PEOPLE - PLANET - PROSPERITY

REIMAGINING A NEW FUTURE

INTEGRATED ANNUAL REPORT

2020-21

GRASIM INDUSTRIES LIMITED

BIG IN YOUR LIFE

Shri Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Chairman's Letter to Shareholders

Dear Shareholders,

The COVID-19 pandemic has touched every aspect of our lives across the world. It has altered mindsets, perceptions, and strategies for businesses and beyond. If there is one abiding lesson, it is that sustainable growth and development involves holistic nurturing of human, natural, and financial capital. 2020 is a year that will only gain in significance when viewed through the perspective lens of time.

The Global Economy

The world has been fighting the Covid-19 pandemic for more than a year now, and the struggle has had deleterious economic effects. In 2020, the global economy contracted by 3.3%, the largest contraction on record, at least since World War II. Much of it was concentrated in the first half of our fiscal year FY21, as several countries enforced strict lockdowns. Economies bounced back – albeit at differentiated speeds – in subsequent quarters, on the back of large fiscal stimulus packages, especially in the developed countries, restocking demand after dilution of lockdowns, and improved confidence levels following the start of vaccination programmes. As per the recent forecasts from International Monetary Fund (IMF), the US and China are expected to record a strong recovery in 2021, resulting in a net positive expansion of their economies over the 2019 levels. These two engines of growth are expected to boost demand for exports from other countries. Even the other two large economies, the EU and Japan, are expected to expand.

In response to the pandemic, central banks resorted to strongly supportive monetary policies in most developed economies, causing interest rates to go down to record lows. At the same time, another consequence of this policy has been a surfeit of liquidity. That has led to a strong rally in prices of many industrial commodities, which has also been supported by the evolving economic recovery, stimulus-related demand expectations and certain supply-side disruptions. This has caused inflationary pressures on the cost dynamic of several manufacturing industries.

The latest IMF forecast suggests a strong 6% growth in global GDP in 2021. But the occurrence of second and third waves of Covid in different parts of the world and reports of virus mutations have created downside risks to the outlook of a strong growth rebound. Recovery remains uneven and uncertain, with the extent of fiscal support and level of vaccination being key differentiators of the short-term economic outlook across countries.

Indian Economy

Indian economy, which was firmly on the path of recovery in the second half of FY21, was hit by a rather unexpectedly virulent second wave of Covid-19. That caused a severe strain on healthcare facilities in many parts of the country, leading to localised lockdowns and a fall in mobility to levels seen a year ago. This may lead to some reassessment of growth estimates for FY22.

As a silver lining, disruptions to production and supply chains have been far less severe during the second wave than during the first wave. Vaccinations are picking up pace, which would support faster normalisation of mobility levels and of related economic activities. Continued accommodative monetary policy of the RBI and the expected increase in capex from the Government are factors that will support growth recovery. In addition, global growth prospects provide us with exports as an additional strong driver of growth.

The longer-term prospects for the Indian economy continue to be robust. Various initiatives, including privatisation of public sector enterprises, monetisation of assets, implementation of National Infrastructure Pipeline, targeted investment incentives through the Production-Linked Incentives Scheme and the new Labour Code, are likely to spur a virtuous cycle of investments and growth in the medium-term.

ABG in Perspective

Like for many other organisations, the Covid crisis brought out challenges of many forms. Economic impact and business disruptions apart, many members of our extended family – our employees and their near ones, our value chain partners, our neighbourhoods – faced health emergencies. The pandemic also caused deep psychological scars as people had to adjust to new ways of living and working. Notwithstanding these challenges, our employees have displayed the highest possible resilience in coping with personal concerns and yet staying focused on the customers and the business. Our business results convey only a small part of the story of our employee courage, compassion, community spirit and cultural strength.

As the lockdowns took a firm grip on people's lives and constraints mounted in the early part of the financial year, our leadership teams rose to the occasion with robust planning and continuous communication with people at all levels through the organisation. Personally, it was energising for me to engage at scale with employees globally through a series of digital townhalls that instilled confidence in employees and reinforced the power of 'One ABG'. The 'Respond, Recover and Re-imagine' framework underpinned several new initiatives. These included close coordination among HR teams across the Group units to respond to local-level challenges by leveraging the organisational resources and a thrust on disseminating relevant information through all digital channels about the resources lined up to help the extended ABG family deal with the emergencies.

Covid warriors were trained, and voluntary networks were formed to assist our employees and their families in need. Preferential tie-ups with local hospitals and a central coordination centre with an external party were set up to provide special assistance to our employees through Doctors' network, telemedicine and other COVID related health assistance. Workplace health, hygiene and Covid-appropriate behaviour remained the focus of our managers at all levels helping the organisation to stay ever vigilant. 'Test, Treat and Trace' was the mantra of protection and well-being followed scrupulously.

