics and AI-powered capabilities to enhance underwriting, personalisation, and operational efficiency.

Outlook

Aditya Birla Capital enters FY 2026-27 with strong operating momentum, improving profitability and a well-diversified financial services platform that is increasingly benefitting from India's structural growth drivers. ABCL is strategically positioned to enhance market share across its core businesses while maintaining focus on profitability, operational efficiency and prudent risk management.

With a granular portfolio, strong distribution capabilities and an integrated common-platform approach, FY 2026-27 is expected to mark another year of sustainable growth, deeper customer franchise expansion and long-term value creation for stakeholders.

Renewables

Aditya Birla Renewables (ABRen) is the renewables energy platform of the Aditya Birla Group (ABG) with over a decade of expertise in developing and executing large-scale and complex renewable projects across India. The business provides integrated clean energy solutions across solar, wind, hybrid, floating solar and round-the-clock renewable power solutions for public and private sector customers. Driven by its vision of building a better world powered by accessible and sustainable green energy, ABRen continues to strengthen its position across the renewable energy value chain through a diversified portfolio, operational excellence, and customer-centric energy solutions. ABRen is a subsidiary of Grasim Industries Limited, with Global Infrastructure Partners (Part of BlackRock) as a strategic investor.

~2 GW
Pan-India portfolio

"ABRen is contributing to India's transition towards a greener future by offering a diverse range of renewable energy solutions, including solar, wind, hybrid, floating solar and round-the-clock renewable power solutions. We are committed to building reliable, durable renewable plants using state-of-the-art technology and maintaining a customer-centric approach to ensure high performance and maximum uptime. ABRen is on an accelerated growth journey. ABRen, backed by an experienced team and marque investor, is well positioned to achieve its growth target of 8-10 GW capacity ambitions in medium term by executing complex, large-scale renewable projects. We aim to build a comprehensive renewables platform with a presence across all major technologies, focusing on both Commercial and Industrial (C&I) segment and utility-scale projects."

Jayant Dua,
Business Head

LEFT TO RIGHT
Amit Jain, Chief Executive Officer • **Piyush Maheshwari,** Chief Financial Officer

Industry Structure and Developments

India's energy demand is projected to witness one of the fastest growth rates globally over the coming decades, driven by structural stimulants like urbanisation, industrialisation, digitalisation, rising income levels, and increasing electrification across transportation and industrial sectors.

This sustained growth is driving the need for large-scale capacity additions and resilient power infrastructure, while also accelerating the transition towards cleaner sources of energy. Peak power demand in India has continued its upward trajectory and is expected to reach approximately 285–300 GW in FY 2025-26, reflecting continued growth in electricity consumption.

India has made significant progress in scaling renewable energy infrastructure, with total installed renewable capacity exceeding 274.7 GW as of March 2026, compared to 75.5 GW in March 2014. Solar energy remains the key growth driver, contributing nearly half of the renewables mix with an installed capacity exceeding 110 GW. The policy environment also remains supportive of long-term sectoral growth. The government continues to promote renewable energy adoption through capacity bidding programmes, transmission infrastructure development, production-linked incentives for domestic manufacturing, and initiatives aimed at strengthening grid integration and energy storage capabilities.

Opportunities

Commercial & Industrial (C&I) Segment

We continue to expand our presence in the C&I segment, serving both ABG companies and external clients. Our strategy involves establishing centralised renewable energy (RE) plants, comprising solar and wind, connected to the Inter-State Transmission System (ISTS) at strategic locations. This approach ensures high capacity utilisation factors (CUF) and delivers competitively priced power to our customers.

Round-the-Clock Renewables and Hybrid Solutions

To provide stable and dispatchable clean energy solutions, ABRen is increasing its focus on solar-wind hybrid and RTC renewable energy projects. These projects improve generation profiles and enable enhanced renewable energy utilisation compared to standalone renewable assets. We are also increasing deployment of Battery Energy Storage Systems (BESS) across both hybrid and standalone projects to support grid balancing, peak power management and reliable green power supply.

Utility-scale Renewable Energy Projects

ABRen is actively expanding its participation in utility-scale renewable energy opportunities through bids issued by SECI, NTPC, and state utilities. This will support portfolio diversification, strengthen ABRen's national footprint, and enhance long-term growth visibility.

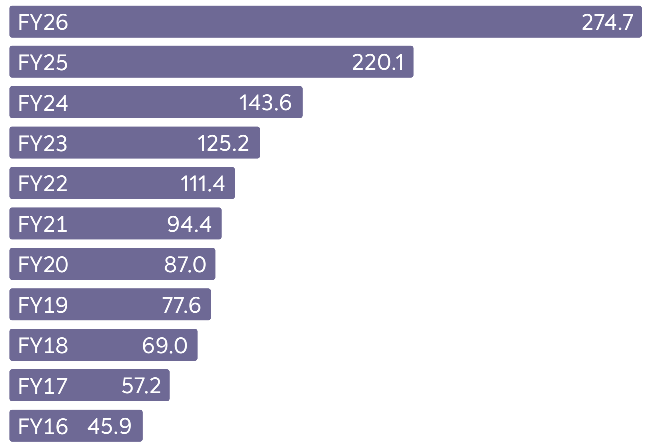
Supporting the Group's Net-Zero Aspirations

Aditya Birla Group's major manufacturing entities, Grasim, UltraTech, Hindalco, and Birla Carbon, have committed to achieving net-zero emissions by 2050. We play a crucial role in this journey by supplying clean and sustainable energy solutions, reducing carbon footprints across their operations.

Market Size

India Renewable Energy Capacity (GW)

274.7



Segment Performance

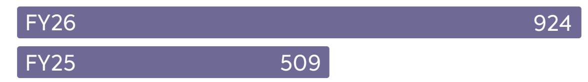
For FY 2025-26, our revenue stood at ₹ 924 crore, marking a 81% YoY increase from ₹ 509 crore in FY 2024-25. This growth was propelled by the commissioning of additional operating capacities. EBITDA for FY 2025-26 reached ₹ 734 crore, up from ₹ 400 crore in the previous fiscal year.

Parameters	FY 2025-26	FY 2024-25
Total Cumulative Installed Capacity (MWp)	1,951	1,470
Number of Projects	51	49
Capacity with Group Companies (MWp)	837	564
Number of Projects with Group companies	37	35

Key Performance Charts

Revenue (crore)

₹ 924 ↑ 81%



EBITDA (crore)

₹ 734 ↑ 83%

Outlook

India continues to strengthen its position as one of the world's fastest-growing renewable energy markets, supported by favourable policy initiatives, rising electricity demand, increasing corporate decarbonisation commitments, and growing emphasis on energy security. The country's long-term climate commitments, including achieving net-zero emissions by 2070, continue to drive investments across solar, wind, hybrid, storage, and other emerging clean energy technologies.

The renewable energy sector is also expected to benefit from continued declines in solar generation costs, advancements in battery storage technologies, and increasing demand for sustainable energy solutions from commercial and industrial consumers. At the same time, the government's focus on energy self-reliance and domestic manufacturing is expected to strengthen India's renewable energy supply chain ecosystem over the long term.

ABRen has a strong future opportunity profile supported by Indian industry's decarbonisation objective. Supported by strong shareholder backing, deep sector expertise, and India's accelerating decarbonisation agenda, ABRen is well positioned to capture long-term growth opportunities in the renewable energy sector. The Company continues to support the clean energy transition of both external customers and companies within the ABG ecosystem through scalable captive and utility-scale renewable energy solutions, executed within an evolving and complex regulatory environment. By strategically developing projects in India's resource-rich renewable energy regions, ABRen continues to build efficient and future-ready energy assets that deliver reliable, sustainable, and competitive power solutions while contributing meaningfully to India's energy transition and decarbonisation objectives.

Textiles

Grasim's Textiles business is anchored in three Strategic Business Units (SBUs) - Linen, Wool, and Premium Cotton, each focused on natural fibres and integrated across key stages of the textile value chain.

In the Linen segment, we procure the finest flax fibres from France, Belgium, and the Netherlands, transforming them into high-grade linen yarn, fabric, and apparel. In the Wool segment, we produce high-quality wool tops and worsted yarn sourced from fine Merino wool supplied to leading downstream apparel manufacturers. In Premium Cotton, we operate brand called SÖKTAŞ marketed over OTC, branded & retail (B&R) and exports segment.

~242 **Linen club stores (EBOs)**

"On the product and market front, we are doubling down on our core strengths. Linen, which we see as a category with significant structural growth ahead, remains at the heart of our ambition. We are accelerating brand expansion in North and East India through our 'Passionate for Pure' national campaign, now refreshed and relaunched. We expect to add over 20 exclusive brand outlets (EBOs) and 200 multi-brand outlets (MBOs), scale linen yarn exports, and widen our premium portfolio with Lino Wool, Linen-Silk, and GRS-certified recycled linen, all reflecting our conviction that this category is only beginning to realise its potential. In cotton, our blueprint includes expanding the MBO presence for SOKTAS, deepening global brand-nomination relationships, and advancing innovations in mercerised cotton, lyocell blends, and cotton-wool fabrics."

Kapil Agarwal,
Business Head

LEFT TO RIGHT
Jasvinder Kataria, Chief Executive Officer • Chandra Bansal, Chief Financial Officer* • Chandra Bhattacharjee, Chief Human Resources Officer

*Effective 1st April 2026

Industry Structure and Developments

The US$ 1.16-1.39 trillion global textile industry went through a phase of recalibration marked by uneven consumer demand, geopolitical disruptions, tariff uncertainties, and supply chain realignments in FY 2025-26. While demand in apparel remained muted across key western markets, segments such as technical textiles, home textiles, and value-added products continued to show resilience. Sustainability, traceability, and supply chain diversification emerged as defining themes, with global brands increasingly shifting sourcing strategies towards reliable and compliant manufacturing destinations.