Apart from focusing on health emergencies, initiatives for mental agility and continuous learning were taken to maintain organisational morale. A learning programme christened as 'Chairman's Invitation Series' was curated to bring the best insights on a changing world from the world's leading thought leaders. There was an increased thrust on online education, recognition, and knowledge sharing sessions.

These well-rounded initiatives on the people front also helped our business performance to bounce back strongly. The focus on customers and costs remained undiminished though the year. Critical business processes such as new line commissioning, new product launches, new system and technology implementation- all happened seamlessly and presented a unique human story of innovation and fortitude bringing alive the values of commitment and passion. People learnt new skills and new behaviour at work while not being at office or at the workplace as one knows. People engagement, team trust and Group values proved to be the energy and the glue for our performance.

In the spirit of not letting a crisis go to waste, our HR Teams globally collaborated to create a long-term HR Strategy for the Group and individual businesses. This was achieved even while working remotely; 150 of the HR leaders came together digitally over a four-month period to craft a coherent HR strategy to reflect both Group aspirations and the business needs. Premised on creating an Avant Garde HR strategy, the work focused on employee experience and business productivity in a balanced mix with growth, technology, and talent as other critical pillars. This HR strategy is under dissemination to various stakeholders and an annual action agenda is being rolled out at all levels. This has been a signature example of collaboration, thought leadership and determined action – ingredients that usually make up most successful organisations.

Your Company's Performance

The pandemic induced shutdowns at the start of the fiscal year created an unprecedented business environment. Your Company gave primacy to the safety and well-being of its employees and local communities, along with a clear focus on maintaining business continuity.

Grasim's inherent dynamism and resilience, cushioned by its strong balance sheet, enabled the Company to navigate this disruption and accelerate the journey from revival to renewal. The sharp recovery in the operational performance was on account of your Company's steadfast commitment to its long-term strategies of customer orientation, sustainability, cost optimisation and R&D led product development.

Keeping in mind the long-term strategic intent of creating value for all shareholders, your Company has identified paints as a new engine of growth. Decorative paints as an industry witnessed double-digit growth rate for the last many years, and it has achieved significant scale. In FY21, as part of the long-term strategic portfolio choice, your Company also decided to monetise the fertilizer business.

On a Consolidated basis, Grasim's Revenue for FY2020-21 stood at ₹76,398 Crore and EBITDA at ₹15,766 Crore.

Viscose

The VSF business realigned its operations to the changing market dynamics in FY21. Demand for textile products was severely impacted in Q1FY21 as most global markets were ravaged by COVID-induced shutdowns. The market situation started improving from Q2FY21 with the gradual reopening of various economies and with demand recovery picking pace. The business witnessed unprecedented volatility during FY21, as the capacity utilisation rates dipped to low single-digit in Q1FY21 and scaled back to full utilisation level by Q4FY21. The relentless focus on Innovation, Sustainability and Cost optimisation enabled the business to weather the unprecedented disruption caused by the pandemic and emerge stronger.

The Company has identified the potential of "Green Fibre", which is a solution to a sustainable future. Green Fibre credentials are based on the three key tenets of "Green Product" produced through "Green Technology", ensuring a "Green Ecosystem". The business has made significant progress with the launch of a circular product – Liva Reviva, which is made using industrial cotton waste. The launch of Anti-microbial fibre and non-woven products under the brand name Birla Purocel-EcoFlush exemplifies solution-oriented innovations and the Company's commitment to sustainability.

Sustainability is now at the core of every decision of the business. The concerted action on this front is now getting due external recognition. In 2020, Grasim attained a prominent rank in the S&P Dow Jones Sustainability Indices (DJSI) among participating

companies in its sector. The VSF business has been ranked #1 Globally with 'Dark Green Shirt' in Canopy's Hot Button Report 2020 and was also the recipient of the 'Golden Peacock Global Award for Sustainability' for the year 2020.

The VSF business has been working on achieving the EU-BAT norms in all its plants by 2022. It is also in the process of setting up the first Zero Liquid Discharge plant for the viscose fibre industry at its Nagda unit by 2021.

The pandemic presented an opportunity to relook at cost structures to drive efficiency. The business team has been able to significantly reduce the fixed cost and variable cost during the year.

The VSF business reported production and sales volume of 452 KT and 463 KT respectively, in FY21. The Revenue from VSF sales stood at ₹6,965 Crore and EBITDA at ₹1,187 Crore. Better product mix, cost optimisation and recovery in the prices during H2FY21 partially cushioned the dent caused by the weak operational performance on account of the lockdowns during Q1FY21.

Chemicals

The operational performance of the Chemicals business was above par despite COVID-induced lockdowns, which impacted plant operations briefly. The global demand for caustic soda was impacted due to weakness in the demand from end-user industries like paper and textile. Global caustic soda prices remained subdued during the year, while chlorine prices stayed strong. Domestic caustic soda prices maintained a weak trend influenced by weak global prices, substantial capacity additions and continuous imports. Despite a delay owing to COVID-induced lockdowns, the business is on the path to complete its capacity expansion program for Caustic soda and Chlorine VAPs in FY22. The business endeavours to improve the percentage of Chlorine integration by increasing the VAP portfolio, which fits into the long-term strategy of improving the rate of chlorine integration to 40% by FY25 from 28% in FY21.

The performance of the Advanced Materials (Epoxy) business was robust, driven by strong demand from the end-user segment (Auto and Wind Power) and substantial improvement in realisation. Witnessing a strong demand in the Advanced Materials business, your Company has decided to double its capacity.

Improving the share of renewable energy in the overall power mix, which achieves the twin objective of cutting power costs and reducing emissions, and setting up Zero Liquid Discharge plants are core to the Sustainability strategy.

The Net Revenue for FY21 stood at ₹4,581 Crore and EBITDA at ₹590 Crore.

Other Businesses

The Urea business reported an EBITDA of ₹222 Crore in FY21, a significant improvement from the previous year driven by better Purak sales and fixed cost optimisation. The Fertiliser Business divestment process is on course and expected to be completed in FY22 after receipt of NCLT approvals for the Scheme of Arrangement amongst other pending approvals.

The performance of the Textiles business, consisting of linen, wool, and premium cotton fabric, was severely impacted by the lockdown with a weak demand environment. There was an overall improvement in operational and financial performance from Q4FY21.

The performance of the Insulators business for FY21 improved, driven by demand from overseas markets, while the domestic demand remained subdued.

The importance of pulp JVs came to the fore this fiscal, especially during periods of supply tightness coupled with runaway prices. These units cater to a significant portion of our pulp requirement and ensure consistency in the supply of prime quality pulp. The financial performance of JVs improved during FY21, with the improvement in pulp prices during Q4FY21.

Capex

Your Company has been in the process of executing a capex plan for raising capacities in both the VSF and Chemical businesses and towards modernisation capex at various plants. Towards this capex plan, the Company spent ₹1,508 Crore in FY21 and is expected to further spend ₹2,604 Crore in FY22 (standalone basis). This capex plan does not include the outlay for the Paints business. The Board of your Company has approved an initial capex of ₹5,000 Crore for the Paints business. This amount will be invested over the next three years.

UltraTech Cement Ltd. (a subsidiary of the Company)

The Indian Cement demand contracted by 10%-12% in FY21, given the economic standstill in H1FY21. However, H2FY21 witnessed a steady demand recovery.

The uptick in demand for cement was driven by affordable housing projects and Government infrastructure projects like roads, metro, irrigation projects and others.

The cement demand growth in FY22 is expected to remain strong considering the Government's thrust on infrastructure and roads development, housing, and rural infrastructure.

UltraTech reported net revenues of ₹44,239 Crore and EBITDA of ₹12,302 Crore during FY21.

UltraTech has approved a fresh capex of ₹5,477 Crore towards increasing capacity by 12.8 MTPA with a mix of brownfield and greenfield expansion, in addition to a 6.7 MTPA capacity expansion currently underway. Upon completion of the latest round of expansion, UltraTech's capacity will grow to 136.25 MTPA, reinforcing its position as the third-largest cement company in the world, outside of China.

Aditya Birla Capital Ltd. (a subsidiary of the Company)

Aditya Birla Capital's consolidated revenue grew by 15% YoY to ₹19,248 Crore, and net profit after minority interest grew by 22% YoY to ₹1,127 Crore for FY21. The active customer base across the businesses increased to 24 million with a clear focus on retail growth across all the businesses. The diversified portfolio of products and services offered by Aditya Birla Capital allows it to leverage broader opportunities in India's financial services sector.

The Overall lending book (NBFC and Housing Finance) stood at ₹60,558 Crore. For the NBFC business, asset quality, technological innovation and cost optimisation remain the key focus areas for achieving growth.

The Life Insurance business reported a single-digit year on year growth in total gross premium to ₹9,775 Crore in FY21. The embedded value of the business increased to ₹6,441 Crore in FY21.

The Asset Management business reported domestic closing Assets Under Management (AAUM) of ₹2,81,035,433 Crore, up 7% YoY.