For India's US$ 152.40 billion textile market, FY 2025-26 has been a year of resilience amid global headwinds. Despite export volatility and pressure on cotton-led segments, India continued to strengthen its position as a diversified and integrated textile manufacturing hub, averaging a 3.83% annual growth rate to reach US$ 213.75 billion by 2034. Domestic demand remained relatively stable, while policy initiatives such as PLI, PM MITRA parks, and the push towards MMF and technical textiles supported long-term structural growth. Rising cotton prices, logistics challenges, and tariff-related uncertainties impacted margins across the value chain. The industry is now increasingly transitioning towards man-made fibres, technical textiles, digitalisation, and sustainable manufacturing practices. India's strong raw material base, integrated value chain, and improving global positioning continue to create long-term opportunities, even as the sector navigates short-term demand and pricing pressures.

Opportunities

Structural Growth from Premium Sustainable Fibres

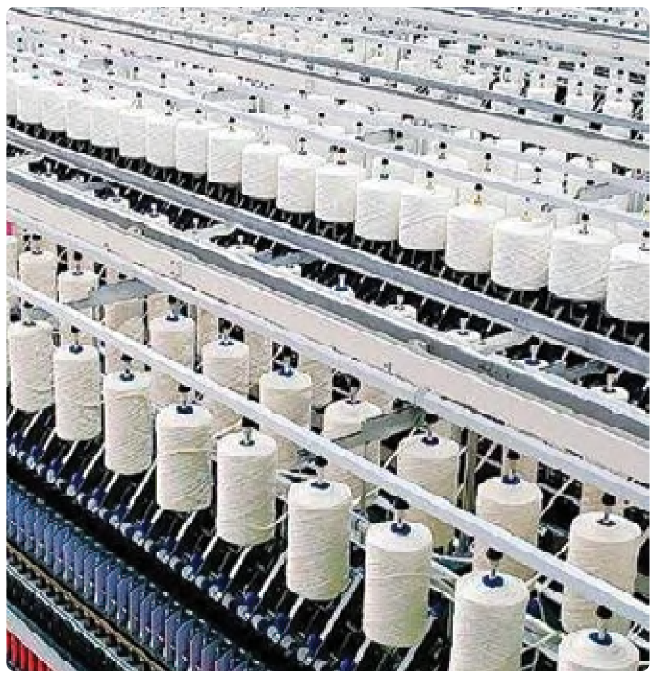
A key opportunity for the textiles business lies in deepening its play across premium sustainable fibres, as both consumers and brands increasingly shift towards natural, higher-quality, and responsibly sourced products. Across linen, wool, and premium cotton, rising preference for premium fabrics with strong sustainability credentials is expanding the addressable market and strengthening the relevance of the business's integrated portfolio.

Developing Markets Beyond India

In wool and premium cotton, the focus on brand nominations and deeper penetration into export markets such as the UK, Japan, Italy, Europe, and Australia is poised to unlock higher-value growth. Emphasising alignment with global customer requirements, particularly in sustainability, traceability, and compliance, will strengthen the competitive position and facilitate access to international markets.

Channel Expansion and Portfolio Enhancement

The business has identified growth opportunities through channel expansion, export market development, and refined portfolio management. For the linen segment, asset-light retail expansion and improved wholesale productivity are expected to enhance both reach and profitability. Strategically scaling branded and ready-to-wear formats will drive growth by catering to evolving customer preferences and expanding market access.



In Premium Cotton, under our SOKTAS brand, the business staged a strong recovery, with OTC outperforming budget and branded & retail (B&R) exports gaining momentum through brand nominations with marquee global clients.

Segment Performance

Linen

FY 2025-26 was marked by stable flax prices, resilient linen demand, and price increase across linen value chain, yarn, fabric, and apparel. The business was able to pass on higher raw material and yarn costs, supported by improved demand and strong market acceptance, particularly in yarn. In apparel, higher yarn prices and the GST rate hike led to MRP increase, with some temporary shift towards blended offerings as the market absorbs revised price points. Linen affinity continued to strengthen, prompting national brands to expand their portfolios and regional players, especially in Southern India, to increase participation at competitive prices. Competitive intensity has risen, while faster demand cycles and the US tariff-led shifts in global supply remain watchpoints.

Wool

FY 2025-26 was a mixed but resilient year for the wool business, supported by its strong position in domestic and export markets, differentiated super wash capability, and consistently high-return profile. In the domestic market, the demand remained flat, but exports stayed subdued. The operating environment remains challenging, as cyclical demand softness across major consumption markets may limit the ability to pass on higher raw material costs arising from rupee depreciation and elevated greasy wool prices.