The Gross written premium in the Health insurance business grew 49% YoY to ₹1,301 Crore.

Aditya Birla Renewables

The cumulative installed capacity of Aditya Birla Renewables stood at 502MW in FY21, which has increased by 3x in the last two years. The share of group captive capacity stood at 160 MW in FY21, which is likely to go up given our continuous focus on increasing the share of renewable mix in each of our Group businesses. This cumulative installed capacity is expected to rise to 845MW by FY23.

Conclusion

The year-long response to the pandemic, across the globe, exhibited all that is noble and uplifting in the human spirit. A spirit that was also in display in your Company's actions and performance during the year.

Through this pandemic, your Company's people and systems have been battle tested and even better prepared to face any competitive challenge or serious external disruption. It has strengthened the bonds within, opened better vistas of co-operation and convinced our stakeholders that our people deliver – no matter what! That is our best assurance of sustainability and continued collective prosperity.

Yours sincerely,

Kumar Mangalam Birla
Chairman

STRONGLOMERATE

Grasim is a true exemplar of strength in diversity. With roots going back to the era of India's independence, we have evolved as a conglomerate with anchors in multiple business forays, each of them leaders in their own space. At a unified level, we draw the strengths from each business and leverage synergies that play out as a competitive advantage. The scale of a conglomerate and the responsiveness of an agile business has earned us the befitting title of 'Stronglomerate'.

ABOUT GRASIM INDUSTRIES LIMITED

Starting as a textile manufacturer in 1947, Grasim is today recognised as a diversified conglomerate, and a leading player in Viscose Staple Fibre (VSF) and Chemicals in India and globally. Through its subsidiaries, UltraTech Cement and Aditya Birla Capital, Grasim is also the largest cement and one of the largest financial services players in India.

Capitals linked

- FINANCIAL CAPITAL
- INTELLECTUAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL
- MANUFACTURED CAPITAL
- NATURAL CAPITAL
- HUMAN CAPITAL

Highlights of FY21

FY21 was a year where our resilience as a Stronglomerate was proved once again. Starting the year with an uncertain and muted external environment, we quickly ramped up our capacity utilisation as COVID-19-led restrictions lifted. As the year came to a close, we went on to record strong profit growth and business performance, compared to previous years. Our strong comeback stands testimony to our agility, excellence and resilience?

Financial

₹76,398 Crore
Revenue

₹15,766 Crore
EBITDA

₹4,305 Crore
PAT*

₹995
Book Value Per Share

9.4%
RoCE

0.55x
Net debt to EBITDA

Read more on page 48 for detailed discussions on financial performance

Environmental

15%
Reduction in LTIFR in Chemicals (domestic chlor alkali and advanced materials) compared to FY17 baseline

47%
Reduction in water intensity in VSF (compared to FY15 baseline)

14%
Reduction in water intensity in domestic chlor alkali business

73%
Reduction in LTIFR in VSF (compared to FY15 baseline)

Read more on page 64 for detailed discussions on environmental approach and performance

Social

Across 7 states
CSR reach

3,100,000+
CSR beneficiaries

298 villages
CSR reach

₹84.66 Crore
CSR expenditure

Read more on page 72 for detailed discussions on social commitments and performance

People

23,561
Permanent employees

0.43
LTIFR (permanent employees)

Read more on page 76 for detailed discussions on people engagement and performance

Governance

11^{th} (2020)**
DJSI ESG ranking

50%
Independent Directors on Board

Read more on page 22 for detailed discussions on governance

*PAT after exceptional items
**Corporate Sustainability Assessment Results for Construction Materials

Operational highlights

A brief, quarter-wise summary of our operational performance is given below.

Grasim

Q1

Agile and responsive amid weak macro environment

- Focus on cost savings and working capital management
- Fixed cost reduction by ₹256 Crore
- Strong performance by value-added products across the businesses
- Global prices for all major products at a historic low

Q2

Capitalising on emerging recovery

- Announced sale of fertiliser business to Indorama India Private Limited
- Healthy Net Debt to EBITDA with sequential reduction in Net Debt and substantial improvement in EBITDA
- Partnered with Lubrizol Advanced Materials to manufacture and supply chlorinated polyvinyl chloride (CPVC) resin. The construction of 100 KTPA at Vilayat (Gujarat) in 2 phases creating the single largest site capacity for CPVC resin production globally.