Cotton

FY 2025-26 for the premium cotton business was shaped by a stable domestic demand environment, a supportive outlook on cotton prices, and continued premiumisation in the OTC segment. Demand for premium cotton fabrics remained healthy in the OTC market, with stronger retail offtake further supported by recent rationalisation of garment GST slabs.

Key Performance Charts

Revenue (crore)

₹ 2,377 ↑ 7%

FY26	2,377
FY25	2,222

EBITDA (crore)

₹ 105

FY26	105
FY25	1

Outlook

India is emerging as an ever-growing market for the textile industry, supported by a powerful combination of domestic consumption, premiumisation, and structural policy support. Linen segment growth would continue to be anchored in the business's integrated presence across yarn, fabric and apparel.

The business will continue to strengthen linen yarn, the largest and the most consistent profit pool, while leveraging integration to fabrics and apparel businesses. The wool business is targeting a meaningful scale-up in superwash, supported by additional offtake from existing markets, business development initiatives, and incremental growth across key export markets, including the UK, Japan, Italy, and new geographies. As global brands diversify sourcing and seek reliable partners, India is well placed to capture both domestic and export-led growth.

Insulators

Aditya Birla Insulators is among India's leading manufacturers of high-quality porcelain and polymer insulator, serving sectors like power transmission and distribution, railways, and power equipment sectors with a strong commitment to quality, reliability, and technological excellence. Backed by two advanced manufacturing facilities at Halol near Vadodara and Rishra near Kolkata, the Company combines world-class infrastructure with advanced engineering capabilities to deliver precision-driven products that meet global standards. With internationally accredited manufacturing systems and stringent quality control processes, Aditya Birla Insulators continues to strengthen its position as a trusted partner for critical power infrastructure solutions in India and across global markets.

"With accelerating investments in power transmission, renewable energy integration, railway electrification, and grid modernisation globally, the insulator industry is poised for strong long-term growth. Backed by world-class manufacturing facilities, advanced engineering capabilities, and a sharp focus on quality, reliability, and innovation, Aditya Birla Insulators is strategically positioned to capitalise on these opportunities and strengthen its leadership as a trusted partner for next-generation power infrastructure solutions."

Ajit Rajagopalan,
Chief Executive Officer

34%
Share of exports in total revenue

Industry Structure and Developments

Insulators are critical components in power transmission and distribution networks, ensuring electrical isolation, mechanical reliability and safe grid operation across diverse environments. The Insulator market continues to be supported by sustained transmission and distribution investments, globally and in India.

Demand is being driven by grid expansion, renewable integration, rising power needs from data centres and electrification, along with refurbishment of ageing infrastructure. While competitive intensity and tariff-related uncertainty remain key market variables in certain regions, the overall outlook remains positive, with utilities and OEMs continuing to invest in capacity expansion and supply-chain diversification.

Key Performance Charts

Revenue (crore)

₹ 513 — ↑ 7%

FY26	513
FY25	479

EBITDA (crore)

₹ 31 — ↑ 343%

FY26	31
FY25	7

Opportunities

Capitalising on T&D Grid Expansion and Railway Electrification

India's massive investments in upgrading transmission and distribution (T&D) networks, expanding high-voltage corridors, and executing railway electrification present a major infrastructure demand runway. By leveraging its global leadership, extensive product range, and advanced manufacturing facilities, the business benefits from government initiatives like the Revamped Distribution Sector Scheme (RDSS) and ongoing rural and urban electrification projects.

Powering India's Renewable Energy Grid

The rapid national pace of renewable energy integration requires robust grid infrastructure capable of managing long-distance power evacuation. This transition drives premium growth for specialised insulation, enabling us to leverage our partnerships and co-develop solutions tailored to the unique operational demands of clean energy networks.

Outlook

For FY 2026-27, the insulators business is expected to focus on broad-based growth across its porcelain and polymer portfolios, supported by stronger domestic demand, expanding export opportunities and continued progress on customer qualifications. The outlook remains anchored by improving operating efficiency, stabilising processes, reducing rejections and driving better execution across manufacturing units.

The business will also continue to prioritise conversion of strategic approvals into recurring orders, strengthen its position in high-value and high-voltage applications, and leverage global supply gaps and supply-chain diversification trends.

Derisking Business with Discipline

Grasim's risk management is a foundational discipline that protects and enables value by safeguarding all forms of capital, ensuring integrity, and strengthening organisational resilience to drive sustainable long-term success.

A Volatile Operating Backdrop

The external environment through the year reinforced the interconnected nature of risks. Disruptions in global trade routes, including constraints along key maritime corridors, increased transit times and reduced supply chain reliability. These logistical challenges were compounded by heightened security concerns and rerouting requirements, adding cost and complexity to global operations.

At the same time, energy and commodity markets remained volatile, driven by geopolitical tensions. Regulatory and trade fragmentation further added to the complexity. For Grasim, the increasing use of tariffs, policy interventions, and evolving regulatory frameworks have had a limited impact with the broader operating and competitive environment staying largely stable.