Q3

Revival in capacity utilisation and new ventures

- Foray into decorative paints business, with initial capex amount of ₹5,000 Crore over 3 years
- Capacity utilisation for all key businesses touches pre-COVID levels
- Won the 'Golden Peacock Global Award for Sustainability' 2020

Q4

Reporting best-ever performance in flagship business, expansion plans on track

- Commissioned ~182MW in FY21 of new solar capacity taking the total capacity to 502 MW
- Significant reduction in Net Debt at Consolidated and Standalone levels

Viscose

Q1

Agile and responsive amid weak macro environment

- Sharp decline in EBITDA due to lower sales volume and prices, major impact from VFY business
- Domestic market remained weak due to local lockdown and textile value chain operating at low rates
- Nimble response to the changing market by tapping demand for Non-woven (NW) by commencing non-woven fibre production
- VSF launches anti microbial fibre
- Switched focus to export market and dedicated few production lines to cater to the export demand of specialty products
- Rise in the share of VSF exports (up 26% QoQ) to improve the plant capacity utilisation

Q2

Capitalising on emerging recovery

- Capitalising on buoyant VSF export market
- Significant bounce back in the revenue and EBITDA driven by higher sales volume and lower costs
- Pick up in demand for comfortable clothing and women's wear from smaller town and cities
- Chinese domestic demand remained buoyant, with decline in the exports
- Restocking of inventory in the textile value chain (Weaver, Knitters, Processors and Garmentors) across geographies
- VFY plants capacity utilisation level improved sequentially to 39% (Q2FY21) from 12% in Q1FY21, with revival in domestic demand
- Share of domestic sales is closer to pre-COVID levels

Q3

Revival in capacity utilisation and new ventures

- VSF plants operated at 100% utilisation level through the quarter
- Consumer demand in key consuming global markets of EU, UK, USA re-emerged with receding COVID effect, resulting in destocking of pipeline and initiation of fresh orders
- Solid operational performance (EBITDA growth of 115% QoQ and 122% YoY) by VSF business driven by cost management and volume growth supported by bounce back in demand

- Strong consumer demand in Tier-2 and Tier-3 towns and rural segment, coupled with festivals and wedding season
- Historically low inventory levels for VSF in China
- Sequential growth in revenues driven by improved realisations, better product mix and improvement in capacity utilisation of VFY

Q4

Reporting best-ever performance in flagship business, expansion plans on track

- Viscose EBITDA more than doubled YoY to ₹625 Crore in Q4FY21, VSF business reported best ever EBITDA of ₹548 Crore in Q4FY21
- Strong business performance driven by strong underlying domestic demand, better realisations and enhanced product mix
- Continuing with our thrust on cost saving, total savings of ~₹800 Crore was achieved during FY21
- VAP share in overall portfolio increased by 400 bps QoQ to 26% in Q4FY21 driven by strong sales volume of Modal and Lyocell

Chemicals

Q1

Agile and responsive amid weak macro environment

- Sharp dip in the sales volume and weakness in ECU realisation impacted the financial performance. Key input prices remained unchanged
- Chlorine realisations turned positive during Q1FY21, driven by demand from disinfectant and hygiene products
- Chlorine value-added products demand remained strong and touched pre-COVID levels
- Caustic Soda sales for Q1FY21 were lower on account of lower demand for user-based industry

Q2

Capitalising on emerging recovery

- Strong pick up in the sales volume and cost tailwinds resulted in sharp increase in the EBITDA
- Steady improvement in capacity utilisation rate of Chlor-Alkali and Epoxy business
- Advanced Material (Epoxy) witnessed a demand rebound from the key consuming sectors (Coating, Construction, Electricals) in India and overseas markets
- Chlorine realisations maintained uptrend during Q2FY21 driven by demand from Organic intermediates, Agrochemicals among others
- Demand from textile, paper segment and other segment led to sequential improvement in the domestic Caustic Soda sales

Q3

Revival in capacity utilisation and new ventures

- Revenue and EBITDA of Chemicals business touched pre-COVID levels with pick up in the sales volume and lower input costs
- Advanced Material (Epoxy) witnessed a strong demand from Auto and Consumer durable on back of festive season demand leading to uptick in realisation and sales volume
- Chlorine demand remained steady during the quarter while the realisations weakened marginally in Q3 with excess domestic capacity and high operating rates
- EBITDA from Chlorine derivatives improved 45% YoY basis driven by better realisations

Q4

Reporting best-ever performance in flagship business, expansion plans on track

- Chemicals business records substantially improved performance YoY led by higher contribution of Epoxy business
- Strong chlorine demand helped in maintaining the operating rates at the Chlor-Alkali manufacturing locations
- Significant YoY improvement in Revenue and EBITDA for the overall segment, however QoQ EBITDA for Chlor-Alkali was subdued due to higher cost

Capacity utilisation (%)