Absorbing Shocks, Protecting Performance

Grasim's approach to risk management is centred on preparedness, responsiveness, and continuous adaptation. The ERM framework, supported by a multi-tier governance structure, enables early identification of emerging risks, consistent evaluation, and timely mitigation through clearly defined ownership and accountability.

As external volatility unfolded, the Company focused on limiting the transmission of shocks into its operations. This was achieved through the institutionalisation of structured practices aimed at strengthening risk anticipation and response, enabling the Company to enhance resilience and derive greater effectiveness from its risk management processes. These measures ensured that operational stability was maintained and execution remained on track across businesses, even in a challenging environment.

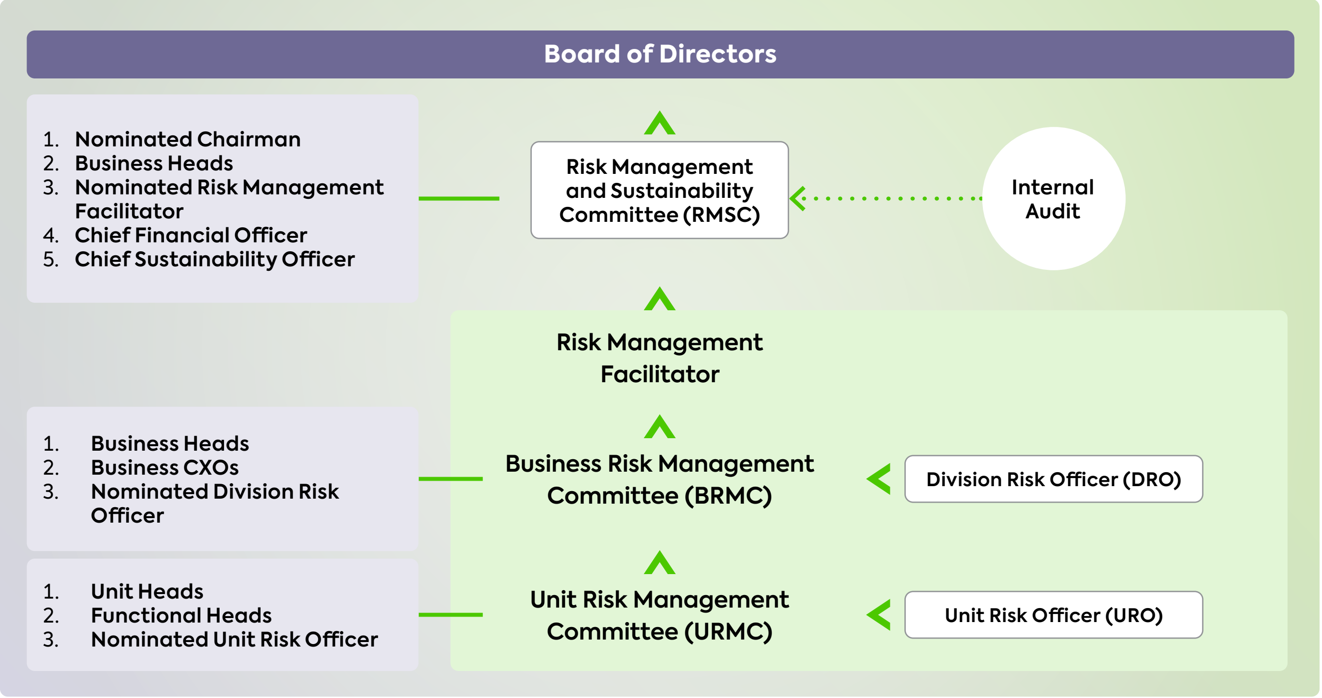
Grasim's risk management approach continues to evolve in line with the external landscape. Resilience is being systematically embedded into strategy, risk thresholds are periodically reassessed, and contingency preparedness is strengthened to address emerging uncertainties. In an environment marked by evolving trade dynamics, cost volatility, and policy uncertainty, the Company approaches risk management by protecting value and supporting sustainable growth.

From Protection to Performance

We manage risk to achieve two outcomes: Protect our people from any kind of harm, ensure safe and compliant operations, safeguard assets, and maintain continuity; and Perform to strengthen our decision quality, protect margins, improve reliability, and enable disciplined growth even under uncertainty. This is reflected in how risks are governed, how ownership is assigned, and how mitigation progress is monitored and tested.

Enterprise Risk Management Framework

The Company's ERM Framework takes into consideration COSO principles and is aligned with ISO 31000 which establishes a common risk management framework and effective risk governance structure across the organisation. It enables a disciplined approach to identifying, assessing, managing, and monitoring risks, supports informed decision making and business objective achievement, and incorporates ESG considerations to enhance resilience, sustainable growth, and long-term value creation.



Grasim has established a multi-tier risk governance model that enables enterprise-level direction and operational-level execution. Grasim integrated the outcomes of its Double Materiality Assessment into its Enterprise Risk Management framework, strengthening the identification and management of sustainability-related risks alongside traditional business risks and supporting informed decision making and long term resilience.

At Enterprise-level:

- The Board of Directors provides oversight of the risk management process, including the adequacy of ERM and alignment with strategic priorities.
- Risk Management and Sustainability Committee (RMSC) support the Board by defining risk management policies and overseeing ERM implementation, including sustainability and emerging risks.
- A risk management facilitator coordinates risk-related activities across businesses and supports a risk-based approach to internal audit planning and reporting to the RMSC.

At the Execution-level:

- Our Business Risk Management Committee (Business Heads, CXOs and Division Risk Officer) meets at least twice a year to review business-specific risks and mitigation effectiveness.
- The Unit Risk Management Committee (Unit Head, Functional Heads and Unit Risk Officer) meets every quarter to review operational risks, track KRIs, and monitor mitigation plans.
- Division Risk Officers and Unit Risk Officers maintain risk registers, track mitigation actions, and support timely escalation.

From Identification to Assurance

Risk Management Process

Our ERM cycle is continuous and standardised across the organisation.

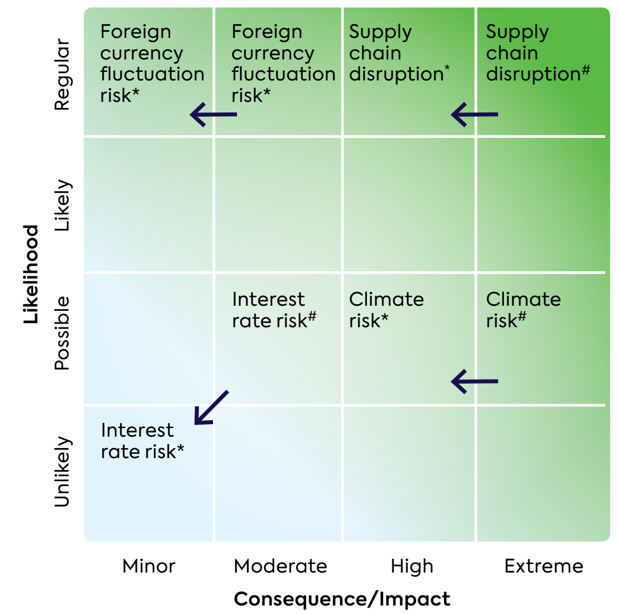
Risk Identification
Identifying risks across the organisation through a common risk language. Risk identification is a consistent, ongoing process throughout the organisation.
Further the external environment is continuously scanned to identify emerging risks through the review of global risk reports, participation in independent risk surveys and monitoring of external risk events.

Risk Assessment
Risk assessment is done by rating risks based on their probability and impact, enabling prioritisation of risks and understanding their potential impact on business objectives, strategy, and performance. Owner is assigned to each risk for effective monitoring of mitigation plans and drive accountability.

Risk Mitigation
Selecting appropriate risk mitigation strategies (Avoid, Reduce, Share or Accept) and developing suitable action plans. Measuring the effectiveness of mitigation plan implemented and establishing Internal control systems and processes to manage identified risks. Ensuring a robust Business Continuity Plan is in place and effectively implemented.

Risk Monitoring and Reporting
Effective monitoring and reporting the outcomes of risk identification, assessment and mitigation efforts to relevant stakeholders for review, feedback and ongoing oversight.

Risk Heat Map



#Inherent Risk, *Residual Risk
Note: Above is for illustrative purpose only

Risk Assessment Matrix

At Grasim, risk assessment and prioritisation form a core pillar of the Enterprise Risk Management (ERM) framework. This process enables the Company to focus on material risks that could impact strategic and operational objectives, while also identifying and leveraging potential opportunities.

Risks are evaluated using a structured Risk Assessment Matrix, which considers two key dimensions:

- **Impact (Consequence):** Assessment is based on the potential effect on business performance, operational continuity, safety outcomes, regulatory compliance, reputation, and financial metrics such as EBITDA
- **Probability (Likelihood):** Evaluation is based on the estimated frequency or likelihood of the risk materialising

Risk Tolerance and Appetite

Grasim defines its risk appetite as the level of residual risk the Company is willing to accept in pursuit of its strategic and operational objectives, after the implementation of appropriate risk mitigation measures.

Accountability that Shows Up in Decisions

Risk Culture

A strong risk culture is critical to resilience. At Grasim, risk is treated as a management responsibility, not a separate function.