VISCOSE (VSF)

Q4	100
Q3	100
Q2	88
Q1	26

VISCOSE (VFY)

Q4	93
Q3	89
Q2	39
Q1	12

CHEMICALS (CHLOR ALKALI)

Q4	94
Q3	89
Q2	80
Q1	49

CHEMICALS (EPOXY)

Q4	90
Q3	84
Q2	61
Q1	33

Revenue (₹ in Crore)

VISCOSE

Q4	2,583
Q3	2,145
Q2	1,679
Q1	558

CHEMICALS

Q4	1,472
Q3	1,281
Q2	1,126
Q1	702

EBITDA (₹ in Crore)

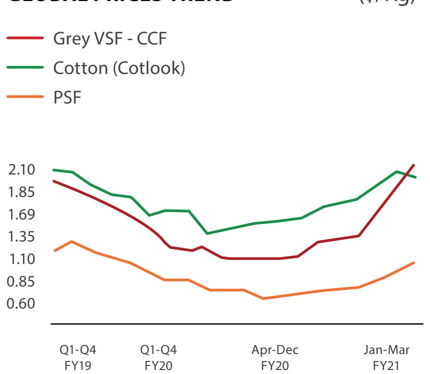
VISCOSE

Q4	625
Q3	482
Q2	193
Q1	(113)

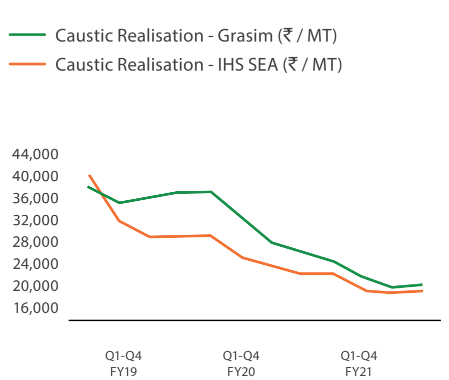
CHEMICALS

Q4	185
Q3	177
Q2	187
Q1	41

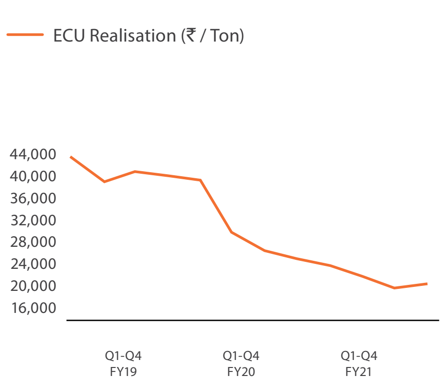
GLOBAL PRICES TREND ($/Kg)



CAUSTIC REALISATION



GRASIM – ECU



Source: Industry reports, USDA, CCF Group and Redbook

Approach to reporting

About this report

This is the second integrated report of Grasim Industries. We commenced our integrated reporting journey in 2020, to present a collective view of our value-creation encompassing our financial and non-financial performance, future strategy, resources and relationships, risks and opportunities, and governance approach, among others. This year, we strive to enhance our disclosures by combining our integrated report with our annual report, so that our stakeholders can access all information in one interlinked document. This report is for the period from 1st April 2020 to 31st March 2021.

Frameworks and standards

This report follows the guiding principles and content elements of the Integrated Reporting <IR> Framework outlined by the International Integrated Reporting Council (IIRC). Further, this report has been prepared in accordance with the GRI Standards: Core option.

This report also covers information that aligns with

- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (UN SDGs)
- CDP
- National Voluntary Guidelines (NVGs)
- Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Scope and boundary

This report covers financial disclosures of Grasim Industries at both standalone and consolidated levels. The non-financial disclosures (specifically environmental and social KPIs) pertain to our standalone domestic operations in the following sites:

- **Viscose Stable Fibre (VSF)** – Nagda, Harihar, Kharach and Vilayat
- **Pulp** – Harihar
- **Viscose Filament Yarn (VFY)*** – Veraval
- **Chemicals** – Nagda, Vilayat, Veraval, Karwar, Rehla, Renukoot and Ganjam
- **Textiles** – Rishra and Malanpur
- **Fertilisers** – Jagdishpur
- **Insulators** – Halol and Rishra

**VFY Plant at Kalyan is not included*

Board responsibility

The integrity of the information presented in this report has been assured by our respected Board of Directors to the best of their knowledge. Our senior management comprising key managerial personnel has also reviewed the report for consistency, clarity and veracity of messaging.

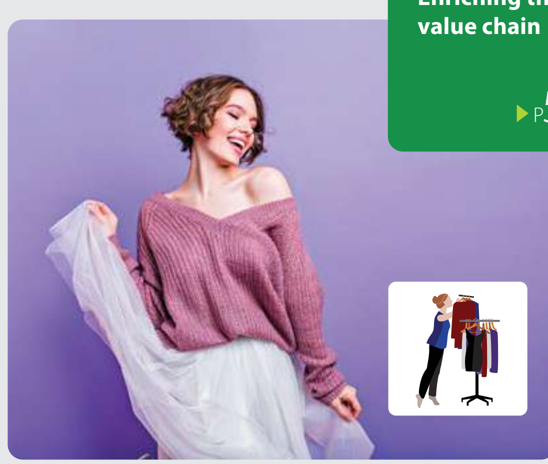
How we are governed ▸P22

Stakeholder engagement ▸P34

Making a colourful foray ▸P51

Preserving the environment ▸P62

Enriching the value chain ▸P54



Remaining committed to our social goals ▸P72

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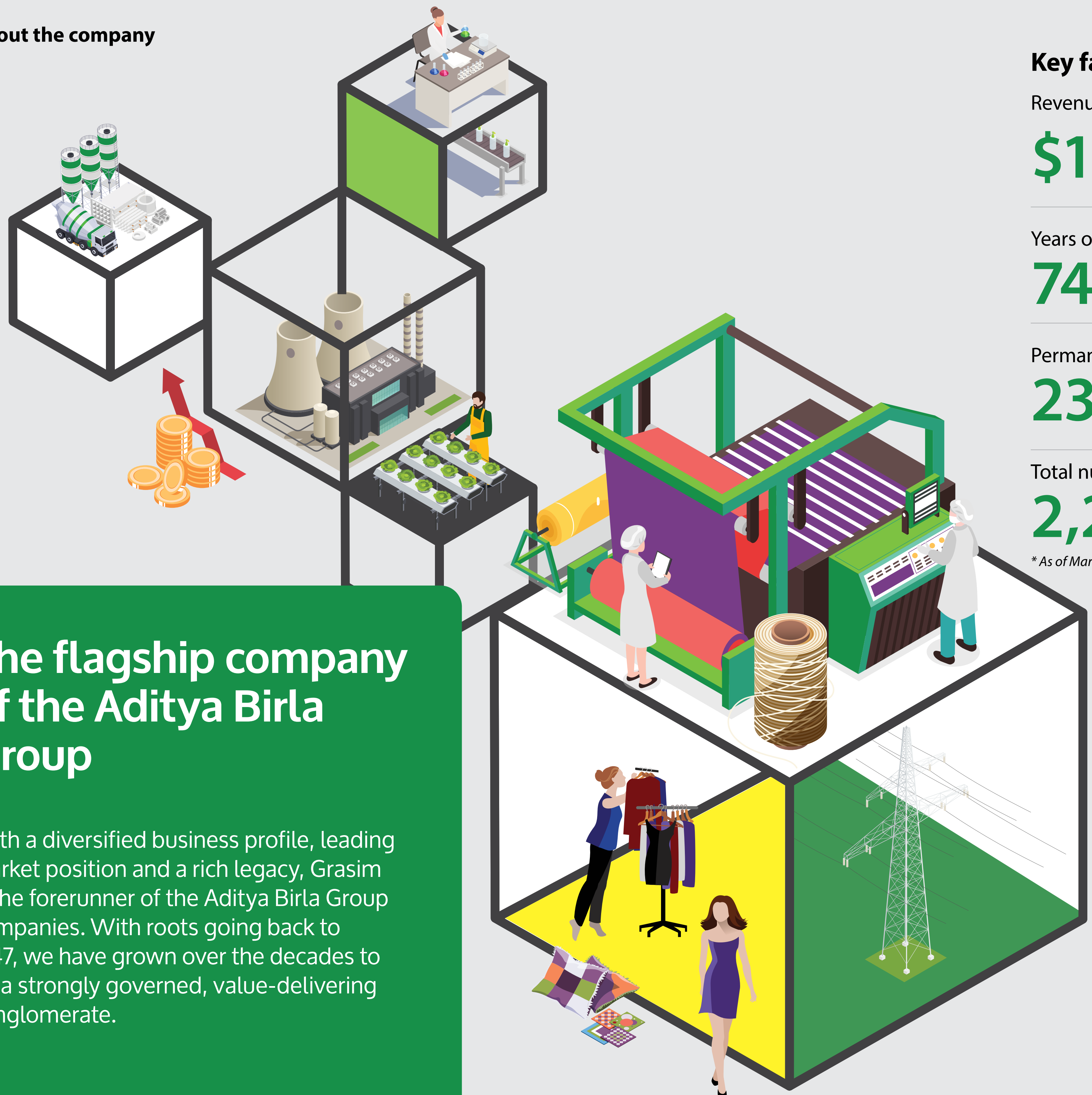
Further information can be found online at grasim.com

About the company



The flagship company of the Aditya Birla Group

With a diversified business profile, leading market position and a rich legacy, Grasim is the forerunner of the Aditya Birla Group companies. With roots going back to 1947, we have grown over the decades to be a strongly governed, value-delivering conglomerate.