- A structured familiarisation programme supports Independent and Non-Executive Directors with business and risk context to enable effective oversight
- Risk is assessed early in product and service development to meet sustainability expectations, regulatory requirements, and market relevance
- Key risk indicators are monitored on an ongoing basis and linked to the key result areas of responsible managers; risk-related outcomes are considered in performance evaluations and incentives
- To strengthen enterprise-wide risk management capabilities and foster a risk-aware culture, the Company provides structured learning opportunities for Unit Risk Coordinators, Risk Committee members, and employees seeking to develop risk assessment competencies alongside their functional responsibilities. Through the Gyanodaya Virtual Campus programme, participants are enrolled in the Chairman Series: Leadership Suite – Enterprise Risk Management, delivered by a subject matter expert from the Institute of Risk Management (IRM). The programme enhances participants risk management expertise and provides globally recognised professional certification across more than 140 countries.

Key Risks and their Mitigation Plans

We have systematically identified and evaluated a broad spectrum of risks across our operations, including strategic, operational, knowledge, compliance, financial, and sustainability related risks. By proactively anticipating potential exposures and responding to emerging challenges, we enhance organisational resilience and protect long term shareholder value. Each identified risk is managed through customised and comprehensive mitigation strategies.

1 Strategic Risk

RISK	MITIGATION PLAN
Intensifying competition could reduce market share and pressure margins G1 G3 S2 E1 E2	• Expand capacity to meet demand and retain market share • Invest in brand equity through R&D, quality, cost efficiency, delivery and customer service • Increase customer engagement and outreach initiatives • Implement customer connect initiatives to reach out to end-users • Develop customised products • Enter long-term contracts to secure sales • Improve energy, water and waste efficiency to optimise production process and reduce operational costs
Rising imports may reduce demand and pressure prices, impacting profit margins G1 G3 S2	• Explore new markets and deepen penetration in existing markets • Expand specialty products portfolio • Strengthen R&D and new product development • Increase customer base through targeted approach • Seek safeguard protection through policy advocacy

ESG Focus Areas

- G1 Governance and Business Integrity
- G2 Supply Chain and Sustainable Sourcing
- G3 Product Quality and Innovation
- S1 People and Workplace Culture
- S2 Customer Trust and Responsibility
- S3 Community Prosperity and Inclusion
- E1 Climate and Energy Transition
- E2 Resources and Ecosystems

2 Operational Risk

RISK	MITIGATION PLAN
High attrition and difficulty in sourcing and retaining skilled professionals may hinder operational efficiency S1	• Benchmark HR practices and improve talent strategy • Monitor and develop high potential employees • Strengthen hiring and talent pipeline • Retaining critical talent through rewards and recognition
Fluctuations in raw material and finished goods prices may impact cost structures and profitability G2 G3 E1 E2	• Strengthen sourcing and supplier diversification • Improve cost and operational efficiency • Optimise procurement and inventory • Secure critical supplies • Expand and diversify markets • Strengthen energy resilience • Localisation of raw material value chain • Pass-through of rising input costs in a measured manner
Safety risks in manufacturing, especially hazardous chemical handling G2 S1	• Implement safety standards and SOPs • Introduce Life Saving Rules • Build robust safety culture • Ensure adequate insurance coverage • Assign safety KRAs to managers • Conduct training, audits, and mock drills • Use virtual reality training for logistics • Conduct transporter safety meetings • Structural audit for facility safety • RFID tracking for hazardous chemicals like chlorine cylinders
Supply disruption impacting production may increase costs, hence impact operational efficiency and margins G2	• Identify alternate global suppliers • Establish long-term supply agreements • Optimise blending ratios without impacting quality

3 Knowledge Risk

RISK	MITIGATION PLAN
System vulnerabilities or cyberattacks causing financial and reputational damage G1	• Implement Group-level Information Security policy • Maintain backups and disaster recovery systems • Upgrade systems regularly and update security policies • Conduct awareness training and phishing simulations • Perform annual security assessments • Conduct vulnerability assessment and penetration testing • Ensure patching, anti-virus, and access controls • Maintain cyber insurance

4 Financial Risk

RISK	MITIGATION PLAN
Foreign exchange volatility affecting financial performance → PG 443	• Follow structured forex hedging guidelines • Proactively monitor currency hedges and periodically recalibrate to address volatility arising from geopolitical developments
Interest rate or funding access issues may affect the Company's liquidity position and cost of capital → PG 447	• Maintain strong credit rating and balance sheet • Keep sufficient credit lines and liquidity • Monitor cashflows and working capital • Use diversified funding instruments (Commercial Papers, loans, rights issue)
Credit risk from delayed or non-payment by customers may lead to bad debts and potential write-offs, impacting cash flows → PG 448	• Implement strong Credit Policy and customer evaluation • Deploy automated payment reminder systems • Define collection and legal recovery processes • Provide incentives for timely payments • Use invoice discounting and insurance