Key facts

Revenue

$10 billion+

Years of legacy

74

Permanent employees

23,561

Total number of shareholders*

2,22,181

** As of March 2021*

Our values

At Grasim, all our businesses are led by five timeless values that help us differentiate ourselves, propel forward and stay resilient.

- **Integrity**
- **Commitment**
- **Passion**
- **Seamlessness**
- **Speed**

Our parentage

We are part of one of India's largest and most renowned business houses – The Aditya Birla Group. In the league of the Fortune 500, the Group is a global premium conglomerate with a wide-ranging portfolio of leading businesses spanning metals, pulp and fibre, chemicals, textiles, carbon black, telecom and cement. Today, over 50% of Group revenues flow from overseas operations that span 36 countries in North and South America, Africa and Asia. The Group is also renowned as an innovator, a social steward and an environmental custodian, with its stakeholder-centric, long-term business approach.

ADITYA BIRLA GROUP

READ MORE AT ADITYABIRLA.COM

What we do

At Grasim, we directly operate six businesses comprising our standalone verticals of viscose staple fibre (VSF), viscose filament yarn (VFY) and chemicals, along with textiles, fertilisers and insulators.

Further, we have majority ownership in UltraTech Cement and Aditya Birla Capital, which are leaders in their respective spheres. We are also growing in the solar business through our wholly owned subsidiaries.

STANDALONE BUSINESSES

Viscose

Viscose Staple Fibre

Grasim is India's pioneer in VSF — a man-made, bio-degradable fibre that is fast emerging as a sustainable alternative to cotton. A versatile fibre, VSF is used in apparel, home textiles, dress materials, knit wears and non-woven applications

KEY HIGHLIGHTS

4 Fibre plants and 1 Pulp plant in India

5,91,000 TPA
Aggregate India capacity

4 international
Pulp and fibre JVs

No.1
Producer of Viscose Staple Fibre (VSF)

Viscose Filament Yarn

Grasim is a leading viscose filament yarn (VFY) manufacturer in India and the 3rd largest globally. Also known as rayon, VFY is a natural fibre which can be made to resemble silk, cotton and wool in its feel and texture. Known for its versatility, VFY has superior drape, fluidity and lustre which make it a popular choice for manufacturing fabrics such as georgettes, crepes and chiffons

KEY HIGHLIGHTS

Two manufacturing locations

Manufactured under the Raysil brand

600+ shades
On offer for varied customer needs

No.1
Producer of Viscose Filament Yarn (VFY)

Chemicals

Chlor Alkali

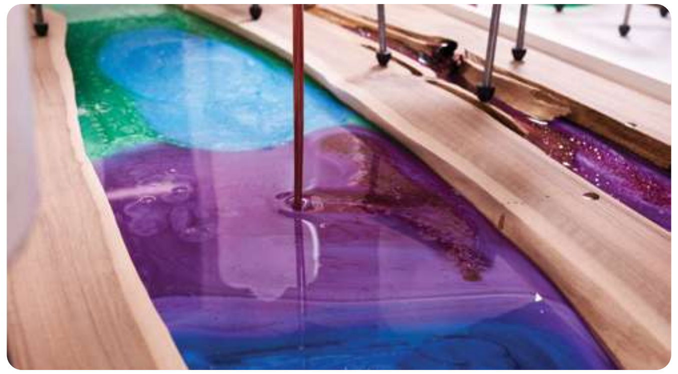
One of India's largest Chlor Alkali producers and a market leader in the chlor-alkali segment. Over the years, Grasim's chemicals business has created a strong foothold in the industry and offers a wide range of products from chlorine derivatives to epoxy

KEY HIGHLIGHTS

Eight manufacturing locations

1,147 KTPA
Chlor-alkali capacity

No.1
Producer of Caustic Soda and Chlorine derivative chemicals producer in India



Epoxy

Our advanced material, epoxy products range from basic products such liquid epoxy resins to value-added products like formulated resins, reactive diluents and hardeners

KEY HIGHLIGHTS

One manufacturing location

CAPACITY

The manufacturing complex at Vilayat houses a 123 KTPA capacity epoxy plant

Capacity expansion of 125 KTPA underway