5 Sustainability Risk*

RISK	MITIGATION PLAN
Climate change increasing frequency and intensity of natural disasters G1 S1 E1 E2	• Adopt green technologies and develop sustainable products like LivaEco, Lyocell, and Birla EcoSodium • Increase share of renewable energy and reduce reliance of non-renewable energy source • Comply with the global environmental and sustainability norms • Conduct vulnerability studies for natural disasters, heavy rainfall, heat stress to implement protective infrastructure that can withstand them • Ensure adequacy of sum assured to ensure financial losses are covered in an extreme climate event • Minimise waste generation, strengthen segregation at source and improve recovery of materials and by-products • Implement Zero Liquid Discharge (ZLD) systems across plants to minimise water discharge • Implement disaster recovery plans and drills • Enhance process and adopt cleaner technologies to help reduce energy intensity • Optimisation of energy consumption across operations. • Implement real-time weather monitoring and alert systems for enhanced responsiveness for extreme events • Continually revisit heat stress protocols to ensure employees are protected in extreme heat events • Implement disaster recovery plans and drills

***GRI 201-2:** Financial implications and other risks and opportunities due to climate change

Emerging Risks

1 Technological Risk

RISK

As sustainability regulations, stakeholder expectations, and technological advancements continue to evolve, Grasim faces an emerging risk associated with the pace and effectiveness of adopting next-generation manufacturing and digital technologies. Achieving the Company's greenhouse gas (GHG) emissions intensity reduction goals will require sustained investments in research and development, process innovation, energy-efficient technologies, automation, artificial intelligence (AI), and sustainable manufacturing solutions.

Any delay in technology deployment, slower-than-anticipated improvement in emissions performance, or inability to realise targeted operational efficiencies may impact the Company's decarbonisation roadmap. Failure to meet planned GHG intensity reduction targets could necessitate the purchase of carbon credits or other market-based compliance instruments, resulting in additional operating costs. Such costs may materially influence project economics by reducing expected returns, extending payback periods and affecting investment viability.

At the same time, rapid technological disruption across industries is reshaping customer expectations, production processes and supply chains. Delays in adopting digital, automation, AI-enabled and advanced manufacturing technologies could limit operational agility, innovation capabilities, cost competitiveness and the Company's ability to respond effectively to evolving market requirements.

G1 S1 E1

IMPACT	MITIGATION ACTION
• Increased capital and operating expenditure due to higher investments in advanced technologies, R&D, and sustainability initiatives • Potential risk of increase in carbon compliance cost • Pressure on project returns , IRR and longer payback periods • Potential loss of competitive advantage in an increasingly technology driven and low carbon economy	• Develop a phased technology and decarbonisation roadmap with clearly defined milestones and accountability • Prioritise investments in energy efficiency, process optimisation, digitalisation, automation and low carbon technologies • Strengthen R&D and collaborate with technology partners to accelerate innovation and deployment • Integrate carbon and technology risks into capital allocation, project appraisal, and strategic planning processes • Upskill employees to support digital transformation and adoption of emerging technologies

2 Geo-economic Confrontation and Reciprocal Tariffs-related Risk

RISK

As a diversified conglomerate, Grasim is exposed to evolving geo-economic dynamics, including global trade tensions. These developments can lead to elevated raw material costs, exerting pressure on operating margins. At the same time, higher tariffs and resulting inflationary pressures may dampen consumer sentiment, leading to deferred discretionary spending and a slowdown in demand across key markets. This creates a dual impact for the Company by escalation in input costs alongside softening demand conditions which can collectively influence business performance.

G2

IMPACT	MITIGATION ACTION
• Increased tariffs raise the cost of imported raw materials, impacting input costs and profit marginsInflation-driven consumer price increases can suppress demand for end products • Temporary stabilisation in sales volumes, coupled with higher input costs, may exert pressure on profitability	• Flexible pricing and product mix strategies to partially offset input cost increases and sustain value realisation • Market diversification and demand management initiatives to mitigate the impact of demand slowdown across regions • Strengthened scenario planning and monitoring mechanisms to anticipate geo-economic developments and enable timely response • Diversification of sourcing strategies with increased focus on domestic procurement and alternative supplier markets to reduce tariff exposure • Collaboration amongst industry players for knowledge, research and technology sharing

Internal Control System

Grasim has an internal control system that is appropriate to the nature, size, scale, and complexity of its operations. The controls extend across all key business processes and are supported by a clearly defined organisational structure with assigned roles and responsibilities. The system undergoes periodic review to remain aligned with the Company's growth and changing operating environment.

The Audit Committee reviews the internal audit plan at the beginning of each year to ensure adequate coverage of key risk areas. Internal audits are carried out across units and functions by internal auditors who report directly to the Audit Committee, ensuring independent oversight and accountability.

Internal Audit provides independent assurance on the effectiveness of risk management, internal control, and compliance processes. Through periodic risk-based audits across business functions and operations, control gaps are identified and addressed in a timely manner. The Audit Committee reviews audit findings and management actions on a regular basis and provides guidance to management, which ensures that internal controls remain effective and operate as intended.

Note: accordance to LODR requirements on MD&A find additional details on:
Ratios covered at → PG 451
Material developments in Human Resources / Industrial Relations front, including number of people employed covered at BRSR and → PG 112